

2003 DRAFTING REQUEST

Senate Amendment (SA-SB44)

Received: **05/14/2003**

Received By: **btradewe**

Wanted: **Soon**

Identical to LRB:

For: **Legislative Fiscal Bureau**

By/Representing: **Bonderud**

This file may be shown to any legislator: **NO**

Drafter: **btradewe**

May Contact:

Addl. Drafters:

Subject: **Environment - air quality**

Extra Copies:

Submit via email: **NO**

Pre Topic:

LFB:.....Bonderud -

Topic:

Air, asbestos fees

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?							
/1	btradewe 05/14/2003	csicilia 05/14/2003	pgreensl 05/14/2003	_____	amentkow 05/14/2003		
/2	btradewe 05/20/2003	csicilia 05/20/2003	chaskett 05/20/2003	_____	sbasford 05/21/2003		

FE Sent For:

<END>

2003 DRAFTING REQUEST

Senate Amendment (SA-SB44)

Received: 05/14/2003

Received By: btradewe

Wanted: Soon

Identical to LRB:

For: Legislative Fiscal Bureau

By/Representing: Bonderud

This file may be shown to any legislator: NO

Drafter: btradewe

May Contact:

Addl. Drafters:

Subject: Environment - air quality

Extra Copies:

Submit via email: NO

Pre Topic:

LFB:.....Bonderud -

Topic:

Air, asbestos fees

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?				self			
/1	btradewe 05/14/2003	csicilia 05/14/2003	pgreensl 05/14/2003	5/20	amentkow 05/14/2003		

FE Sent For: 1/2 cjs 5/20
03 2 5/20
CPH

<END>

2003 DRAFTING REQUEST

Senate Amendment (SA-SB44)

Received: 05/14/2003

Received By: btradewe

Wanted: Soon

Identical to LRB:

For: Legislative Fiscal Bureau

By/Representing: Bonderud

This file may be shown to any legislator: NO

Drafter: btradewe

May Contact:

Addl. Drafters:

Subject: Environment - air quality

Extra Copies:

Submit via email: NO

Pre Topic:

LFB:.....Bonderud -

Topic:

Air, asbestos fees

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
--------------	----------------	-----------------	--------------	----------------	------------------	-----------------	-----------------

1?	btradewe	1 cjs 5/14/03	5/14/03	5/14/03			
----	----------	---------------	---------	---------	--	--	--

FE Sent For: jett <END>

Tradewell, Becky

From: Bonderud, Kendra
Sent: Tuesday, May 13, 2003 6:44 PM
To: Tradewell, Becky; Marchant, Robert
Cc: Pollek, Chris; Hinz, Daryl; Shanovich, Ron
Subject: Drafting Request

Joint Finance took action on several issues today which will require drafting. Please draft the following items. I will fax motions to you after I send this.

Motion 121 (Paper 573) - Consolidated Brownfields Grant Program. This is similar to (but not the same as current law). Rob, I believe this is the only item in this email you would be involved in. Ron or I can answer questions you might have.

Motion 513 (Papers 570 and 571) - Agrichemical Management and Environmental Fund Revenues. Chris can answer your agchem-related questions. I can answer your environmental fund questions.

Motion 122 (Paper 572) - Vehicle fee. A lot of this is chapter 20 reductions, but the key drafting is no increase above \$9, and extend the sunset to December 31, 2005.

Paper 574 - Environmental repair bonding, Alternative 3, no increase in bonding.

Motion 118 (Paper 575) - Increase transfer from recycling fund to general fund (be careful here as LRB 105/1 also has a separate increase in the transfer from the recycling fund).

Paper 576 - Alternative 1, Air staff no draft needed.

* Paper 577 Air Asbestos - Alternative A1 (no draft needed), B6 (draft needed) and C1 (no draft needed).

Thanks for your help.

Kendra Bonderud

*Legislative Fiscal Analyst
Wisconsin Legislative Fiscal Bureau
ph. (608) 266-3847
fax (608) 267-6873
Kendra.Bonderud@legis.state.wi.us*

B. Inspection and Exemption Fees

11. It could be argued that program fees should be established at a level sufficient to fund the costs of asbestos abatement activities rather than reallocating staff from other funding sources. However, since, beginning in 2002-03, the Department is able to receive federal air grant funds for asbestos abatement activities, DNR has stopped reallocating air emission fees from operating permit activities to asbestos abatement activities. Thus, the reallocation of non-asbestos state fees may not be as much of an issue as it was in past years.

