

2009 DRAFTING REQUEST

Bill

Received: 12/16/2008

Received By: btradewe

Wanted: As time permits

Identical to LRB:

For: Administration-Budget

By/Representing: Miner

This file may be shown to any legislator: NO

Drafter: btradewe

May Contact:

Addl. Drafters:

Subject: Environment - water quality

Extra Copies:

Submit via email: NO

Pre Topic:

DOA:.....Miner, BB0265 -

Topic:

Great Lakes Compact and water use fees

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?				_____			S&L
/P1	btradewe 12/18/2008	wjackson 01/05/2009	mduchek 01/05/2009	_____	sbasford 01/05/2009		S&L
/P2	btradewe 01/12/2009	wjackson 01/13/2009	mduchek 01/13/2009	_____	cduerst 01/13/2009		S&L
/1	btradewe 01/14/2009	wjackson 01/15/2009	jfrantze 01/15/2009	_____	sbasford 01/15/2009		

FE Sent For:

<END>

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/?							S&L
/P1	btradewe 12/18/2008	wjackson 01/05/2009	mduchek 01/05/2009		sbasford 01/05/2009		

FE Sent For:

/p2 wlj 1/13

*WJ
1/13*

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/?	btradewe	/pl 1/5 09 WLJ	WD	1/5 WD			

FE Sent For:

<END>

2009-11 Budget Bill Statutory Language Drafting Request

- Topic: Great Lakes Compact and water use fees
 - Tracking Code: BB0265
 - SBO team: Agriculture, Environment and Justice
 - SBO analyst: Andrew Miner *AM*
 - Phone: 266-1103
 - Email: andrew.miner@wisconsin.gov
 - Agency acronym: DNR
 - Agency number: 370
 - Priority (Low, Medium, High): High
-
- Intent:
 1. Create a continuing, all-moneys received program revenue appropriation in program 4 of DNR to fund operating expenses related to water use and activities related to the implementation of the Great Lakes Compact in Wisconsin. Authorize \$283,200 in expenditure authority in this appropriation in fiscal year 2010-11.
 2. Establish 3 program revenue fees that would deposit revenue into this appropriation, all effective January 1, 2011. They are a statewide water use base fee, Great Lakes basin withdrawal fee and diversion application fee. These are detailed on pages 4 and 5 of the attached issue paper.

**DEPARTMENT OF NATURAL RESOURCES
2009-11 BIENNIAL BUDGET
ISSUE PAPER**

PROGRAM: Water Division
SUBPROGRAM: Drinking Water & Groundwater
DECISION ITEM: Great Lakes Compact Implementation

Issue:

Water is the cornerstone to Wisconsin's economic future. However, over the last century, growing demand for water has contributed to long-term reductions in groundwater levels that affect the quantity and quality of water available to communities, private well users, industry, agriculture, and in some cases, to the lakes, rivers, wetlands and springs that depend on groundwater for year-round flow.

Many efforts are underway to establish and promote water conservation and efficiency in Wisconsin. These efforts include:

- Conserve Wisconsin – Conserve Wisconsin is a broad package of legislation and executive orders that was introduced by Governor Doyle in August 2005. This sweeping environmental package is intended to safeguard Wisconsin's great environmental legacy. Under this package Governor Doyle has directed DNR and the Public Service Commission to develop and implement actions to help conserve water, initially in the Great Lakes basin and ultimately statewide.
- The Groundwater Protection Bill (Act 310) – This bill, passed in April 2004, establishes groundwater protection areas and groundwater management areas and established a groundwater advisory committee. In its 2006 report to the Legislature, the groundwater advisory committee concluded that groundwater management plans must include a conservation component and that high capacity well approval criteria in Groundwater Management Areas will include conservation considerations.
- The Great Lakes-St. Lawrence River Basin Water Resources Compact (2007 Act 227) – This Act was signed into law by the Governor on May 27, 2008 and contains Wisconsin's ratification of the proposed Great Lakes-St Lawrence River Basin Water Resources Compact (Compact); regulates water use in the Wisconsin portion of the Great Lakes Basin; implements the Compact in Wisconsin and establishes other state water use programs. Use of water from the Upper Mississippi River basin is subject only to voluntary water conservation and efficiency measures.

Additional resources, including staff, will be needed to effectively implement these efforts.

