

**Fiscal Estimate - 2011 Session**

Original      Updated      Corrected      Supplemental

<b>LRB Number</b> <b>11-3280/1</b>	<b>Introduction Number</b> <b>SB-253</b>
<b>Description</b> The liability of certain persons for environmental contamination on property on which a cleanup has been conducted	
<b>Fiscal Effect</b>	
<b>State:</b>	
<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
<b>Local:</b>	
<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 <u>0</u> <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
<b>Fund Sources Affected</b>	
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.370 (2) (dh)	
<b>Affected Ch. 20 Appropriations</b>	
<b>Agency/Prepared By</b>	<b>Authorized Signature</b>
DNR/ Joe Polasek (608) 266-2794	Joe Polasek (608) 266-2794
<b>Date</b>	
10/31/2011	

## Fiscal Estimate Narratives

DNR 10/31/2011

LRB Number	11-3280/1	Introduction Number	SB-253	Estimate Type	Original
<b>Description</b> The liability of certain persons for environmental contamination on property on which a cleanup has been conducted					

### Assumptions Used in Arriving at Fiscal Estimate

#### Bill Summary

This bill expands the voluntary party liability exemption (VPLE) so that the exemption is available for a landfill unless the landfill was licensed by DNR and had a plan of operation approved by DNR under current law or was initially licensed on or after May 21, 1975, and DNR determined that the landfill's design and plan of operation complied substantially with the requirements for approval under current law. This bill also authorizes DNR to remove a voluntary party from the process of obtaining the voluntary party liability exemption if the voluntary party fails to make reasonable progress toward completing the environmental investigation and the cleanup or if the voluntary party fails to provide DNR with information that DNR requests.

The bill also eliminates the statutory provision that specifies that the Department may agree to limit the monetary amount that a voluntary party may be required to spend on a cleanup if the voluntary party ceases the cleanup after the cost exceeds 125 percent of the anticipated cost of the cleanup and the voluntary party makes reasonable efforts to sell the property.

#### Assumptions

The Department currently charges VPLE applicants an hourly rate of \$100 for oversight and technical review. Expanding the VPLE program will require an increased effort in DNR staff oversight and technical review. However, no additional staff would have to be hired, so it is assumed that any additional expenditures will be absorbed within the Department's existing budget.

It is assumed that 5 to 10 of brownfield properties with solid waste facilities will enter the VPLE program in the first year and 5 or less will enter the program in the second year. It is assumed most interested voluntary parties will enter the VPLE program in the first two years and subsequent years will likely see a reduction in voluntary parties requesting VPLEs for their landfills.

It is assumed that for every new site that enters VPLE, the Department will earn approximately \$3000 in VPLE fee revenue over two years until the site is cleaned up. It is likely that most interested voluntary parties will enter the VPLE program in the two years immediately following passage of this legislation, and that the estimated long-term annualized revenue increase will be \$7,500 annually, assuming 5 brownfields with landfills enter the VPLE on an annual basis. Expenditures are also estimated to increase by \$7,500 annually to reflect increased effort in staff oversight and technical review.

There is an indeterminate effect on local government costs. A local government may be the voluntary party at a landfill and may choose to enter into the VPLE program. However, because this is strictly a voluntary program, the local government may only choose to enroll in the program if there is a benefit in doing so, perhaps to redevelop a brownfield to increase the tax base.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2011 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> 11-3280/1		<b>Introduction Number</b> SB-253	
<b>Description</b> The liability of certain persons for environmental contamination on property on which a cleanup has been conducted			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
State Operations - Salaries and Fringes	\$7,500		\$
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
<b>TOTAL State Costs by Category</b>	<b>\$7,500</b>		<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
GPR			
FED			
PRO/PRS	7,500		
SEG/SEG-S			
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>			
	Increased Rev	Decreased Rev	
GPR Taxes	\$		\$
GPR Earned			
FED			
PRO/PRS	7,500		
SEG/SEG-S			
<b>TOTAL State Revenues</b>	<b>\$7,500</b>		<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
	<u>State</u>	<u>Local</u>	
NET CHANGE IN COSTS	\$7,500		\$
NET CHANGE IN REVENUE	\$7,500		\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
DNR/ Joe Polasek (608) 266-2794		Joe Polasek (608) 266-2794	10/31/2011