



## Fiscal Estimate Narratives

DNR 8/7/2003

LRB Number	03-2531/1	Introduction Number	AB-396	Estimate Type	Original
<b>Subject</b>					
Clean water fund financial hardship assistance for the Elcho Sanitary District					

### Assumptions Used in Arriving at Fiscal Estimate

Bill Summary: AB396 directs the Departments of Administration and Natural Resources to recalculate and restructure the hardship financial assistance provided to Elcho Sanitary District. Notwithstanding current law, the bill would permit financial hardship assistance to the District that may result in the Sanitary District paying less than 30% of the cost of their Clean Water Fund project.

Fiscal Impact: In recalculating the assistance as directed, the Department of Natural Resources determined that, in order to implement AB 396, the Clean Water Fund Program would likely forgive a portion of the loan to Elcho Sanitary District. The sanitary district's payments to the Clean Water Fund Program would be reduced from \$80,921 per year to \$32,855 per year, keeping the existing loan interest rate of 0.823%.

The spending authority used to reduce Elcho Sanitary District's existing loan balance would presumably come from the 2003-05 hardship financial assistance portion of the Clean Water Fund Program's present value subsidy. This bill does not impact the amount of present value subsidy approved for the Clean Water Fund Program under s. 281.59(3e)(b). There will, however, be less subsidy available to other eligible hardship financial assistance applicants in the 2003-05 biennium if funds are first provided to Elcho. Therefore, the primary impact of the bill is to reduce revenue (loan repayments) rather than increase costs.

### Long-Range Fiscal Implications

The state would receive less in repayments on the Elcho loan than was originally agreed upon due to the balance being reduced. The present value of the lost revenues would be \$299,240.

## Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

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<b>Subject</b>			
Clean water fund financial hardship assistance for the Elcho Sanitary District			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
None.			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
	State Operations - Salaries and Fringes	\$	
	(FTE Position Changes)		
	State Operations - Other Costs		
	Local Assistance		
	Aids to Individuals or Organizations		
	<b>TOTAL State Costs by Category</b>	<b>\$</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
	GPR		
	FED		
	PRO/PRS		
	SEG/SEG-S		
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>			
		Increased Rev	Decreased Rev
	GPR Taxes	\$	\$
	GPR Earned		
	FED		
	PRO/PRS		
	SEG/SEG-S		-32,855
	<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$-32,855</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
		State	Local
	NET CHANGE IN COSTS	\$	\$-\$32,855
	NET CHANGE IN REVENUE	-\$32,855	\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
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