Seeking Legislative Support for Delayed Implementation of Water Use Permit

Effective December 8, 2008, Wis. Stat. §§281.346 (4m) and (5)(a) require coverage under a general permit for Great Lakes basin withdrawals averaging 100,000 gallons per day or more in any 30 day period and individual permit coverage for Great Lakes basin withdrawals of at least 1 million gallons per day for any 30 consecutive days. *For the reasons listed in the bullet points below, the Department will be proposing to delay when the permitting requirement will take effect until December 8, 2011 and will be seeking legislative support to implement these changes in the upcoming legislative session.*

- The unexpectedly swift ratification of the Compact by the U.S. Congress along with the accelerated time frame for implementing it that is included in 2007 Wisconsin Act 227 make it difficult if not impossible to promulgate rules and implement a water use registration, reporting, and permitting program.
- The Great Lakes—St. Lawrence River Basin Water Resources Compact allows 5 years from the effective date of the Compact for states to “create a program for the management and regulation of new or increased withdrawals and consumptive uses” [See §281.343 (4p)]. This is the permitting portion of Wisconsin’s program. The Compact also allows 5 years from the effective date for the registration and reporting portion of the program [see §281.343(4)] and allows 2 years from the effective date for the development of a water conservation and efficiency program [see §281.343(4b)(b)].
- A reasonable 3-year timeline to develop a program for the management and regulation of new or increased withdrawals and consumptive uses is still significantly faster than contemplated by even the most optimistic of Legislators or interested parties when Act 227 was debated and passed.
- Creating a reasonable program for the management and regulation of new or increased withdrawals and consumptive uses in Wisconsin’s portion of the Great Lakes Basin warrants a thorough rulemaking process with adequate public participation—a process likely to take at least two full years. The sponsors of 2007 Wisconsin Act 227 assumed the Department would have adequate time for the rulemaking process prior to the Compact’s effective date.
- Stakeholders involved in discussions over the Act 227 legislation expected a transparent implementation planning and rule-making process before water use permits are required.
- The Department is not in a budgetary position to fund a new program at this time, and we lack the data necessary to implement a new well-structured and equitable fee to fund additional staffing and expenditure authority to implement the program.

In addition to delaying the permitting requirement, our proposal will also entail repealing existing language that provides that the Department must—within one year—issue coverage under a general or individual permit to persons receiving interim approvals [See §§281.346 (4s)(c) and (5)(c)].

If the Department's request is successful in delaying implementation, the Department would continue to register withdrawals and require reporting, but water use permits would not be required until December 8, 2011.

Budget Request:

The Department requests 4.0 FTE and spending authority of \$283,200 PR in FY 2011 to begin implementation of the Great Lakes Compact and a statewide conservation and efficiency program. The requested positions would start January 1, 2011 and would be categorized as follows:

- Two regional water supply specialists to implement the water use registration, permitting, and reporting program, and to provide compliance assistance. The Department would station one FTE in the Southeast and one in the Northeast region. These positions would also oversee the water conservation and efficiency program in those regions.
- One central office water supply specialist to serve a statewide coordinative role for the statewide conservation and efficiency program, water use registration, and permitting, and applications for diversions from straddling communities.
- One central office natural resources staff specialist to oversee the extensive public involvement activities mandated by the Compact legislation, to serve as a liaison with the Great Lakes council and regional body for reporting purposes, and to coordinate outreach efforts for water conservation and efficiency and statewide water use information.

The projected costs are summarized in the following table:

Cost Summary for Great Lakes Compact Proposal		
Cost Category	FY 10	FY 11*
Salary	--	90,300
Fringe	--	43,900
Supplies and Services	--	24,000
IT Contract	--	125,000
Total	--	\$283,200
*Effective date of 1/1/11 for positions. Full funding for positions would be needed beginning in FY 2012.		

This request would also require the creation of a continuing, all-moneys-received program revenue appropriation from which water use program staffing and other expenses would be funded.

Fee Request:

The Department proposes the following fees that would go into effect January 1, 2011 to fund the resources that will be needed to implement the Compact. The revenue would be deposited in a continuing, all-moneys-received program revenue appropriation.

