

Fiscal Estimate Narratives
COMM 3/10/2009

LRB Number	09-1706/1	Introduction Number	AB-0092	Estimate Type	Original
Description The regulation, preservation, and restoration of historic buildings; the supplement to the federal historic rehabilitation tax credit and the state historic rehabilitation tax credit; requiring the certification of downtowns; promoting certain downtown areas in this state; highway projects involving business and downtown areas; granting rule-making authority; and making appropriations					

Assumptions Used in Arriving at Fiscal Estimate

2009 Wisconsin AB 92 makes numerous changes regarding historic buildings and downtown development, topics which impact and involve the Department of Commerce, and also makes changes regarding major highway projects.

Historic Buildings

The Department currently administers Comm 70, the Historic Building Code, which provides alternative building standards for preserving or restoring buildings or structures designated as historic buildings. The Historic Building Code is a uniform code. Therefore, the Department currently processes petitions for variance from the code. S. 101.02 (7), Stats., indicates redress for individuals impacted by local orders that contradict Department of Commerce orders.

This legislation would require the Department to interpret the historic building code "liberally". There would be no fiscal impact on the Department resulting from this aspect of the legislation. The legislation also allows political subdivisions to issue variances relating to handrails or guardrails of qualified historic buildings. The Department receives less than 50 submittals annually for review under the Historic Building Code and therefore estimates that the number of variances granted would be negligible, resulting in a negligible decline in variances and resulting revenue. The legislation provides redress for individuals from local orders regarding historic buildings, and requires the Department to consult with the State Historical Society before making its decision. The Department anticipates a workload similar to the current redress process and therefore no fiscal impact resulting from this aspect of the legislation. The legislation would require the Department to develop and publish an informational brochure regarding the historic building code. As the number of annual submittals is low, the Department estimates that the workload associated with this can be absorbed within current resources.

Downtown Development

This legislation requires the Department to promulgate rules for the certification of downtowns and includes a number of factors that must be included when determining whether or not a downtown may qualify for certification. The legislation also requires the Department to develop and publish guidelines to aid communities in reconstructing central business districts that are destroyed or severely damaged in major disasters.

AB 92 provides for an additional 2.0 FTE positions to the Department in response to the workload generated by the bill. Due to the nature of the additional workload, the Department estimates that it would need 2.0 FTE Grants Specialist-Advanced positions to administer the provisions created under this bill. The costs for these positions are outlined below. In addition, the Department is required to promulgate administrative rules to define certified downtowns. The Department will be able to absorb those expenses with the 2.0 FTE positions included in this legislation.

The bill funds the additional 2.0 FTE positions through a provision requiring eligible recipients to pay two percent of the qualified expenses of rehabilitating their historical building to the State Historical Society as a fee for certifying the rehabilitation. The State Historical Society must then transfer 50 percent of those fees to the Department to support the costs of the provisions under this bill. The Department receives between 15 and 25 historical building plan review submittals per year. The Department does not keep records indicating the scope or anticipated expenses for each project. The amount of revenue needed to support the costs associated with the 2.0 FTE positions would be an annual average of 20 projects with an average of \$500,000 in qualified rehabilitation expenditures.

2.0 FTE Grants Specialist-Advanced

Salary: \$96,000

Fringe: \$42,400

Overhead: \$18,100

Rent: \$ 3,600

Supplies and Services: \$12,000

One-Time Costs: \$14,000

Total Costs: \$186,100

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2009 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): Includes one-time costs of \$14,000 for 2.0 FTE to provide work stations, computers, and office equipment.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$138,400		\$0
(FTE Position Changes)	(2.0 FTE)		(0.0 FTE)
State Operations - Other Costs	33,700		0
Local Assistance	0		0
Aids to Individuals or Organizations	0		0
TOTAL State Costs by Category	\$172,100		\$0
B. State Costs by Source of Funds			
GPR	0		0
FED	0		0
PRO/PRS	172,100		0
SEG/SEG-S	0		0
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)			
	Increased Rev		Decreased Rev
GPR Taxes	\$0		\$0
GPR Earned	0		0
FED	0		0
PRO/PRS	200,000		0
SEG/SEG-S	0		0
TOTAL State Revenues	\$200,000		\$0
NET ANNUALIZED FISCAL IMPACT			
	State		Local
NET CHANGE IN COSTS	\$172,100		\$0
NET CHANGE IN REVENUE	\$200,000		\$0
Agency/Prepared By		Authorized Signature	Date
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