

Fiscal Estimate - 2005 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 05-4342/1	Introduction Number SB-504	
Description Determining the size of a livestock operation for the applicability of the livestock facility siting law, water quality regulation of livestock operations, granting rule-making authority, and providing an exemption from emergency rule procedures		
Fiscal Effect State: <input checked="" type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input 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 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 type="checkbox"/> Increase Revenue <input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 5. Types of Local Government Units Affected <input checked="" type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others <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 type="checkbox"/> SEG <input type="checkbox"/> SEGS		
Agency/Prepared By DNR/ Joe Polasek (608) 266-2794	Authorized Signature Joe Polasek (608) 266-2794	Date 1/26/2006

Fiscal Estimate Narratives

DNR 1/26/2006

LRB Number	05-4342/1	Introduction Number	SB-504	Estimate Type	Original
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Assumptions Used in Arriving at Fiscal Estimate

The bill would require DNR to use the federal method of calculating whether a livestock operation meets the threshold of 1,000 Animal Units, the level at which a livestock operation is considered a large Concentrated Animal Feeding Operation (CAFO) under ch. NR 243, Wis. Admin. Code, and therefore required to obtain a Wisconsin Pollutant Discharge Elimination System (WPDES) permit. The federal method calculates the size of an operation based upon the species and age of a single type of animal and does not combine the numbers of animals of different species or ages, whereas DNR currently calculates the size based upon a "mixed" animal calculation that adds together all animal species and ages on location.

ASSUMPTIONS: Initially, approximately 10-16 mixed dairy operations (those with mature and immature cattle at the same site) will no longer require a WPDES permit under the federal method of calculating animal units. However, approximately 15 other current operations (some veal, immature dairy cattle and some poultry operations) would require a permit for the first time as a result of the federal method. Also see Long-Range Fiscal Implications.

The bill would have no net fiscal impact. It could potentially reduce DNR costs in terms of reduced staff time spent on permit issuance and compliance/enforcement efforts. However, these fiscal impacts would be offset due to DNR efforts to address water quality impacts from operations no longer requiring a permit using other DNR programs including the following:

- Former "mixed" animal large CAFOs with discharges to navigable waters may be defined or designated as a medium CAFO requiring coverage under a WPDES permit.
- Operations that have caused a water quality impact (fish kill, well contaminations) may be subject to citations or other enforcement action under programs such as the spills program.
- Operations may require DNR cost-sharing in order to ensure compliance with agricultural performance standards in ch. NR 151, Wis. Adm. Code.

FISCAL IMPACT-LOCAL GOVERNMENTS

Current law requires state and local units of government to provide a minimum of 70% cost-sharing for non-CAFO operations if requiring the operation to comply with state agricultural performance standards contained in NR 151, Wis. Admin. Code. Therefore, local units of government (i.e., county land conservation departments, towns) may experience increased costs due to time and money spent on addressing the impact of these type of operations on water quality, which are expenses that would otherwise have been absorbed by DNR in conjunction with the WPDES permitting process.

Long-Range Fiscal Implications

In the long term, the overall number of permitted operations will be reduced by 2-4 per year due to the changed Animal Unit calculation method. However, cost savings generated by this reduction will likely be offset by efforts to address the water quality impact of non-permitted operations as shown above.

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

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Description Determining the size of a livestock operation for the applicability of the livestock facility siting law, water quality regulation of livestock operations, granting rule-making authority, and providing an exemption from emergency rule procedures			
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			
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, etc.)			
	Increased Rev	Decreased Rev	
GPR Taxes	\$	\$	
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues	\$	\$	
NET ANNUALIZED FISCAL IMPACT			
	State	Local	
NET CHANGE IN COSTS	\$	\$	
NET CHANGE IN REVENUE	\$	\$	
Agency/Prepared By		Authorized Signature	Date
DNR/ Joe Polasek (608) 266-2794		Joe Polasek (608) 266-2794	1/26/2006