

Fiscal Estimate Narratives

DNR 4/15/2003

LRB Number	03-1435/1	Introduction Number	AB-187	Estimate Type	Original
Subject					
Lower the required amount of postconsumer waste in newsprint					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, a newspaper publisher or a central printer is required to use recycled content newsprint that meets or exceeds an annual percentage specified in law. A publisher or central printer which does not use the minimum recycled content for that year pays a fee proportionate to the gap between the actual percentage achieved by the publisher and the minimum percentage requirement for that year. The minimum percent recycled content under current law was scheduled to increase in phases. Since 1998, it has risen from 33% in 1998-2000, 37% in 2001-2002, and 40% in 2003 and thereafter. No future increases are scheduled under the current law.

Under this bill, AB 187, the specified minimum percentage of fiber from postconsumer waste for newsprint used in newspapers is 33% with no future increases.

Fiscal estimate:

1. One-time costs to state government to revise market development fact sheets, forms and other documents which mention the standards in s. 287.31, Wis Stats, would be approximately \$1,000 from Recycling SEG.

2. The state could forego as much as \$700 in potential revenue from the fees in the next biennium. Since 1999, revenue from fees has been between \$570 and \$712, except for in 2001 when the number of fees assessed reached a high of 13 and revenue generated was \$7,503. The estimate for revenue from fees for 2003 is around \$600, based on reports received to date. The fees are token amounts and not intended as a revenue generating mechanism. Newspaper publishers have generally been able to qualify for an exemption from the fee when they document that that recycled content paper is unobtainable.

Long-Range Fiscal Implications

The public policy objective under this statute is not to maximize revenue but rather to support and sustain market demand for recycled newsprint as well as demand for old newspapers from local government recycling programs.

Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Subject			
Lower the required amount of postconsumer waste in newsprint			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
\$1,000 cost to revise documents			
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, ets.)			
		Increased Rev	Decreased Rev
	GPR Taxes	\$	\$
	GPR Earned		
	FED		
	PRO/PRS		
	SEG/SEG-S		-700
	TOTAL State Revenues	\$	\$-700
NET ANNUALIZED FISCAL IMPACT			
		State	Local
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$-700	\$
Agency/Prepared By		Authorized Signature	
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		Date	
		4/15/2003	