

Fiscal Estimate - 2001 Session

Original Updated Corrected Supplemental

LRB Number **01-3048/1** Introduction Number **AB-433**

Subject
Prohibit drilling for oil and gas under Great Lakes and prohibit pipelines on or beneath beds of Great Lakes

Fiscal Effect

State:
 No State Fiscal Effect
 Indeterminate
 Increase Existing Appropriations Increase Existing Revenues Increase Costs - May be possible to absorb within agency's budget
 Decrease Existing Appropriations Decrease Existing Revenues Yes No
 Create New Appropriations Decrease Costs

Local:
 No Local Government Costs
 Indeterminate
 1. Increase Costs 3. Increase Revenue 5. Types of Local Government Units Affected
 Permissive Mandatory Permissive Mandatory Towns Village Cities
 2. Decrease Costs 4. Decrease Revenue Counties Others
 Permissive Mandatory Permissive Mandatory School Districts WTCS Districts

Fund Sources Affected **Affected Ch. 20 Appropriations**
 GPR FED PRO PRS SEG SEGS

Agency/Prepared By DNR/ Joe Polasek (608) 266-2794	Authorized Signature Joe Polasek (608) 266-2794	Date 6/5/01
--	---	-----------------------

Fiscal Estimate Narratives

DNR 6/5/01

LRB Number 01-3048/1	Introduction Number AB-433	Estimate Type Original
Subject Prohibit drilling for oil and gas under Great Lakes and prohibit pipelines on or beneath beds of Great Lakes		

Assumptions Used in Arriving at Fiscal Estimate

Bill Analysis:

This bill prohibits any person from conducting drilling operations for the exploration for or production of oil or gas from beneath the beds of the Great Lakes or adjacent bays and harbors. Under current law, drilling through the beds of the Great Lakes is prohibited, but directional drilling beneath the bed of the Great Lakes is permissible provided the activity is conducted in accordance with all other applicable statutes. This bill also prohibits the construction of oil or gas pipelines on or through the beds of the Great Lakes.

Fiscal Impact:

The proposed legislation would not have any immediate local or state fiscal impacts. Wisconsin does not have any known oil or gas reserves and there have been no proposals to conduct exploration drilling beneath the Great Lakes. Given the lack of a viable oil and gas industry in the state, such a prohibition should result in essentially no fiscal impacts.

Long-Range Fiscal Implications

It is possible that there is an unknown reserve of oil or gas lying somewhere beneath one of the Great Lakes. If this legislation is enacted, development of this resource would be precluded and the State would not collect the royalties and other revenues associated with oil and gas production.

Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 01-3048/1		Introduction Number AB-433	
Subject			
Prohibit drilling for oil and gas under Great Lakes and prohibit pipelines on or beneath beds of Great Lakes			
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			
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$	\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S			
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			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues		\$	\$
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$	\$
Agency/Prepared By		Authorized Signature	
DNR/ Joe Polasek (608) 266-2794		Joe Polasek (608) 266-2794	
		Date	
		6/5/01	