

Fiscal Estimate - 2005 Session

- Original
 Updated
 Corrected
 Supplemental

LRB Number 05-3673/1	Introduction Number AB-798	
Description Increasing the recycling fee imposed on the disposal of solid waste, the program of financial assistance for local recycling programs, and making an appropriation		
Fiscal Effect State: <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input checked="" type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
Local: <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input checked="" type="checkbox"/> Increase Costs 3. <input checked="" type="checkbox"/> Increase Revenue 5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory <input checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
Fund Sources Affected Affected Ch. 20 Appropriations <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.370(6)(bu)		
Agency/Prepared By DNR/ Joe Polasek (608) 266-2794	Authorized Signature Joe Polasek (608) 266-2794	Date 11/9/2005

Fiscal Estimate Narratives

DNR 11/9/2005

LRB Number	05-3673/1	Introduction Number	AB-798	Estimate Type	Original
Description Increasing the recycling fee imposed on the disposal of solid waste, the program of financial assistance for local recycling programs, and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

Bill Summary: This bill will increase the recycling tipping fee for solid waste disposed at a landfill from the current \$3.00 per ton to \$10.00 per ton. High volume wastes, as defined in s. 289.01(16), Stats., remain exempt from this fee under the bill. In addition, the bill increases recycling grants to local units of government by \$48 million for fiscal year 2006-07.

Fiscal Estimate: This bill will increase revenues to the recycling fund and increase costs to local governments. Increased costs to local governments will be offset by an increase in recycling grants to local units of governments which implement municipal recycling programs. The state and local government fiscal estimates below cover three possible scenarios: 1) no impact from fee increase on disposal amounts; 2) assume 10% decrease in disposal amounts; and 3) assume 20% decrease in disposal amounts. The base tonnage estimates are derived from 2004 data, and assume 7.8 million tons of solid waste (excluding high volume industrial wastes) will be disposed of in landfills annually. However, the Department cautions that solid waste disposal amounts have been highly volatile since 2000. While there appears to be an upward trend in total disposal, the trend is too recent to make accurate estimates for future years.

State: Increasing the tonnage fee by \$7.00 per ton will generate an additional \$54.61 million in revenue assuming no change in disposal amount (7.8 million tons * \$7), \$49.15 million assuming a 10% decrease in tonnage, and \$43.69 million assuming a 20% decrease in tonnage.

Local: The increase tipping fee will increase costs to local governments; these are estimated under the same three scenarios used above. Using 2004 data, the Department estimates that local governments or their service contractors dispose of 2.2 million tons of solid waste, and that the local governments will not be in a position to pass the fee increase to their residents. Increased costs would be \$15.40 million assuming no change in tonnage, \$13.86 million assume a 10% decrease in tonnage, and \$12.32 assuming a 20% decrease in tonnage. The bill provides for an additional \$48 million in recycling grants to local governments to cover increased local government costs.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

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Description Increasing the recycling fee imposed on the disposal of solid waste, the program of financial assistance for local recycling programs, and making an appropriation			
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)			
State Operations - Other Costs			
Local Assistance	48,000,000		
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$48,000,000		\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S	48,000,000		
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
	Increased Rev	Decreased Rev	
GPR Taxes	\$	\$	
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S	54,610,000		
TOTAL State Revenues	\$54,610,000		\$
NET ANNUALIZED FISCAL IMPACT			
	<u>State</u>	<u>Local</u>	
NET CHANGE IN COSTS	\$48,000,000	\$\$15,400,000	
NET CHANGE IN REVENUE	\$54,610,000	\$\$48,000,000	
Agency/Prepared By		Authorized Signature	Date
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