

Fiscal Estimate Narratives

DNR 3/12/2007

LRB Number	07-1076/1	Introduction Number	SB-033	Estimate Type	Original
Description Failure to pay owners of raw forest products, requiring mills that process forest products to provide receipts, and providing a penalty					

Assumptions Used in Arriving at Fiscal Estimate

Bill Summary: This bill would allow a forest landowner to recover money damages caused because a logging contractor did not complete the contracted obligation. Forest landowners sell standing trees (stumpage) to logging contractors. Under the bill, if the contractor fails to pay the landowner the contracted obligation, the contractor is subject to a forfeiture and for the costs to establish the volume and value of the stolen raw forest products. The bill also provides that a party who has intentionally tried to defraud a landowner is 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 the workload for credentialed DNR foresters (and potentially for DNR wardens where credentialed foresters are not available.) 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. This additional responsibility is estimated to cost 3,600 hours, equivalent to 2.0 FTE, and \$133,600 annually, based on the following assumptions: 1) Estimated annual # of acres of Non-industrial Private Forest (NIPF) lands harvested = 270,000 acres; 2) Estimated average size of harvest = 30 acres; and estimate of NIPF timber sales = 9,000 harvests (270,000/30); 3) Estimated 2% of timber sales contracts are not executed properly; 4) Estimated # of NIPF harvests not properly compensated = 180 harvests (9,000 x 2%); 5) Estimated hours for investigation & testimony per case = 20 hours; and hours of new workload = 3600 (180 x 20); 6) Salary and fringe costs associated with new workload (at \$34.96/hour average for a senior forester classification) = 3,600 hours x \$34.96/hour = \$125,900; 7) Travel cost associated with new workload = \$7,700 (100 miles/case x \$.425/mile x 180 cases). Therefore, total costs to the Department are estimated at \$133,600 annually.

This bill also has the potential to increase local government costs by a small, but indeterminate amount. Technically, local law enforcement agencies have the authority to enforce the provisions of this bill. However, historically, enforcement of the provisions of Chapter 26, Stats., has fallen almost exclusively to the Department. Therefore the Department assumes this practice will continue.

Long-Range Fiscal Implications

None

Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description Failure to pay owners of raw forest products, requiring mills that process forest products to provide receipts, 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	\$125,900		\$
(FTE Position Changes)	(2.0 FTE)		
State Operations - Other Costs	7,700		
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$133,600		\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S	133,600		
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			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues	\$		\$
NET ANNUALIZED FISCAL IMPACT			
	State		Local
NET CHANGE IN COSTS	\$133,600		\$
NET CHANGE IN REVENUE	\$		\$
Agency/Prepared By		Authorized Signature	Date
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