

Fiscal Estimate - 2021 Session

Original Updated Corrected Supplemental

LRB Number 21-3050/1		Introduction Number SB-434	
Description municipal raze orders for certain insured dwellings			
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 type="checkbox"/> Decrease Existing Appropriations		<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Create New Appropriations		<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget	
		<input type="checkbox"/> Yes <input type="checkbox"/> No	
		<input type="checkbox"/> Decrease Costs	
Local:			
<input type="checkbox"/> No Local Government Costs			
<input checked="" type="checkbox"/> Indeterminate			
1. <input type="checkbox"/> Increase Costs		3. <input type="checkbox"/> Increase Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs		4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
5. Types of Local Government Units Affected			
<input checked="" type="checkbox"/> Towns		<input checked="" type="checkbox"/> Village	
<input type="checkbox"/> Counties		<input type="checkbox"/> Others	
<input type="checkbox"/> School Districts		<input type="checkbox"/> WTCS Districts	
<input checked="" type="checkbox"/> Cities			
Fund Sources Affected		Affected Ch. 20 Appropriations	
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS			
Agency/Prepared By		Authorized Signature	
DOR/ Craig Steinfeldt (608) 266-5705		Ann DeGarmo (608) 266-7179	
		Date	
		6/30/2021	

Fiscal Estimate Narratives

DOR 6/30/2021

LRB Number	21-3050/1	Introduction Number	SB-434	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