

### Fiscal Estimate - 2003 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>03-1422/1</b>	<b>Introduction Number</b> <b>AB-235</b>
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**Subject**  
 Payment for raw forest products

**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	<b>5. Types of Local Government Units Affected</b> <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities
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	<input type="checkbox"/> Counties <input type="checkbox"/> Others <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 checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.370(1)(mu)	

<b>Agency/Prepared By</b> DNR/ Joe Polasek (608) 266-2794	<b>Authorized Signature</b> Joe Polasek (608) 266-2794	<b>Date</b> 5/13/2003
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## Fiscal Estimate Narratives

DNR 5/13/2003

LRB Number	03-1422/1	Introduction Number	AB-235	Estimate Type	Original
<b>Subject</b>					
Payment for raw forest products					

### Assumptions Used in Arriving at Fiscal Estimate

**Bill Summary:** This bill is intended to allow a forest landowner to recover fiscal damages caused because a logging contractor did not complete the contracted obligation. Forest landowners sell standing trees (stumpage) to logging contractors. Generally a contract identifies the obligations of both parties. If the contractor fails to pay the landowner the contracted obligation, this bill indicates that the contractor is liable for the costs to establish the volume and value of the stolen raw forest products. Furthermore, the bill provides for a party who has intentionally tried to defraud a landowner to be subject to the penalties for theft. The bill also authorizes recovery of court costs and reasonable fees to the successful party if failure to pay is deemed unreasonable.

**Fiscal Estimate:** This bill would increase cost and workload for those Department foresters who hold credentials and for Department wardens. The Department's credentialed foresters and wardens may investigate the theft of forest products (statutes 26.06 and 26.97). This bill adds another investigative responsibility to the Department.

Wardens could become involved in those investigations where credentialed foresters are not available, generally in the southern and eastern portions of the state.

If this bill is approved as written, Department foresters and wardens will spend additional time investigating complaints that timber sale contracts were not executed as written. The annual fiscal estimate is 3,600 hours and \$106,650. This cost estimate is based on the following assumptions:

NIPF = non-industrial private forest

Estimate of annual # of acres of NIPF lands harvested = 270,000 acres

Estimate of average size of harvests = 30 acres

Estimate of NIPF timber sales = 9,000 harvests (270,000/30)

Estimate that 2% of the timber sales contracts are not executed properly

Estimate of # of NIPF harvests not properly compensated = 180 harvests (9,000 x 2%)

Estimated hours for investigation & testimony per case = 20 hours

Estimated hours of new workload = 3,600 hours

Average salary and fringe for a senior classification FTE = \$28/hour

Cost of salary and fringe for new workload = \$100,800 - (3,600 hours x \$28/hr)

Travel cost associated with new workload = \$5,850 (100 miles/case x \$.0325/mile x 180 cases)

TOTAL COST = \$106,650

### Long-Range Fiscal Implications

This bill would create an on-going workload. Costs would increase or decrease based on annual salary changes for the involved personnel.

## Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

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LRB Number <b>03-1422/1</b>		Introduction Number <b>AB-235</b>	
<b>Subject</b>			
Payment for raw forest products			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
<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	\$100,800		
(FTE Position Changes)			
State Operations - Other Costs	5,900		
Local Assistance			
Aids to Individuals or Organizations			
<b>TOTAL State Costs by Category</b>	<b>\$106,700</b>		<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
GPR			
FED			
PRO/PRS			
SEG/SEG-S	106,700		
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)</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	\$106,700	\$0	
NET CHANGE IN REVENUE	\$	\$0	
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
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