

Fiscal Estimate - 2021 Session

Original Updated Corrected Supplemental

LRB Number 21-5596/1	Introduction Number AB-0866
Description providing grants to municipalities to compensate for loss of revenues resulting from flood destruction and making an appropriation	
Fiscal Effect	
State:	
<input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input checked="" type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs	
Local:	
<input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input checked="" type="checkbox"/> Increase Revenue 5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
Fund Sources Affected	
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.566(2)(bc)	
Affected Ch. 20 Appropriations	
Agency/Prepared By	Authorized Signature
DOR/ Craig Steinfeldt (608) 266-5705	Jamie Adams (608) 266-6785
Date	
1/19/2022	

Fiscal Estimate Narratives

DOR 1/19/2022

LRB Number	21-5596/1	Introduction Number	AB-0866	Estimate Type	Original
Description providing grants to municipalities to compensate for loss of revenues resulting from flood destruction and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

The bill requires the Department of Revenue to establish a program to provide grants to cities and villages with a population of less than 700 to compensate for the loss of property tax revenue and revenue from water or sewerage fees, as a result of flooding and the actions of the Federal Emergency Management Agency (FEMA) for flooding that occurred after December 31, 2017. Owners of the destroyed property must have accepted a buyout from FEMA, and FEMA must have prohibited improvements on the land on which the property destroyed by flooding was located.

An eligible municipality receives a grant in an amount equal to a percentage of the three-year average of property taxes and water or sewerage fees assessed to flood destroyed property in the three-years preceding the flood. The municipality receives a payment for five years that decreases each year from 100 percent payment in the first year to a 20 percent payment in the fifth year. The department may not provide a grant based on property included in any hazard mitigation conducted by FEMA. No city or village that receives a grant may increase water, sewerage, or special charges to compensate for the revenue from destroyed property.

The bill appropriates \$100,000 in FY 2023 to provide grants to eligible municipalities. Beginning in FY 2024, the total amount of the grants provided shall not exceed \$50,000. The department is required to prorate payments if funding is insufficient to pay all the amounts. Based FEMA recovery data and counties involved in the 2018 floods, there are 43 cities or villages with populations less than 700, but the department does not have data on how many of those municipalities were impacted by the flooding or what property would qualify under the bill.

The department cannot absorb one-time administrative costs of \$37,400 for computer system development, and ongoing costs of \$1,500 for administering the grant program.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2021 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
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Description providing grants to municipalities to compensate for loss of revenues resulting from flood destruction and making an appropriation			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): \$37,400			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$1,500		\$
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance	100,000		
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$101,500		\$
B. State Costs by Source of Funds			
GPR	101,500		
FED			
PRO/PRS			
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
	Increased Rev	Decreased Rev	
GPR Taxes	\$		\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues	\$		\$
NET ANNUALIZED FISCAL IMPACT			
	<u>State</u>	<u>Local</u>	
NET CHANGE IN COSTS	\$101,500		\$
NET CHANGE IN REVENUE	\$		\$
Agency/Prepared By		Authorized Signature	Date
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