

Fiscal Estimate Narratives

DNR 2/12/02

LRB Number	01-4044/1	Introduction Number	AB-787	Estimate Type	Original
Subject					
Advertising announcing timber sales					

Assumptions Used in Arriving at Fiscal Estimate

Bill Summary: Current law requires public land timber sales in excess of an estimated value of \$3,000 to be advertised twice in a widely circulated newspaper before they can be sold directly. Previously the advertisement had to be in the form of a classified ad. This bill now requires the advertisement to be a display ad at least 2 columns in width. The intent was to allow for better visibility with the display ads while also reducing costs.

Fiscal Estimate: Display ads are based on the area they encompass within the newspaper. They can be one column wide or more. Classified ads are based on the number of lines they occupy. They are typically one column in width. Prices between newspapers vary widely with publication, whether they are weekly or daily, and the area in the State in which they distribute. "Columns" as identified in the bill, vary from roughly 1 inch wide to 2 inches wide. Based on an informal survey of 4 newspapers, classified ads average 40% to 50% higher in cost than an equivalent sized display ad. The savings would amount to roughly \$17 for a 2 inch square advertisement.

Assumptions: State forest and other state land advertisements = 44 per year (*Includes multiple sale advertisements and individual sale ads on fisheries areas, wildlife areas, etc.) . County forest sale advertisements = 50 per year (based on 1.5 bid openings per forest)

Savings of \$17 / ad x 2 ads / bid opening = \$34 / bid opening
County Savings: 50 x \$34 = \$1,700
State Savings: 44 x \$34 = \$1,496

**These estimates could change appreciably given the requirement that the display ads be a minimum of 2 columns wide. Column width can vary from 1inch to 2 inches wide.

Long-Range Fiscal Implications

The small savings will accumulate over time. The added visibility of the timber sale advertisements may lead to increased bidding activity in some regions of the state.

Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 01-4044/1		Introduction Number AB-787	
Subject			
Advertising announcing timber sales			
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)	\$		-1,500
State Operations - Other Costs Local Assistance			-1,500
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$		-\$1,500
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S			-1,500
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)			
		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		\$-1,500	\$-1,700
NET CHANGE IN REVENUE		\$	\$
Agency/Prepared By		Authorized Signature	Date
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