



DCBS would phase-in the 132 jurisdictions over a five biennia period beginning with the 2007-09 biennium and ending with the 2015-17 biennium. The total five biennia cost is estimated to be \$45.8 million. The immediate costs for the 2007-09 and 2009-11 biennia would be \$4.6 million and \$7.0 million respectively. Costs include personal services, expenditures for information Technology Professional Services Contracts, Services and Supplies, Capital Outlay and Payments to Local Jurisdictions.

The measure allows the Department to charge up to a five percent surcharge to cover actual costs. The Department, however, has based its fiscal impact on a four percent rather than a five percent surcharge. This would generate \$5.4 million Other Funds for the 2007-09 biennium and \$8.1 million for the 2009-11 biennium. The surcharge revenue collection would begin on January 1, 2008. The revenue figures allow for an ending balance of \$748,577 for the 2007-09 biennium and \$1.1 million for the 2009-11 biennium.

DCBS notes that it may need to use \$5 million of Other Funds permit revenue (boilers, structural mechanics, and electrical) over the ten-year project, in addition to the four percent surcharge, if surcharge revenue is insufficient to cover actual expenditures or issues associated with cash flow. The amount is estimated to be \$250,000 for each of the next two biennia. At least initially, these funds would be necessary to meet cash flow issues associated with expenditures that would start occurring July 1, 2007 while surcharge revenue would not begin until after January 1, 2008.

The Agency's budget bill has passed out of the Joint Committee on Ways and Means with the funding necessary to implement this bill.