

Fiscal Estimate Narratives

DNR 12/13/2011

LRB Number	11s0170/1	Introduction Number	ASA1- AB201	Estimate Type	Supplemental
Description Regulation of persons engaged in the construction of heat exchange drillholes					

Assumptions Used in Arriving at Fiscal Estimate

Bill Summary:

This bill, as amended, expands the current law regulating wells and well drilling so that it applies to certain drill holes constructed for the purpose of closed loop heat exchange. Current law only applies to wells constructed for obtaining groundwater for human consumption. The bill also requires geothermal well construction training for individuals who engage in well drilling for the purpose of closed loop heat exchange.

Fiscal Impact

A. Annual Costs

The Department estimates that it will take 0.1 FTE of Water Supply Specialist Adv. time and \$7,300 of salary/fringe and supplies related expenditures to review and approve courses developed for continuing education of well drillers engaged in the construction of geothermal heat exchange wells.

Water Supply Specialist Adv. (\$32.36/hr salary and fringe) x 2,080 hrs. + \$5,200 supplies related expenditures = \$72,500 x 0.1 FTE = \$7,300

B. One-Time Costs

The bill will increase costs to the Department by an estimated \$43,500 of salary and supplies related expenditures associated with 0.6 FTE. This estimate of fiscal impact includes costs associated with 1) Initial well driller licensing for individuals currently engaged in heat exchange drill hole construction, who currently do not have licenses and 2) development of initial training plan for construction of geothermal heat exchange systems.

1). Well Driller Licensing – The Department estimates that it will take 0.4 FTE of Water Supply Specialist Senior time to review an estimated 10 applications for well driller licenses from individuals currently engaged in heat exchange drill hole construction. The Department's time estimate assumes that each applicant will be inspected on 10 separate occasions (8 hrs. /inspection), while operating a drill rig, prior to issuing a license.

10 additional license applications x 80 hrs/ license = 800

800 hrs/1800 hrs/FTE = 0.4 FTE

Water Supply Specialist Sen. (\$32.36/hr salary and fringe) x 2080 + \$5200 supplies related expenditures = \$72,500 x 0.4 FTE = \$29,000

2). Development of Geothermal Heat Exchange Construction Continuing Education – The Department estimates that it will take 0.2 FTE of Water Supply Specialist Adv. Time to plan and develop training related to the construction of geothermal heat exchange wells.

Water Supply Specialist Adv. (\$32.36/hr salary and fringe) x 2080 + \$5200 supplies related expenditures = \$72,500 x 0.2 FTE = \$14,500

C. Revenues

The Department estimates that this bill will increase revenue by \$500 per year. This estimate includes revenue associated with 10 additional well drilling license applications/license renewal applications with an

associated fee of \$50/license.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2011 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 11s0170/1		Introduction Number ASA1-AB201	
Description Regulation of persons engaged in the construction of heat exchange drillholes			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): One time salary/fringe and supplies costs of \$43,500 associated with 0.6 FTE.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$6,800		\$
(FTE Position Changes)	(0.1 FTE)		
State Operations - Other Costs	500		
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$7,300		\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S (Environmental)	7,300		
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	500		
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues	\$500		\$
NET ANNUALIZED FISCAL IMPACT			
	<u>State</u>		<u>Local</u>
NET CHANGE IN COSTS	\$7,300		\$
NET CHANGE IN REVENUE	\$500		\$
Agency/Prepared By Authorized Signature Date			
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