1. Statewide Water Use Base Fee

The Department proposes to amend §281.346 to allow for the implementation of a statewide sustainable water use base fee assessed on any person with a water supply system that has the capacity to withdraw an average of 100,000 gallons per day or more in any 30-day period. The Department prefers that the authority for the fee and the original fee amount of \$60 be set in statute, but that the Department would subsequently be allowed to modify the fee by administrative rule.

A preliminary estimate of what the base fee would generate in revenue is provided in the following table:

Statewide Base Fee—Revenue Estimate					
Annual Base Fee	System Type				Estimated Revenue
	High Capacity Well Properties*	Municipal Systems	Other-than-Municipal Systems	Surface Water Withdrawals	
\$60	3,700	546	122	400	\$286,080

*Assumes fee imposed on High Capacity "property" -- which may include several wells. The approximately 3,700 high cap properties include approx 11,000 wells. Therefore a \$60 fee would equate to roughly \$20 per well, on average.

2. Great Lakes Basin Withdrawal Fee

The Department proposes to amend §281.346 to allow for the implementation of a graduated water use fee on persons withdrawing more than 50 million gallons of water per year within the Great Lakes Basin. This fee would be addition to the base fee and would be graduated based on amounts of water withdrawn. As with the statewide base fee, the Department prefers that the authority for the fee and the original fee amount be set in statute, but that the Department would subsequently be allowed to modify the fee by administrative rule.

The following table provides details on how the Great Lakes Basin fee would be structured:

Great Lakes Basin Fee--Revenue Estimate					
Withdrawal Increment (in mil gal/yr - MGY)	Fee per million	# of hi cap properties**	# of public systems**	Total systems by increment	\$ Total
0 - 50	\$0*	121	60	181	
50 - 100	\$0.25	135	19	154	
100 - 150	\$0.50	117	29	146	
150 - 200	\$0.75	73	16	89	
200 - 250	\$1.00	56	11	67	
250 - 300	\$1.25	58	13	71	
300 - 350	\$1.50	47	14	61	
350 - 400	\$1.75	28	6	34	
400 - 450	\$2.00	60	8	68	
450 - 500	\$2.25	14	8	22	
500 +	\$2.50	310	87	397	
	Totals	1,019	271	1,290	\$1,010,700
*Included in statewide base fee					
**The number of hi-cap properties and public systems should be considered preliminary. Final numbers will not be available until all withdrawers are registered and report on their annual water use.					

There are several assumptions built into this revenue estimate, which are as follows:

- The overall number of systems listed is conservative. Potentially, there are dozens of surface water withdrawals in the GL Basin are not listed in the graduated fee system.
- The Graduated Fee system is similar to one implemented statewide in Minnesota. The categories are the same, but Minnesota's base fee (0 - 50 mgy) is \$140 and the graduated fee goes from \$3.50 per million for the 50-100 category to \$8.00 per million for the above 500 category -- in increments of \$0.50.
- The revenue estimate assumes that the maximum fee for a public system would be \$100,000. Under this scenario, the 5 public systems paying the highest fees would be 1) Milwaukee (\$100,000); 2) Racine (\$54,000); 3) Green Bay (\$37,600); 4) Kenosha (\$35,800); and 5) Sheboygan (\$32,200). [By comparison, Minnesota's fees are capped @ \$250,000]
- The revenue estimate also assumes that the maximum high capacity property fee would be \$10,000 -- with only one property paying the highest fee.

3. Diversion Application Fee

The Department proposes to amend §281.346 to allow for the implementation of a flat \$5,000 fee for review of applications for diversions under §281.346 (4). The fee would apply to future diversion applicants, of whom there are expected to be very few.

Background Information:

Conserve Wisconsin

As part of his Conserve Wisconsin Agenda, Governor Doyle directed the Department of Natural Resources and the Public Service Commission of Wisconsin to work with interested stakeholders to identify a menu of demand side initiatives to reduce water use in Wisconsin. This menu of demand side initiatives was completed and a report was submitted to Governor in September 2006. The report recommended taking advantage of the momentum in water conservation activities and

- conduct public education on the menu of water conservation activities described in the report,
- collect baseline data on water use to measure future water conservation efforts, and
- further development of a statewide water conservation and efficiency education effort.

