

LRB or Bill No./Adm. Rule No.
AB 669 (99-4228/1)
Amendment No. if Applicable

- ORIGINAL       UPDATED  
 CORRECTED       SUPPLEMENTAL

**FISCAL ESTIMATE**  
DOA-2048 N(R10/94)

Subject

Fiscal Effect

State:  No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

- Increase Costs - May be possible to Absorb Within Agency's Budget     Yes     No  
 Decrease Costs

- Increase Existing Appropriation       Increase Existing Revenues  
 Decrease Existing Appropriation       Decrease Existing Revenues  
 Create New Appropriation

Local:  No local government costs

- |                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                            |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. <input type="checkbox"/> Increase Costs<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory<br><br>2. <input type="checkbox"/> Decrease Costs<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 3. <input type="checkbox"/> Increase Revenues<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory<br><br>4. <input type="checkbox"/> Decrease Revenues<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 5. Types of Local Government Units Affected:<br><input type="checkbox"/> Towns <input type="checkbox"/> Villages <input type="checkbox"/> Cities<br><input type="checkbox"/> Counties <input type="checkbox"/> WTCS Districts<br><input type="checkbox"/> School Districts <input type="checkbox"/> Others |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Fund Sources Affected

- GPR     FED     PRO     PRS     SEG     SEG-S

Affected Ch. 20 Appropriations

Assumptions Used in Arriving at Fiscal Estimate

**SUMMARY OF BILL - AB 669** is intended to allow a forest landowner to recover fiscal damages caused because a logging contractor did not complete the contracted obligation. Forest landowners sell standing trees (stumpage) to logging contractors. Generally a contract identifies the obligations of both parties. If the contractor fails to pay the landowner the contracted obligation, this bill indicates that the contractor is liable for the costs to establish the volume and value of the stolen raw forest products. Furthermore, the bill provides for a party who has intentionally tried to defraud a landowner to be subject to the penalties for theft. The bill also authorizes recovery of court costs and reasonable fees to the successful party if failure to pay is deemed unreasonable.

**FISCAL IMPACT** - This bill would increase cost and workload for those Department foresters who hold credentials and for Department wardens. The Department's credentialed foresters and wardens may investigate the theft of forest products (statutes 26.06 and 26.97). This bill adds another investigative responsibility to the Department. This additional responsibility is estimated to cost 3,600 hours and \$95,220 annually.

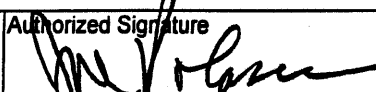
Wardens could become involved in those investigation where credentialed foresters are not available, generally in the southern and eastern portions of the state.

If AB669 is approved as written, Department foresters and wardens will spend additional time investigating complaints that timber sale contracts were not executed as written. The annual fiscal estimate is 3,600 hours and \$95,220. This cost estimate is based on the following assumptions:

- NIPF = non-industrial private forest
- Estimate of annual # of acres of NIPF lands harvested = 270,000 acres
- Estimate of average size of harvests = 30 acres
- Estimate of NIPF timber sales = 9,000 harvests (270,000/30)
- Estimate that 2% of the timber sales contracts are not executed properly.
- Estimate of # of NIPF harvests not properly compensated = 180 harvests (9,000 x 2%)
- Estimated hours for investigation & testimony per case = 20 hours
- Estimated hours of new workload = 3,600 hours
- Average salary and fringe for a senior classification FTE = \$25/hour
- Cost of salary and fringe for new workload = \$90,000. (3,600 hours x \$25/hr)
- Travel cost associated with new workload = \$5,220 (100 miles/case x \$.029/mile x 180 cases)
- TOTAL COST = \$95,220. rounded to \$95,200**

Long-Range Fiscal Implications

This bill would create an on-going workload. Costs would increase or decrease based on annual salary changes for the involved personnel.

Agency	Prepared By	Phone No.	Authorized Signature	Phone No.	Date
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**FISCAL ESTIMATE WORKSHEET**

**1999 Session**

Detailed Estimate of Annual Fiscal Effect  
DOA-2047 (R10/94)

ORIGINAL       UPDATED  
 CORRECTED       SUPPLEMENTAL

LRB or Bill No./Adm. Rule No. AB 669	Amendment No.
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Subject

**I. One-Time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):**

<b>II. Annualized Costs:</b>		<b>Annualized Fiscal impact on State funds from:</b>	
<b>A. State Costs by Category</b>		<b>Increased Costs</b>	<b>Decreased Costs</b>
State Operations - Salaries and Fringes		\$90,000	
(FTE Position Changes)		2.00	
State Operations - Other Costs		\$5,200	
Local Assistance			
Aids to Individuals or Organizations			
<b>TOTAL State Costs by Category</b>		\$95,200	
<b>B. State Costs by Source of Funds</b>		<b>Increased Costs</b>	<b>Decreased Costs</b>
GPR			
FED			
PRO/PRS			
SEG/SEG-S		\$95,200	
<b>III. State Revenues:</b>		<b>Increased Rev.</b>	<b>Decreased Rev.</b>
<small>Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</small>			
GPR Taxes			
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
<b>TOTAL State Revenues</b>			

**NET ANNUALIZED IMPACT**

	<u>STATE</u>	<u>LOCAL</u>
<b>NET CHANGE IN COSTS</b>	\$95,200	\$0
<b>NET CHANGE IN REVENUES</b>		\$0

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