

### Fiscal Estimate - 2005 Session

Original                       Updated                       Corrected                       Supplemental

<b>LRB Number</b> <b>05-0568/1</b>	<b>Introduction Number</b> <b>AB-420</b>	
<b>Subject</b> Give DATCP authority over all requirements concerning fencing of captive deer		
<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 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 checked="" type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input checked="" type="checkbox"/> Decrease Costs		
<b>Local:</b> <input checked="" type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs                      3. <input type="checkbox"/> Increase Revenue <b>5. Types of Local Government Units Affected</b> <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs                      4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Counties <input type="checkbox"/> Others <input 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 checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.370(1)(mu) and (3)(mu)		
<b>Agency/Prepared By</b> DNR/ Joe Polasek (608) 266-2794	<b>Authorized Signature</b> Joe Polasek (608) 266-2794	<b>Date</b> 5/25/2005

## Fiscal Estimate Narratives

DNR 5/26/2005

LRB Number	05-0568/1	Introduction Number	AB-420	Estimate Type	Original
<b>Subject</b>					
Give DATCP authority over all requirements concerning fencing of captive deer					

### Assumptions Used in Arriving at Fiscal Estimate

Bill Summary: Under current law, a person who keeps farm-raised deer other than white-tailed deer, must keep the deer confined by a fence that meets specific statutory requirements. There is no statutory authority to enforce these requirements. Effective January 1, 2003, under 2001 Wis. Act 56, known as the Captive Wildlife Bill, s. 90.21 Wis. Stats., white-tailed deer farm fence certificate requirements were created. This statute established an inspection and certification fee, administered by the DNR, of \$50 for each fenced enclosure for white-tailed deer less than 80 acres, and \$100 for enclosures 80 acres or larger. Each certificate is valid for 10 years unless revoked. The Captive Wildlife Bill also gave DNR the enforcement authority if a fence does not comply with the requirements of the certifications. This bill requires the Department of Agriculture, Trade, and Consumer Protection (DATCP) to promulgate rules requirements for fences to confine farm-raised deer of all kinds and repeals the statute relating to fencing of other than white-tailed deer. The bill also eliminates DNR's authority over fencing white-tailed deer.

#### Fiscal Estimate:

It is assumed DATCP will promulgate rules and create fee mechanisms for the certification and inspections for the deer farm fencing. It is assumed the bill will result in increased revenue and costs for DATCP. The main fiscal impacts for the DNR will result in reduced revenues and reduced costs.

Based on previous inspections and certification, it will be assumed that an equal number of the current 517 certified enclosures would be renewed each year over a ten year period and that approximately 24 new or expanded enclosures will require inspections. These assumptions would mean that the DNR will not be inspecting and certifying approximately 75 fences annually. Applications for deer farms fence inspections range in size from as small as 1/2 acre to as large as 9,150 acres (2 were for 1,000 acres, 2 were for 1,500 acres and one was for 9,150 acres).

Based on 453 deer farms >80 acres in size (or 88%) and 64 deer farms 80 or more acres in size (or 12 %) of the current 517 deer farms, this would mean that annually 66 deer farms less than 80 acres and 9 deer farms over 80 acres would be inspected and certified;  $66 \times \$50 = \$3,300$  and  $9 \times \$100 = \$900$  for a total of \$4,200 no longer paid in fees annually. This will be a decrease in revenues.

The DNR estimates the average cost of a fence inspection, issuance of the certificate, and maintaining files for each fence at \$232. This assumes the average deer farm fence takes 4.7 hours to complete based on time records kept by wardens during the 2004-05 inspection process (\$40/hour w/salary/fringe/operations/overtime = \$188), one round trip travel expense of 40 miles (at .35/mile=\$14 ) and an additional hour of Customer Service & Licensing staff time (\$ 30/hour w/salary/fringe = \$30) to issue certificate, maintain the fence file and monitor for compliance with CWD monitor programs annually for 10 years. The DNR projects the annual cost to be \$17,400 (75 farms X \$232). This will be a reduction in costs to the DNR.

Dealing with escapes from deer farms where fences rules are not in compliance could result in additional costs to the department. Deer farm escapes have occurred even under the rules that are currently in place to help assure that captive, domestic and wild herds remain separated. Without adequate staff to enforce the new DATCP fencing requirements, there is potential of an increased number of deer farm escapes from deteriorating or non-compliant fences. More escapes will lead to more time spent investigating each of these escapes, and the DNR will continue to be responsible for assessing risk to the wild deer herd and for removing escaped farm-raised deer. Both of these responsibilities may result in increased costs to the department. This is time consuming and takes away time that wardens can work to enforce other game laws and time when wildlife managers could be working on habitat and game management. The costs associated with deer farm escapes can range from low to very high. In one escape situation in 2003 in northeastern Wisconsin, costs were estimated to be \$3,400 in 2003 dollars. Local staff from Forestry, Law Enforcement

and Wildlife Management were involved and estimated the following numbers: total hours 200 at \$16/hr equals \$3,200 and total miles 770 at \$.30/mile equals \$231.

These numbers are an estimate and only reflect field time associated with the eventual removal of these animals from the wild. Costs that are not expressed or known at this time are those associated with bureau staff, legal services and our partners at DATCP. This is only one event. From April 7, 2003 to early February, 2005 DNR law enforcement has reported 82 additional deer farm escapes involving a total of 314 animals. Clearly the risk of escapes occurring is very real while information on the risk farms pose as a potential source of CWD is still incomplete.

However, the even greater and more significant fiscal impact than the escapes are the potential costs associated with the discovery of CWD in a new area of the state. This risk increases with an increase in the number of escapes possible should less enforcement of fence requirements be realized. The significant costs associated with Chronic Wasting Disease and Bovine TB are already well documented in Wisconsin and Michigan.

These increased costs cannot be adequately estimated at this time, and are not shown in the fiscal estimate worksheet.

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

## Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>05-0568/1</b>		<b>Introduction Number</b> <b>AB-420</b>	
<b>Subject</b>			
Give DATCP authority over all requirements concerning fencing of captive deer			
<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	\$	-16,350
	(FTE Position Changes)		
	State Operations - Other Costs		-1,050
	Local Assistance		
	Aids to Individuals or Organizations		
	<b>TOTAL State Costs by Category</b>	<b>\$</b>	<b>\$-17,400</b>
<b>B. State Costs by Source of Funds</b>			
	GPR		
	FED		
	PRO/PRS		
	SEG/SEG-S		-17,400
<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		-4,200
	SEG/SEG-S		
	<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$-4,200</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
		State	Local
NET CHANGE IN COSTS		\$-17,400	\$
NET CHANGE IN REVENUE		\$-4,200	\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
DNR/ Joe Polasek (608) 266-2794		Joe Polasek (608) 266-2794	5/25/2005