On May 27, 2008 Governor Doyle signed 2007 Wisconsin Act 227. Act 227 directs the Department to develop and implement several new requirements related to water use in the state, including:

- Statewide registration and annual reporting for water systems with the capacity to withdraw 100,000 gallons water per day (GPD) or more in any 30-day period;
- Developing and implementing a statewide water conservation and efficiency program;
- Developing and implementing a water use permitting program within the Great Lakes Basin for all water systems with the capacity to withdraw 100,000 GPD or more in any 30-day period;
- Establishing a review process for any proposed diversions of Great Lakes water;
- Reviewing water supply service area plans, which are required for any public water system serving a population of 10,000 or more;
- Instituting a public participation process for Great Lakes Basin water use permits;
- Developing a database of water use information and publishing a report of the information on a regular basis.

The Groundwater Protection Bill (Act 310)

Governor Doyle signed 2003 Wisconsin Act 310, creating the Groundwater Advisory Committee to address the management and sustainability of Wisconsin's groundwater resources. As required by the act, the committee developed and submitted two reports to the legislature.

In the 2006 Report to the Legislature on Groundwater Management Areas the committee concluded that groundwater management plans must include a conservation component. In addition, to ensure that private high capacity wells are constructed and operated in a manner that is consistent with the overall goals for the groundwater management area, the Committee recommended that conservation considerations be included in high capacity well approvals in Groundwater Management Areas.

In the 2007 Report to the Legislature, the committee unanimously recommended development of a coordinated statewide water policy that should:

- Balance competing uses, including environment protection,
- Rely on sound science and the principles of adaptive management,
- Encourage efficient water use while discouraging waste
- Provide for coordination among state and local governmental agencies, and
- Seek to ensure adequate water supplies for future generations.

Great Lakes Compact

On December 13, 2005, the Great Lakes Governors and Premiers signed agreements at the Council of Great Lakes Governors' (CGLG) Leadership Summit that will provide unprecedented protections for the Great Lakes–St. Lawrence River Basin. The compact was passed by the Wisconsin Legislature on May 14, 2008 and signed by the Governor on May 27, 2008.

All eight Great Lakes States ratified the Compact in the summer of 2008, the U.S. Congress consented to the Compact in September 2008, and the President signed Congress' consent resolution in October 2008.

The Compact creates unprecedented protections for the Great Lakes and ensures their continued availability for regional economic growth. It bans long-distance diversions and provides a framework for ensuring sustainable water use in the Great Lakes basin. It also addresses potential diversions to communities within straddling counties, introduces incentives for regional water planning, and creates for the first time a statewide water conservation and efficiency program.

Analysis of Need

More and more pressure is being placed on our limited fresh water resources. Between 1950 and 2000, the U.S. population nearly doubled. However, in that same period, public demand for water more than tripled. We must explore ways to protect the environment and sustainably manage fresh water resources to ensure there will be water for future generations. Water conservation and efficiency must be included in any sustainability effort.

Many efforts are underway to establish and promote water conservation in Wisconsin; however, due to a lack of resources, the Department is currently unable to bring these efforts to fruition. To date, the Department has not received any resources for water conservation and efficiency, and, due to funding restraints and other vital program commitments, the Department is unable to redirect existing resources.

If this request is approved the Department will be able to establish a coordinated, concerted effort for water conservation and efficiency in Wisconsin. In addition, the Department will be able to develop and report on a water conservation and efficiency program as required by the Great Lakes Compact, ensure that groundwater management plans include a viable water conservation plan as required by the Groundwater Protection Act, and take advantage of the momentum in water conservation activities as suggested by the Conserve Wisconsin initiative.

If this request is not approved the Department will not be able to adequately implement the Great Lakes Compact and the water conservation initiative envisioned by the Governor will likely not be realized.

APPENDIX

See attached Excel document for a timeline of Compact implementation activities:



G.L. Compact
Timeline.xls (17 ...)

