



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill # SB0451

Title: Liability for cleanup of insured damaged property

Primary Sponsor: Harrington, Dan

Status: As Introduced

- Significant Local Gov Impact
 Needs to be included in HB 2
 Technical Concerns
 Included in the Executive Budget
 Significant Long-Term Impacts
 Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$110,452	\$100,452	\$100,452	\$100,452
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of Fiscal Impact:

This bill will require the State Auditor's Office to send staff to investigate the validity of claims filed on insured property destroyed by fire.

FISCAL ANALYSIS

Assumptions:

State Auditor's Office

1. The State Auditor's Office (SAO) Policyholders Services Bureau staff handles an estimated 200 claims per FTE per year.
2. The State Fire Marshall confirmed that there were 756 building fires last calendar year. Of that number 544 were residence fires.
3. The SAO would require 2.00 FTE compliance specialists to handle the claims this bill will produce (\$100,452 each fiscal year for salary, benefits, and operational costs such as travel).

4. The SAO will develop a data base (\$10,000) to maintain the information related to the municipalities participating in the program outlined in this bill.

	<u>FY 2008</u> <u>Difference</u>	<u>FY 2009</u> <u>Difference</u>	<u>FY 2010</u> <u>Difference</u>	<u>FY 2011</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
Sate Auditor's Office				
<u>Expenditures:</u>				
Personal Services	\$80,952	\$80,952	\$80,952	\$80,952
Operating Expenses	\$29,500	\$19,500	\$19,500	\$19,500
TOTAL Expenditures	<u>\$110,452</u>	<u>\$100,452</u>	<u>\$100,452</u>	<u>\$100,452</u>
<u>Funding of Expenditures:</u>				
State Special Revenue (02)	\$110,452	\$100,452	\$100,452	\$100,452
<u>Revenues:</u>				
State Special Revenue (02)	\$0	\$0	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
State Special Revenue (02)	(\$110,452)	(\$100,452)	(\$100,452)	(\$100,452)

Sponsor's Initials

Date

Budget Director's Initials

Date