

Fiscal Estimate Narratives

DOR 8/5/2021

LRB Number	21-4249/1	Introduction Number	AB-0483	Estimate Type	Original
Description municipal raze orders for certain insured dwellings					

Assumptions Used in Arriving at Fiscal Estimate

This bill limits the authority of a municipality to order the razing of certain insured dwellings. Under the bill, no later than 30 days after real property has incurred damage, an insurer may provide certification to a municipality that the insurer reasonably believes the real property may qualify as an insured dwelling and that a claim has been filed and the insurer reasonably believes the claim may qualify as covered damage. If a municipality receives such a certification, it may not issue a raze order unless the municipality does all of the following:

1. Provides notice of intent to issue a raze order to the owner of record of the dwelling, the holder of any encumbrance on the dwelling, and the insurer of the dwelling.
2. Accepts and considers certain materials submitted to it that assist in establishing the extent of the damage or the reasonable cost of repairs to the dwelling.
3. Conducts an on-site inspection of the dwelling to assess the extent of covered damage.
4. Determines the estimated cost of repairs for the dwelling.
5. Determines that repair of the dwelling is not reasonable. The bill also specifies that, for an insured dwelling, if the municipality determines that the estimated cost of repairs of the dwelling does not exceed 70 percent of the insurance policy limits of the dwelling, the repairs are presumed reasonable.

The local fiscal estimate is indeterminate as the department does not have data on raze order costs and the extent a municipal government is able to recuperate those costs from property owners.

The department does not have any administrative costs.

Long-Range Fiscal Implications