



## Fiscal Estimate Narratives

DNR 1/18/2016

LRB Number	15-4185/1	Introduction Number	AB-0640	Estimate Type	Original
<b>Description</b> Regulation of aquaculture and fish farms					

### Assumptions Used in Arriving at Fiscal Estimate

The bill makes various changes to the regulation of aquaculture and fish farms.

#### I. Bureau Watershed Management

A. One-time Costs - The bill is expected to result in increased one-time workload related to updating program procedures and databases, developing general permits, revising application materials, legal review of documents, training staff, and conducting customer outreach. Implementation is estimated to require a one-time expenditure of \$63,500 and 1,500 hours of staff time.

B. Ongoing Costs - The bill would increase enforcement and compliance workload that is associated with permit exemptions. Costs associated with this workload are estimated at \$14,600/year. This estimate is based on the assumption that water management staff spends an average of 40 hours/enforcement action based on 9 aquaculture violations/year of wetland fill, pond creation and grading (4% of 228 total activity related violations/year) for a total of 364 hours of staff time.

#### C. Revenue Impacts

##### 1. Permit Exemptions

Assumption: Permit data does not track permits issued to specific business sector including the aquaculture business sector. Instead, permit data tracks specific permitted activities. Making assumptions based on the common landscape alterations that are permitted activities and that the aquaculture sector undertakes and the limited data on identifying specific aquaculture activities the Department counted approximately 1950 permits issued in the last 3 years (2012-2015) for aquaculture related activities, 70 of which were verified to be aquaculture specific. That constitutes around 4% of the permits issued for activities that the aquaculture engages in are specifically for aquaculture activities. The following analysis uses the 4% number as a proxy for how many permits for any given aquaculture related activity will apply to an aquaculture operation.

Permit revenues would be reduced by an estimated \$12,300/yr. as a result of the permit exemptions included in the bill. This includes the following:

a. Exemptions for grading on the bank--the Department estimates a decrease in general permit (GP) fees of \$600/year and individual permit fees of \$1,800/year. This is based on the assumption that all grading activities for aquaculture that required a permit will be exempt.

b. Exemptions for artificial waterbody creation (ponds)--the Department estimates a decrease in general permit (GP) fees of \$3,000/year and individual permit fees of \$1,200/year. This is based on the assumption that all pond activities for aquaculture that required a permit will be exempt.

c. Wetland exemptions for normal aquaculture activities--the Department estimates a decrease in general permit (GP) fees of \$3,500/year and individual permit (IP) fees of \$1,600/year. This is based on the assumption that wetland activities that required a permit will be exempt.

##### 2. Establishing a new general permit

The Department assumes that it will create 1 new aquaculture general permit category as a result of the bill. Staff are unable to determine how many individual permits are in the category that would now be eligible for a general permit for aquaculture. However using the assumption that 4% of the total wetland projects involve aquaculture activities and that all of those activities will be eligible for a GP, it would result

in a decrease in fee revenue of approximately \$600/year (based on a \$300 difference between individual permits vs. general permits).

## II. Bureau of Water Quality

The bill would affect 13 wastewater (WPDES) permittees, 10 of which are state fish hatcheries. The expected workload impact would be minimal and likely in the form of guidance and policy updates.

### **Long-Range Fiscal Implications**

## Fiscal Estimate Worksheet - 2015 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>15-4185/1</b>	<b>Introduction Number</b> <b>AB-0640</b>	
<b>Description</b> Regulation of aquaculture and fish farms		
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>  \$63,500 and approximately 1,500 hrs. of staff time for training and implementation		
<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	\$14,600	\$
(FTE Position Changes)	(0.2 FTE)	
State Operations - Other Costs		
Local Assistance		
Aids to Individuals or Organizations		
<b>TOTAL State Costs by Category</b>	<b>\$14,600</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>		
GPR		
FED		
PRO/PRS	14,600	
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		-12,300
SEG/SEG-S		
<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$-12,300</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$14,600	\$
NET CHANGE IN REVENUE	\$-12,300	\$
<b>Agency/Prepared By</b>		
<b>Authorized Signature</b>		<b>Date</b>
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