Tradewell, Becky

From: Miner, Andrew - DOA [Andrew.Miner@Wisconsin.gov]
Sent: Wednesday, December 17, 2008 1:50 PM
To: Tradewell, Becky
Subject: RE: Water fee request

Becky,
We'd like the appropriation to be continuing. Thanks - Andrew

From: Tradewell, Becky [mailto:Becky.Tradewell@legis.wisconsin.gov]
Sent: Tuesday, December 16, 2008 11:41 AM
To: Miner, Andrew - DOA
Subject: Water fee request

Andrew,

I want to make sure I know exactly what kind of appropriation to include in the draft for Great Lakes Compact and water use fees (BB0265). From the instructions, there seem to be two possibilities:

1. A program revenue continuing appropriation. This would read something like: All moneys received from fees under s. 281.346 (?) to be used for expenses related to This would authorize DNR to expend how ever much fee revenue is received. There would be no automatic lapse from the appropriation account.
2. A program revenue annual appropriation. This would read something like: The amounts in the schedule for expenses related to All moneys received under s. 281.346 (?) shall be credited to this appropriation. This would limit the expenditure authority in each fiscal year to the amount in the schedule for that fiscal year. There would be no automatic lapse from the appropriation account.

Please let me know which it should be.

Don't hesitate to contact me if you have any questions.

Becky Tradewell
6-7290

In 12/18

WLj

DOA:.....Miner, BB0265 - Great Lakes Compact and water use fees
FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

DLWote

DO NOT GEN

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

✓ ENVIRONMENT

✓ WATER QUALITY

Under current law, DNR conducts activities related to the withdrawal and use of water in this state, including activities to implement the Great Lakes Water Resources Compact.

This bill establishes three fees, to be paid beginning in 2011, that DNR may use for activities related to water use, including activities to implement the Great Lakes Water Resources Compact. The first is an annual flat fee to be paid by a person with a water supply system anywhere in this state with the capacity to withdraw 100,000 gallons or more per day. The fee is \$60, except that DNR may modify the amount of the fee by rule.

The second fee is imposed on a person who withdraws more than 50,000,000 gallons of water from the Great Lakes basin in a year. This fee ranges from 25 cents per million gallons to \$2.50 per million gallons depending on the amount withdrawn in a year, except that the maximum fee for a public water system is \$100,000 per year and except that DNR may modify the amount of the fee by rule.

Current law requires a person who intends to transfer (divert) water out of the Great Lakes basin to apply to DNR. The law provides that water may only be diverted out of the basin for the purpose of providing water to the public. The third water use fee established in the bill is a fee of \$5,000 that must be paid by a person applying for approval of a diversion out of the Great Lakes basin.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 20.370 (4) (aj) of the statutes is created to read:

2 20.370 (4) (aj) *Water resources — water use fees.* From the general fund, all
3 moneys received under s. 281.346 (12) for activities related to water use and the
4 administration of s. 281.346.

 ****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

5 **SECTION 2.** 281.346 (12) of the statutes is created to read:

6 281.346 (12) **FEES.** (a) A person who has a water supply system with the
7 capacity to make a withdrawal from the waters of the state averaging 100,000
8 gallons per day or more in any 30-day period shall pay to the department an annual
9 fee of \$60, except that the department may promulgate a rule specifying a different
10 amount.

11 (b) In addition to the fee under par. (a), a person who withdraws from the Great
12 Lakes basin more than 50,000,000 gallons per year shall pay to the department an
13 annual fee in the following amount, except as provided under par. (c):

14 1. If the person withdraws more than 50,000,000 gallons per year but less than
15 100,000,000 gallons per year, 25 cents per million gallons.

16 2. If the person withdraws more than 100,000,000 gallons per year but less
17 than 150,000,000 gallons per year, 50 cents per million gallons.

18 3. If the person withdraws more than 150,000,000 gallons per year but less
19 than 200,000,000 gallons per year, 75 cents per million gallons.

1 4. If the person withdraws more than 200,000,000 gallons per year but less
2 than 250,000,000 gallons per year, \$1 per million gallons.

3 5. If the person withdraws more than 250,000,000 gallons per year but less
4 than 300,000,000 gallons per year, \$1.25 per million gallons.

5 6. If the person withdraws more than 300,000,000 gallons per year but less
6 than 350,000,000 gallons per year, \$1.50 per million gallons.

7 7. If the person withdraws more than 350,000,000 gallons per year but less
8 than 400,000,000 gallons per year, \$1.75 per million gallons.

9 8. If the person withdraws more than 400,000,000 gallons per year but less
10 than 450,000,000 gallons per year, \$2 per million gallons.

11 9. If the person withdraws more than 450,000,000 gallons per year but less
12 than 500,000,000 gallons per year, \$2.25 per million gallons.

