

Fiscal Estimate - 2005 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 05-4165/1	Introduction Number AB-874	
Description Well drilling, pump installing, well inspection and abandonment, granting rule-making authority, and providing a penalty		
Fiscal Effect		
State:		
<input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate		
<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations	<input checked="" type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs	
Local:		
<input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate		
1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
Fund Sources Affected		
<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(4)(mq)		
Affected Ch. 20 Appropriations		
Agency/Prepared By	Authorized Signature	Date
DNR/ Joe Polasek (608) 266-2794	Joe Polasek (608) 266-2794	12/23/2005

Fiscal Estimate Narratives

DNR 12/28/2005

LRB Number	05-4165/1	Introduction Number	AB-874	Estimate Type	Original
Description Well drilling, pump installing, well inspection and abandonment, granting rule-making authority, and providing a penalty					

Assumptions Used in Arriving at Fiscal Estimate

Bill Summary:

Current law requires all well drilling and pump installing businesses as well as individual well drillers and pump installers to be registered. This bill modifies the registration system to change individual well driller and pump installer registrations to licenses. The bill does not make substantive changes to how businesses are registered. In addition the bill creates a new category of registrant, drill rig operators, in the water well drilling industry. The intent of the new registration program is to prepare individuals for licensing as water well drillers. Under the proposed law a person would have to be a registered drill rig operator before he or she can become a licensed well driller through the examination process. In addition, this bill authorizes DNR to issue citations to enforce some rules related to well drilling and pump installing. This bill prohibits a person from filling or sealing a water supply well unless the person is a licensed well driller or pump installer, is supervised by a licensed well driller or pump installer, or is a certified water system operator. The bill also provides that if a property transfer is contemplated, an individual may not perform an inspection of the property for the purpose of evaluating water supply wells or pressure systems unless the individual is a licensed well driller or pump installer.

Fiscal Effect:

The bill will increase costs to the Department by an estimated \$5,000 of salary and supplies-related expenditures associated with 0.07 FTE. The estimate includes costs associated with processing approximately 500 new registration applications each year for drilling rig operators. It is estimated that it will take approximately 0.25 hrs. for a water supply specialist to review each registration application, determine the applicants qualifications, and issue the registration.

500 registrations x .25 hours/license application = 125 hours

125 hours/1,800 hours per FTE = 0.07 FTE

Water Supply Specialist-Advanced (\$31.81/hr. salary and fringe) x 2,080 hours + \$5,200 supplies-related expenses = \$71,400

\$71,400 x 0.07 FTE = \$5,000

The Department believes that the fiscal impact of issuing citations will be offset by reduced use of other enforcement actions. The remaining changes proposed under this bill are structured in a way so they are self-effectuating. Therefore, the Department believes that their fiscal impact will be negligible.

The bill will also increase licensing revenues by \$12,500 annually (500 registration x \$25/registration).

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

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Description Well drilling, pump installing, well inspection and abandonment, granting rule-making authority, and providing a penalty			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$4,600	
(FTE Position Changes)		(0.1 FTE)	
State Operations - Other Costs		400	
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$5,000	\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S		5,000	
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$
GPR Earned		12,500	
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues		\$12,500	\$
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$5,000	\$
NET CHANGE IN REVENUE		\$12,500	\$
Agency/Prepared By		Authorized Signature	Date
DNR/ Joe Polasek (608) 266-2794		Joe Polasek (608) 266-2794	12/23/2005