

Fiscal Estimate Narratives

DWD 12/20/2023

LRB Number	23-4679/1	Introduction Number	SB-0634	Estimate Type	Original
Description discrimination in housing based on prior eviction and providing a penalty					

Assumptions Used in Arriving at Fiscal Estimate

This bill makes it unlawful to inquire about the eviction of a prospective tenant that occurred more than five years prior, and to refuse to rent housing to an individual, or otherwise treat an individual unequally because of an eviction that occurred more than five years prior to the date of a rental application. This bill also requires the Department of Workforce Development (DWD) to oversee the proposed provisions, investigate complaints, and enforce penalties if a violation is found to have occurred.

The bill does not provide funding or position authority for the department to implement these requirements or provide ongoing oversight.

This bill's fiscal impact on DWD is estimated at \$204,000 in ongoing annual expenditures, \$6,000 in one-time costs, and an indeterminate decrease to federal revenues because the department is unable to absorb the annual costs within its current base-level General Purpose Revenue (GPR) operating budget.

This bill expands the scope of Wisconsin Open Housing law. Based on the department's experience with complaints and investigations, the bill is estimated to increase the number of open housing law complaints by 50%. Accounting for current growth in Open Housing law complaints, the department projects a total of 347 complaints will be received and managed by the department in calendar year 2023. A 50% increase from this total would equal 173 complaints, which corresponds to the workload of two equal rights officers. The fiscal effect related to implementing this bill's new administrative responsibilities is equivalent to the salary, fringe, and operational costs for two equal rights officers, which are estimated at \$204,000 total annually.

Because the bill does not provide increased funding or position authority, and because the department's GPR funding is fully subscribed, DWD assumes for the purposes of this estimate that the base GPR budget for ERD will be re-allocated to meet the new annual workload demands.

Implementing resource allocations to address the additional workload is anticipated to increase the average time needed to complete case resolutions. This will result in a reduction to ERD's annual completed caseload counts that generate federal revenues of \$830 per completed case from the Equal Employment Opportunities Commission (EEOC) reimbursement contract. These revenues are received in appropriation s. 20.445(1)(o). The department is unable to estimate the bill's impact to EEOC federal revenue at this time, but the reduction is anticipated to be material.

Under the bill, the department is permitted to seek civil action against a landlord that is alleged or found to have engaged in discrimination. In cases where the department would choose to bring civil action, the department would refer these cases to the Department of Justice (DOJ), and DWD would reimburse the DOJ for its costs. The department is unable to estimate how many cases it would refer annually; therefore, the cost of such referrals is indeterminate.

The department estimates a one-time cost of \$6,000 to revise and update online materials. These costs are absorbable within the current operating budget.

Local government counterparts to ERD may experience an increase in discrimination complaints which may necessitate additional staff. Local governments may also need to update documentation and publications including official documents. These costs are currently indeterminate.

Long-Range Fiscal Implications