

### Fiscal Estimate - 2003 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>03-3293/1</b>	<b>Introduction Number</b> <b>AB-780</b>
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**Subject**  
 Require DNR to approve mitigation of wetlands in areas under a Smart Growth comprehensive plan

**Fiscal Effect**

**State:**

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<input checked="" type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Increase Existing Appropriations	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		

**Local:**

<input type="checkbox"/> No Local Government Costs	3. <input type="checkbox"/> Increase Revenue	<b>5. Types of Local Government Units Affected</b> <input checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
<input checked="" type="checkbox"/> Indeterminate	<input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory	
1. <input checked="" type="checkbox"/> Increase Costs	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
<input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory	4. <input type="checkbox"/> Decrease Revenue	
2. <input type="checkbox"/> Decrease Costs	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</b>
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
DNR/ Joe Polasek (608) 266-2794	Joe Polasek (608) 266-2794	2/12/2004

## Fiscal Estimate Narratives

DNR 2/12/2004

LRB Number <b>03-3293/1</b>	Introduction Number <b>AB-780</b>	Estimate Type <b>Original</b>
<b>Subject</b> Require DNR to approve mitigation of wetlands in areas under a Smart Growth comprehensive plan		

### Assumptions Used in Arriving at Fiscal Estimate

This bill creates a new exemption for compliance with existing wetlands regulations, specifically for areas within a city, village, town, or county that has an adopted comprehensive ("smart growth") plan. Proposed action to a wetland area will be exempt from existing regulation if (1) the area has negligible value as a wetland and (2) the plan for activity creates at least 1.5 acres of wetland for each acre of wetland affected by the activity.

If implemented, AB 780 would result in increased costs to both state and local governments.

#### State Costs:

State costs would result from an increased number of technical assistance requests, the need to track destruction and mitigation as part of ongoing mapping activities, an increased workload associated with compliance monitoring and enforcement efforts, and the need to address any federal response to the effects of the proposal on existing wetland water quality standards.

The proposed changes allow activities affecting wetlands to proceed without DNR oversight in the instances described above. The burden to review these activities would shift to the local governmental units that have jurisdiction where the affected areas exist. The DNR may see a decline in the number of reviews it is required to conduct, which would result in a reduced workload and a loss of fees collected. DNR wetlands staff and attorneys, however, would likely see an increase in requests for technical assistance and advice as more local governments assume responsibility for proposed activities in wetland areas. The DNR would still need to meet the requirements of the Shoreland and Wetland Zoning Oversight (Ss. 59.971, 61.351 & 62.231, Wis. Stats.) These statutes require DNR to provide technical assistance to local zoning officials, oversight of local decisions, and general development and wetland protection standards for shorelands adjacent to navigable waters, which are administered by local government. In addition, costs for tracking wetland destruction and mitigation as part of preparing Wisconsin Wetland Inventory maps would increase as the proposal includes no tracking, reporting, or data sharing provisions. DNR enforcement efforts would become more complicated as staff would need to verify the existence of adopted comprehensive plans when investigating potentially illegal wetland destruction activities.

Wetland mitigation is the subject of a Memorandum of Agreement between the DNR and the U.S. Environmental Protection Agency, U.S. Fish and Wildlife Service, and U.S. Army Corps of Engineers. Implementation of AB 780 would affect the functional relationships described in the agreement. Since projects affecting wetlands covered by this bill would no longer be subject to NR 103 and NR 350, the U.S. EPA would need to review and approve the resulting changes to the wetland water quality standards in NR 103. The DNR would need to devote staff efforts to addressing concerns and modifying standards to remain in compliance with federal laws.

Given the wide array of variables and unknowns described above, it is not possible to accurately or precisely predict the fiscal impacts to state government that would result from implementation of this bill should it become law.

#### Local Costs:

Local government costs would result from the assumption of new responsibilities and preparation of plan revisions.

Local governments assuming regulatory responsibility for wetland areas described by this bill will incur costs. It is not possible to estimate these costs as it is unknown how many communities have or will adopt

comprehensive plans in the future or how many wetlands occur in areas covered by these plans.

As with many discussions related to the comprehensive planning law, the issue of consistency after January 1, 2010, plays a key role in understanding the long-term implications of this bill and the ability to project annualized costs. A community would have to include in its adopted comprehensive plan both the proposed destruction and the 1:1.5 acre mitigation plan. If either provision were not included in the comprehensive plan, then the proposed activities could not be undertaken or the community would have to amend its plan to include both prior to authorizing or undertaking the proposed actions. The community would have to absorb the expenses associated with revising its plan. It is not possible to accurately estimate these costs.

### **Long-Range Fiscal Implications**

## Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

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<b>Subject</b>			
Require DNR to approve mitigation of wetlands in areas under a Smart Growth comprehensive plan			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
<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. 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			
<b>TOTAL State Revenues</b>		\$	\$
<b>NET ANNUALIZED FISCAL IMPACT</b>			
		State	Local
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$	\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	
DNR/ Joe Polasek (608) 266-2794		Joe Polasek (608) 266-2794	
		<b>Date</b>	
		2/12/2004	