12. DOA officials indicate that the estimate of \$165,000 in additional asbestos inspection fee revenue is based on an assumption that DNR would promulgate a rule with a combined fee that includes both the inspection fee and construction permit exemption review fee within the statutory maximum of \$450 or \$750. However, the bill creates a statutory maximum inspection fee only, of either \$450 if the combined square and linear footage of friable (readily crumbled or brittle) asbestos-containing material involved in the project is less than 5,000, or \$750 if the combined square and linear footage is equal to or greater than 5,000.

13. While the administration indicated that it was not intended that the bill create a higher maximum fee than was requested by DNR, DNR's 2003-05 budget request had been to authorize a combined inspection fee and construction permit exemption review fee, with a combined maximum of up to \$100 to \$750, depending on the size of the project. Table 3 shows current fee levels, the fees requested by DNR and modified by DOA. (While DNR proposed combined fees of \$100 and \$200 for the two smaller categories, the revenue estimates in the bill assume \$75 and \$200. Actual fee levels would be established in administrative rule.) An amendment would be required to accomplish the administration's intent to provide a statutory maximum combined inspection and permit exemption fee of \$400 or \$750.

TABLE 3

Asbestos Inspection and Permit Exemption Fees

<u>Size of Asbestos Project</u>	<u>Current Inspection Fee</u>	<u>Current Permit Exemption Fee</u>	<u>Current Combined Asbestos Fee</u>	<u>DNR/DOA Proposed Combined Fee</u>	<u>% Change Proposed to Current Combined Fee</u>
< 160 square feet, 260 linear feet	\$50	\$0	\$50	\$75	50%
> 160 square feet, 260 linear feet and < 1,000 combined feet	100	50	150	200	33
> 1,000 and < 5,000 combined feet	210*	125	335	400	19
> 4,999 combined feet	210*	125	335	750	124

*Statutory maximum inspection fee. Lower inspection fees are established in administrative rule for smaller size projects.

14. An alternative to the fee levels in the bill would be to provide a smaller increase. For example, if the statutory maximum combined inspection and permit exemption fee would be set at \$370 (10% increase) and \$500 (50% increase for the largest projects), fee revenue would be approximately \$135,500 instead of \$165,000 under the bill (\$29,500 less than under the bill).

C. Laboratory Cost Recovery Fees

15. Currently, DNR pays the State Laboratory of Hygiene \$20,000 to \$25,000 annually for laboratory testing costs, and uses permit fees to cover those costs. The Laboratory bills DNR a set amount per test, based on the processing time desired by DNR. Approximately 60% of the tests are completed as "priority" with a 24- to 48-hour turnaround, at a cost of \$36 per test, because a demolition or renovation project may be put on hold until test results are available. In many inspections, the laboratory costs are incurred after "split samples" are collected during inspections. Half of the sample is sent to the State Lab at DNR cost, and the other half of the sample is sent by the owner to a private laboratory.

16. Under the bill, DNR could charge for the testing costs it incurs. The administration's revenue estimates are based on an assumption that DNR would recover almost all of its State Laboratory costs from persons undertaking asbestos abatement projects.

17. It could be argued that it is appropriate for DNR to recover as much of its laboratory costs as possible through separate billing that is specific to the project for which testing is done. Alternatively, it could be argued that the program should continue to pay for laboratory tests through fees assessed to all who are undertaking asbestos abatement work.

18. If the inspection fee increase and authorization for laboratory cost recovery are not approved, DNR would receive insufficient revenue to make the \$85,000 in increased expenditure authority under the bill. DNR would have to reduce expenditures from authorized levels by an additional \$95,000 during the 2003-05 biennium to retain a positive account balance. This could be done by reducing supplies costs, contract funding amounts, or both.

ALTERNATIVES

A. Expenditure Authority

1. Approve the Governor's recommendation to: (a) provide \$85,000 PR in 2004-05 from air asbestos fees for the inspection of nonresidential asbestos removal (\$55,000 for LTEs and \$30,000 for contracts with local governments).

2. Approve the Governor's recommendation to provide \$30,000 PR in 2004-05 for contracts for local governments. In addition, provide \$41,400 PR and 1.0 PR position in 2004-05 (instead of funding for LTEs).