13 10. If the person withdraws more than 500,000,000 gallons per year, \$2.50 per
14 million gallons.

15 (c) 1. Except as provided under subd. 2., the maximum annual fee under par.

16 ^b
_K (c) for a person operating a public water supply system is \$100,000.

17 2. The department may promulgate a specifying different amounts for the fee
18 under par. (b).

19 (d) A person who submits an application under sub. (4) shall pay to the
20 department a review fee of \$5,000.

21 **SECTION 9437. Effective dates; Natural Resources.**

22 (1) WATER USE FEES. The treatment of sections 20.370 (4) (aj) and 281.346 (12)
23 of the statutes takes effect on January 1, 2011.

24

(END)

DNote

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-1155/P1dn
RCT.....

Wlj

Date

Andrew Miner:

This is a draft of the water use fee proposal. It should be reviewed carefully.

The instructions indicated that the revenue estimate assumed that the maximum graduated fee for a public water supply system would be \$100,000. I included that limit, subject to adjustment by DNR by rule. The instructions also indicated that "the maximum high capacity property fee would be \$10,000." I did not understand what was intended by this statement, so there is nothing reflecting it in the draft.

If you have any questions, please contact me.

Rebecca C. Tradewell
Managing Attorney
Phone: (608) 266-7290
E-mail: becky.tradewell@legis.wisconsin.gov

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-1155/P1dn
RCT:wlj:md

January 5, 2009

Andrew Miner:

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If you have any questions, please contact me.

Rebecca C. Tradewell
Managing Attorney
Phone: (608) 266-7290
E-mail: becky.tradewell@legis.wisconsin.gov

STATE OF WISCONSIN - LEGISLATIVE REFERENCE BUREAU

LRB

Research (608-266-0341)

Library (608-266-7040)

Legal (608-266-3561)

LRB

1/9/09

- 1155/1

Per Andrew: one of Robin's drafts also creates
s. 20.370(4)(aj), so change the alpha in this draft.

AT



State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-1155/P#2
RCT:wlj:md vmr
↑
Stays

IN 1/12

DOA:.....Miner, BB0265 - Great Lakes Compact and water use fees
FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

DNote

DO NOT GO

1 AN ACT ...; relating to: the budget.

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Current law requires a person who intends to transfer (divert) water out of the Great Lakes basin to apply to DNR. The law provides that water may only be diverted out of the basin for the purpose of providing water to the public. The third water use fee established in the bill is a fee of \$5,000 that must be paid by a person applying for approval of a diversion out of the Great Lakes basin.

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 ****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

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6 281.346 (12) FEES. (a) A person who has a water supply system with the
7 capacity to make a withdrawal from the waters of the state averaging 100,000
8 gallons per day or more in any 30-day period shall pay to the department an annual
9 fee of \$60, except that the department may promulgate a rule specifying a different
10 amount.

11 (b) In addition to the fee under par. (a), a person who withdraws from the Great
12 Lakes basin more than 50,000,000 gallons per year shall pay to the department an
13 annual fee in the following amount, except as provided under par. (c):

14 1. If the person withdraws more than 50,000,000 gallons per year but less than
15 100,000,000 gallons per year, 25 cents per million gallons.

16 2. If the person withdraws more than 100,000,000 gallons per year but less
17 than 150,000,000 gallons per year, 50 cents per million gallons.

18 3. If the person withdraws more than 150,000,000 gallons per year but less
19 than 200,000,000 gallons per year, 75 cents per million gallons.

1 4. If the person withdraws more than 200,000,000 gallons per year but less
2 than 250,000,000 gallons per year, \$1 per million gallons.

3 5. If the person withdraws more than 250,000,000 gallons per year but less
4 than 300,000,000 gallons per year, \$1.25 per million gallons.

5 6. If the person withdraws more than 300,000,000 gallons per year but less
6 than 350,000,000 gallons per year, \$1.50 per million gallons.

7 7. If the person withdraws more than 350,000,000 gallons per year but less
8 than 400,000,000 gallons per year, \$1.75 per million gallons.

9 8. If the person withdraws more than 400,000,000 gallons per year but less
10 than 450,000,000 gallons per year, \$2 per million gallons.

