

Fiscal Estimate - 2011 Session

Original
 Updated
 Corrected
 Supplemental

| | | |
|--|---|--------------------------|
| LRB Number 11-1772/3 | Introduction Number AB-0655 | |
| Description The regulation of aquaculture | | |
| Fiscal Effect | | |
| State: <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 | | |
| Local: <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <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 0 <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts | | |
| Fund Sources Affected Affected Ch. 20 Appropriations <input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS | | |
| Agency/Prepared By DNR/ Joe Polasek (608) 266-2794 | Authorized Signature Joe Polasek (608) 266-2794 | Date 3/15/2012 |

Fiscal Estimate Narratives

DNR 3/15/2012

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|---|-----------|---------------------|---------|---------------|----------|
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Assumptions Used in Arriving at Fiscal Estimate

This bill provides that the requirement to obtain a natural water body permit, the requirement that the water body be a freeze-out pond or preexisting fish rearing facility, and the requirement that DNR make an interest and rights determination do not apply to a person seeking to use a natural body of water as a fish farm if the person has been issued a permit with respect to that body of water that authorizes the person to change the course of or straighten a stream, to enlarge a waterway, or to construct a dam.

Generally, under current law, DNR must renew a natural water body permit unless DNR finds that there has been a substantial change in circumstances related to DNR's interest and rights determination. This bill provides that a natural water body permit, once issued, does not expire unless DNR makes such a finding.

This bill also prohibits DNR from promulgating rules that require DNR, before it issues a natural water body permit, to hold a hearing or provide notice that it will not hold a hearing. In addition, the bill requires DNR to post notice of every application for a natural water body permit on DNR's Internet Web site.

Current law generally prohibits a person from discharging pollutants into the surface water or groundwater without a wastewater discharge permit from DNR. The law requires persons required to have permits, other than persons who operate livestock farms, to pay an annual wastewater discharge fee based in part on the amount of pollutants discharged. The fees are deposited into the general fund. This bill exempts persons who operate fish farms from the wastewater discharge fee.

Current law exempts DNR from the requirement to have a permit from DATCP to bring fish into this state. This bill eliminates that exemption.

Assumptions

1. Natural Waterbody Permits: Under current law, DNR must renew a Natural Waterbody Permit (NWP) unless it finds that there has been a substantial change in circumstances related to DNR's interest and rights determination, which is made when the initial permit was granted. This bill would provide that a NWP, once issued, would not expire unless the DNR makes such a finding. Up to 526 renewal applications are expected to be received over the next 10 years. A \$50 fee is charged to renew a NWP. With this bill, all 526 NWP renewal applications will be exempt from permit renewal requirements in perpetuity. Over a ten year period, this would result in a loss in revenue to the department of \$26,300, or approximately \$2,630 per year.

This bill would also prohibit the DNR from promulgating rules that require DNR, before it issues a NWP, to hold a hearing or provide notice that it will not hold a hearing. Department Staff will likely receive 1-5 initial or transfer NWP applications per year. Application review/decision processes will not include DNR public notice nor DNR hearings. Among the 1-5 applications per year, 1 application may result in a contested case hearing. Costs for a potential hearing are indeterminate.

2. Wastewater Discharge Permits: This bill would exempt fish farms from paying the wastewater discharge fee when obtaining a wastewater discharge permit. This would translate to an estimated annual savings of \$14,542 for the Bureau of Fisheries Management. Assuming that a total of 16 wastewater permittees, including DNR hatcheries, would qualify for the exemption, it would result in an estimated annual loss of \$22,200 in wastewater permit revenues deposited into the general fund.

3. Importing Fish: This bill would eliminate DNR's exemption from needing a permit from DATCP to import fish into the state. Annual importation permits are issued at \$90 each and would be an additional cost to import forage. It is estimated that the DNR would have to obtain as many as 5-6 of these annual importation permits from DATCP at an annual total cost of \$540.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2011 Session

Detailed Estimate of Annual Fiscal Effect

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| | | | |
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| LRB Number 11-1772/3 | | Introduction Number AB-0655 | |
| Description The regulation of aquaculture | | | |
| 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 | \$ | \$ | |
| (FTE Position Changes) | | | |
| State Operations - Other Costs | 600 | -14,600 | |
| Local Assistance | | | |
| Aids to Individuals or Organizations | | | |
| TOTAL State Costs by Category | \$600 | \$-14,600 | |
| B. State Costs by Source of Funds | | | |
| GPR | | | |
| FED | | | |
| PRO/PRS | | | |
| SEG/SEG-S | 600 | -14,600 | |
| 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 | | -22,200 | |
| FED | | | |
| PRO/PRS | | | |
| SEG/SEG-S | | -2,700 | |
| TOTAL State Revenues | \$ | \$-24,900 | |
| NET ANNUALIZED FISCAL IMPACT | | | |
| | <u>State</u> | <u>Local</u> | |
| NET CHANGE IN COSTS | \$-14,000 | \$ | |
| NET CHANGE IN REVENUE | \$-24,900 | \$ | |
| Agency/Prepared By | | Authorized Signature | Date |
| DNR/ Joe Polasek (608) 266-2794 | | Joe Polasek (608) 266-2794 | 3/15/2012 |