

### Fiscal Estimate - 2005 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>05-3710/3</b>	<b>Introduction Number</b> <b>AB-1043</b>
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**Description**  
 Issuing of building permits by cities, village, towns, and counties for building projects on land that may have an adverse impact on certain wetlands or certain poorly drained areas and making disclosures regarding certain real property that contains wetland areas

**Fiscal Effect**

**State:**

<input type="checkbox"/> No State Fiscal Effect	<input checked="" type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		

**Local:**

<input type="checkbox"/> No Local Government Costs	5. Types of Local Government Units Affected	
<input checked="" type="checkbox"/> Indeterminate	<input checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
1. <input checked="" type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	
<input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</b>
<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	20.370(4)(ma) and 20.370(4)(bi)

<b>Agency/Prepared By</b> DNR/ Joe Polasek (608) 266-2794	<b>Authorized Signature</b> Joe Polasek (608) 266-2794	<b>Date</b> 7/19/2006
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## Fiscal Estimate Narratives

DNR 7/20/2006

LRB Number	05-3710/3	Introduction Number	AB-1043	Estimate Type	Original
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### Assumptions Used in Arriving at Fiscal Estimate

#### BILL SUMMARY

Under the bill, a local unit of government (i.e., county, city, village or town) may not issue a building permit without first determining whether a project will have an adverse impact on wetlands. In addition, if a building permit has already been issued and the local unit of government subsequently determines that the building project will adversely impact a wetland, the local unit of government would be prohibited from modifying or revoking the permit.

#### ASSUMPTIONS

This fiscal estimate is based on some assumptions that have a high degree of uncertainty. If actual conditions differ from those assumptions, the fiscal impact may be dramatically different for both state and local governments. The Department assumes the following:

1. Local governments will fully enforce the provisions of the bill, meaning they will assign staff to determine if a project has the potential to impact wetlands by reviewing Wisconsin Wetland Inventory (WWI) maps and soils maps. If it is determined that no wetland impact will occur as a result of the project, the local permit will be issued. However, if it is determined that the project has the potential to impact a wetland, the local building permit will not be issued until the applicant receives approval from the DNR and/or the Army Corps of Engineers.
2. Under current law, DNR issues approximately 4,700 permits annually that are related to wetland and waterways. Of that amount, approximately 20%, or 940, are permits that involve wetlands.
3. Under current law, for every wetland/waterway permit issued, DNR staff perform twice as many "informal" reviews of projects that may have the potential to impact a wetland but do not result in the filing of an application for a DNR permit. Therefore, it is estimated that approximately 1,880 (940 x 2) informal reviews of projects that may affect wetlands are conducted annually by DNR staff.

Informal review generally consists of consultation with a project representative or staff of a local unit of government for the purposes of determining if a permit is needed and the likelihood that a permit would be granted. This "pre-screening" process provides the opportunity for a project to be modified in such a way as to avoid any impact on a wetland.

4. Approximately 4 hours of staff time is spent for every wetlands permit issued by the Department and approximately 2 hours of staff time is spent for every informal review that is conducted.
5. Local units of government will implement new or enhanced wetlands review standards as part of the process of reviewing local building permit applications and that these review standards would detect potential adverse effects on wetlands that would not likely be detected under current law. Consequently, it is estimated that the bill would increase the number of wetlands permits issued by the Department by one-third, or 310, from its current level of 940 and that it would increase the number of informal wetlands reviews by one-third, or 620, from its current level of 1,880.

#### FISCAL ESTIMATE-STATE COSTS

Using the assumptions stated above, it is estimated that 1,240 hours of staff time will be needed to process an additional 310 wetland permits (310 additional permits x 4 hrs./permit) annually. In addition, it is estimated that 1,240 hours of staff time will be needed for the additional 620 informal reviews that will be conducted (620 informal reviews x 2 hrs./review) annually. Therefore, the total workload impact of the bill is estimated to be 2,480 hours and 1.4 FTE (2,480 hrs./1,800 hrs. per FTE).

The majority of Department staff that will be involved in application review will be water management specialists. The estimated annual cost for an entry level water management specialist is \$48,000, including

salary, fringe, and supplies/travel expenses. Therefore, the annual costs for the bill are estimated to be \$67,200 ( $\$48,000 \times 1.4$  FTE).

#### FISCAL ESTIMATE-STATE REVENUES

Assuming an average permit cost of \$500, it is estimated that the bill would generate \$155,000 (310 permits x \$500) in additional wetlands permit revenue.

#### FISCAL ESTIMATE-LOCAL

Assuming full enforcement of the provisions of the bill by local units of government, counties and municipalities that are likely to be impacted most by the bill are those that currently allocate little or no staff time to reviewing building permit applications for possible impact on wetlands.

#### **Long-Range Fiscal Implications**

## Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

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<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>  Estimated computer costs of \$5,000/FTE x 1.40 FTE = \$7,000			
<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	\$63,000		\$
(FTE Position Changes)	(1.4 FTE)		
State Operations - Other Costs	4,200		
Local Assistance			
Aids to Individuals or Organizations			
<b>TOTAL State Costs by Category</b>	<b>\$67,200</b>		<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
GPR			
FED			
PRO/PRS	67,200		
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	155,000		
SEG/SEG-S			
<b>TOTAL State Revenues</b>	<b>\$155,000</b>		<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
	State		Local
NET CHANGE IN COSTS	\$67,200		\$
NET CHANGE IN REVENUE	\$155,000		\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	
DNR/ Joe Polasek (608) 266-2794		Joe Polasek (608) 266-2794	
		<b>Date</b>	
		7/19/2006	