Alternative A2	PR
2003-05 FUNDING (Change to Bill)	- \$13,600
2004-05 POSITIONS (Change to Bill)	1.00

3. Approve the Governor's recommendation to provide \$30,000 PR in 2004-05 for contracts for local governments. (No funding would be provided for LTEs.)

Alternative A3	PR
2003-05 FUNDING (Change to Bill)	- \$55,000

4. Delete provision.

Alternative A4	PR
2003-05 FUNDING (Change to Bill)	- \$85,000

B. Inspection and Exemption Fees

5. Approve the Governor's recommendation to increase the statutory maximum fee for inspection from \$210 to \$450 if the combined square and linear footage of friable (readily crumbled or brittle) asbestos-containing material involved in the project is less than 5,000, or from \$210 to \$750 if the combined square and linear footage is equal to or greater than 5,000.

6. Consistent with the DNR request, approve a statutory maximum combined inspection fee and construction permit exemption fee of \$400 if the combined square and linear footage of friable asbestos-containing material involved in the project is less than 5,000, or \$750 if the combined square and linear footage is equal to or greater than 5,000.

7. Approve a statutory maximum combined inspection fee and construction permit exemption fee of \$370 if the combined square and linear footage of friable asbestos-containing material involved in the project is less than 5,000, or \$500 if the combined square and linear footage is equal to or greater than 5,000.

Alternative B3	PR
2003-05 REVENUE (Change to Bill)	- \$29,500

8. Delete provision.

Alternative B4	PR
2003-05 REVENUE (Change to Bill)	- \$165,000

C. Laboratory Cost Recovery Fees

1. Approve the Governor's recommendation to authorize DNR to charge for the costs it incurs for laboratory testing for a nonresidential asbestos demolition and renovation project.

2. Delete provision.

Alternative C2	PR
2003-05 REVENUE (Change to Bill)	- \$22,000

Prepared by: Kendra Bonderud



State of Wisconsin
2003 - 2004 LEGISLATURE

LRBb0186/1

RCT:/.....

SOON (in 5/14)

g's

LFB:.....Bonderud – Air, asbestos fees

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION
SENATE AMENDMENT ,
TO 2003 SENATE BILL 44

1 At the locations indicated, amend the bill as follows:

2 1. Page 954, line 25: after ~~“Inspection”~~ insert “plus the fee under sub. (1) (c)”.

3 2. Page 955, line 2: after ~~“Inspection”~~ insert “plus the fee under sub. (1) (c)”.

4 (END)

Tradewell, Becky

From: Bonderud, Kendra
Sent: Tuesday, May 20, 2003 2:48 PM
To: Tradewell, Becky
Subject: RE: Asbestos fees draft

In the asbestos draft, on page 954, line 25, please change "\$450" to "\$400."

Thanks.
Kendra

-----Original Message-----

From: Tradewell, Becky
Sent: Tuesday, May 20, 2003 1:32 PM
To: Bonderud, Kendra
Cc: Hinz, Daryl
Subject: Asbestos fees draft

<< File: 03b0186/1 >>



State of Wisconsin
2003 - 2004 LEGISLATURE

SOON (in 5/20)

LRBb0186# 2

RCT:cjs:pg

T RMY

Stays

LFB:.....Bonderud – Air, asbestos fees

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION
SENATE AMENDMENT ,
TO 2003 SENATE BILL 44

1 At the locations indicated, amend the bill as follows:

2 1. Page 954, line 25: after “inspection” insert “plus the fee under sub. (1) (c)”.

3 2. Page 955, line 2: after “inspection” insert “plus the fee under sub. (1) (c)”.

4 (END)

↪ #. Page 954, line 25: substitute “\$400” for “\$450”.



LFB:.....Bonderud – Air, asbestos fees

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION
SENATE AMENDMENT ,
TO 2003 SENATE BILL 44

- 1 At the locations indicated, amend the bill as follows:
- 2 **1.** Page 954, line 25: after “inspection” insert “plus the fee under sub. (1) (c)”.
- 3 **2.** Page 954, line 25: substitute “\$400” for “\$450”.
- 4 **3.** Page 955, line 2: after “inspection” insert “plus the fee under sub. (1) (c)”.
- 5 (END)