11 9. If the person withdraws more than 450,000,000 gallons per year but less
12 than 500,000,000 gallons per year, \$2.25 per million gallons.

13 10. If the person withdraws more than 500,000,000 gallons per year, \$2.50 per
14 million gallons.

15 (c) 1. Except as provided under subd. 2., the maximum annual fee under par.
16 (b) for a person operating a public water supply system is \$100,000.

17 2. The department may promulgate a specifying different amounts for the fee
18 under par. (b).

19 (d) A person who submits an application under sub. (4) shall pay to the
20 department a review fee of \$5,000.

21 **SECTION 9437. Effective dates; Natural Resources.**

22 (1) WATER USE FEES. The treatment of sections 20.370 (4) ^{ai}~~(4)~~ and 281.346 (12)
23 of the statutes takes effect on January 1, 2011.

24 (END)

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**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-1155/P1dn

RCT:wj:md

2
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Stays

January 5, 2009

Date

Andrew Miner:

This is a draft of the water use fee proposal. It should be reviewed carefully.

The instructions indicated that the revenue estimate assumed that the maximum graduated fee for a public water supply system would be \$100,000. I included that limit, subject to adjustment by DNR by rule. The instructions also indicated that "the maximum high capacity property fee would be \$10,000." I did not understand what was intended by this statement, so there is nothing reflecting it in the draft.

If you have any questions, please contact me.

Rebecca C. Tradewell
Managing Attorney
Phone: (608) 266-7290
E-mail: becky.tradewell@legis.wisconsin.gov

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1155/P2dn
RCT:wlj:md

January 13, 2009

Andrew Miner:

This is a draft of the water use fee proposal. It should be reviewed carefully.

The instructions indicated that the revenue estimate assumed that the maximum graduated fee for a public water supply system would be \$100,000. I included that limit, subject to adjustment by DNR by rule. The instructions also indicated that "the maximum high capacity property fee would be \$10,000." I did not understand what was intended by this statement, so there is nothing reflecting it in the draft.

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Rebecca C. Tradewell
Managing Attorney
Phone: (608) 266-7290
E-mail: becky.tradewell@legis.wisconsin.gov

1/13/2009 4:40 pm

Becky,

The changes to the Great Lakes draft I received from DNR have to do with the structure of the proposed fees. These are changes to make to the 1155/P2 draft I received this morning.

1. Change the base fee under 281.346 (12)(a) from \$60 to \$125.
2. Remove the specific amounts for the graduated fee under 281.346 (12)(b) and give DNR authority to set this fee by rule.
3. If this matters after you've done the above, I think there needs to be the word "rule" inserted before "specifying" on line 17 of page 3.

Andrew



State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-1155/P2 1

RCT:wlj:md

In 1/14

stays vmr

DOA:.....Miner, BB0265 - Great Lakes Compact and water use fees
FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

Do NOT GEN

1 AN ACT...; relating to: the budget.

Analysis by the Legislative Reference Bureau

ENVIRONMENT

WATER QUALITY

Under current law, DNR conducts activities related to the withdrawal and use of water in this state, including activities to implement the Great Lakes Water Resources Compact.

This bill establishes three fees, to be paid beginning in 2011, that DNR may use for activities related to water use, including activities to implement the Great Lakes Water Resources Compact. The first is an annual flat fee to be paid by a person with a water supply system anywhere in this state with the capacity to withdraw 100,000 gallons or more per day. The fee is \$60, except that DNR may modify the amount of the fee by rule.

9125

specifics

The second fee is imposed on a person who withdraws more than 50,000,000 gallons of water from the Great Lakes basin in a year. This fee ranges from 25 cents per million gallons to \$2.50 per million gallons depending on the amount withdrawn in a year, except that the maximum fee for a public water system is \$100,000 per year and except that DNR may modify the amount of the fee by rule.

Current law requires a person who intends to transfer (divert) water out of the Great Lakes basin to apply to DNR. The law provides that water may only be diverted out of the basin for the purpose of providing water to the public. The third water use fee established in the bill is a fee of \$5,000 that must be paid by a person applying for approval of a diversion out of the Great Lakes basin.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

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under
par (c)

of an amount specified by the department by rule

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State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-1155/1
RCT:wlj:jf

DOA:.....Miner, BB0265 - Great Lakes Compact and water use fees
FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

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