

Fiscal Estimate - 2021 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 21-0993/1	Introduction Number AB-0031
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Description
 State government response to COVID-19 pandemic, extending the time limit for emergency rule procedures, providing an exemption from emergency rule procedures, granting rule-making authority, and making an appropriation

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate
 Increase Existing Appropriations
 Increase Existing Revenues
 Increase Costs - May be possible to absorb within agency's budget
 Decrease Existing Appropriations
 Decrease Existing Revenues

 Yes
 No
 Create New Appropriations

 Decrease Costs

Local:

No Local Government Costs
 Indeterminate

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

Fund Sources Affected	Affected Ch. 20 Appropriations
<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	

Agency/Prepared By DOR/ Craig Steinfeldt (608) 266-5705	Authorized Signature Ann DeGarmo (608) 266-7179	Date 2/10/2021
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Fiscal Estimate Narratives

DOR 2/10/2021

LRB Number	21-0993/1	Introduction Number	AB-0031	Estimate Type	Original
Description State government response to COVID-19 pandemic, extending the time limit for emergency rule procedures, providing an exemption from emergency rule procedures, granting rule-making authority, and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

This estimate pertains only to the provisions of the bill related to providing small business grants and wavier of certain interest, penalties, and payments.

Grants for Small Businesses

The bill provides \$75 million (GPR) for grants to small businesses using an undetermined methodology defined by the department. In general, small businesses, minorities, and women are having a difficult time during the COVID-19 pandemic. For businesses with annual taxable sales under \$1 million, the March through September year over year decline was 14.3%. In 2020, the leisure and hospitality sector saw a 28 percent employment loss for the period of February through December.

Wavier of Interest, Penalties, and Payments

The bill allows each state agency and authority and each local governmental unit to waive any interest, penalty, or payment that accrues or becomes due beginning on the day the bill becomes law and ending December 31, 2021.

With regards to local governments, the local fiscal effect is indeterminate and would depend on decisions made by the local officials.

For DOR, the fiscal effect of this provision is unknown, and will depend on the number of cases that are considered for waiver and the amount of interest and penalties that are included in the cases that are considered. For context, it is estimated that the Department has collected an average of \$3.3 million in monthly interest and penalties on general fund taxes.

Administrative Costs

The department has one-time administrative costs of \$93,100 for programming and supply costs.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2021 Session

Detailed Estimate of Annual Fiscal Effect

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Description State government response to COVID-19 pandemic, extending the time limit for emergency rule procedures, providing an exemption from emergency rule procedures, granting rule-making authority, and making an appropriation		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): \$93,100		
II. Annualized Costs:	Annualized Fiscal Impact on funds from:	
	Increased Costs Decreased Costs	
A. State Costs by Category		
State Operations - Salaries and Fringes	\$	\$
(FTE Position Changes)		
State Operations - Other Costs		
Local Assistance		
Aids to Individuals or Organizations	75,000,000	
TOTAL State Costs by Category	\$75,000,000	\$
B. State Costs by Source of Funds		
GPR	75,000,000	
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	\$75,000,000	\$
NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By	Authorized Signature	Date
DOR/ Craig Steinfeldt (608) 266-5705	Ann DeGarmo (608) 266-7179	2/10/2021