

### Fiscal Estimate - 2003 Session

Original       Updated       Corrected       Supplemental

<b>LRB Number</b> <b>03-0250/1</b>	<b>Introduction Number</b> <b>AB-13</b>
<b>Subject</b> Timber sales	
<b>Fiscal Effect</b>	
<b>State:</b> <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input checked="" type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs	
<b>Local:</b> <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs      3. <input checked="" type="checkbox"/> Increase Revenue      5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input checked="" type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities 2. <input checked="" type="checkbox"/> Decrease Costs      4. <input type="checkbox"/> Decrease Revenue <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others <input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
<b>Fund Sources Affected</b> <b>Affected Ch. 20 Appropriations</b> <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	
<b>Agency/Prepared By</b> DNR/ Joe Polasek (608) 266-2794	<b>Authorized Signature</b> Joe Polasek (608) 266-2794
<b>Date</b> 2/11/2003	

**Fiscal Estimate Narratives**

**DNR 2/11/2003**

LRB Number <b>03-0250/1</b>	Introduction Number <b>AB-13</b>	Estimate Type <b>Original</b>
<b>Subject</b> Timber sales		

**Assumptions Used in Arriving at Fiscal Estimate**

Bill Summary: This bill would amend the process of selling timber damaged by fire or weather-related events. Prior to this bill, the salvage provisions only applied to timber damaged by wind or fire and only on State Forests or State Parks. Damage by snow, hail and ice has been included as has the inclusion of other lands under State jurisdiction and County Forests. The salvage provisions provide for a waiver of the requirement to advertise those timber sales if the estimated value is \$3000.00 or more. This bill would allow both the Counties and State to sell salvage sales as they deem in their best interest.

Fiscal Estimate: Savings attributed to not having to advertise a sale would be minimal and hard to ascertain. It is common practice to combine several sales at a time when advertising. The average number of "salvage" sales for the last two years on State lands and County Forests (88) would indicate that while there would be cost savings, it would be minimal. The fiscal analysis does not address these figures. The assumption is also made that in selling the sale in the "best interest" of the county or state, the property manager would sell the timber at the highest price given the considerations of contractor performance history, administrative time, and the operational specifications of the sale.

The ability to salvage timber more quickly can minimize the degradation of the forest products and thereby lead to increases in product value and stumpage prices for the landowner. This will likely have the effect of increasing revenue to the state to some extent, but any amount is difficult to estimate. Increases in stumpage values for Counties are also carried over to the Towns since County Forests pay a minimum of 10% of their stumpage back to the townships in which the county land is located. The ability to reopen recreational areas quickly could also encourage recreational use and income to recover more quickly. This would benefit both the landowner and the local economy. While real, these benefits are difficult to ascertain and are not detailed in the fiscal analysis.

**Long-Range Fiscal Implications**

None.

## Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

LRB Number <b>03-0250/1</b>		Introduction Number <b>AB-13</b>	
<b>Subject</b>			
Timber sales			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
None.			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
State Operations - Salaries and Fringes		\$	
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
<b>TOTAL State Costs by Category</b>		<b>\$</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
GPR			
FED			
PRO/PRS			
SEG/SEG-S			
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
<b>TOTAL State Revenues</b>		<b>\$</b>	<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$	\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
DNR/ Joe Polasek (608) 266-2794		Joe Polasek (608) 266-2794	2/11/2003