

Fiscal Estimate - 2007 Session

Original Updated Corrected Supplemental

LRB Number 07-3068/1		Introduction Number AB-0638			
Description Bottling of water provided by a local governmental unit					
Fiscal Effect					
State:					
<input 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"/> Decrease Existing Appropriations		<input type="checkbox"/> Decrease Existing Revenues			
<input type="checkbox"/> Create New Appropriations		<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget			
		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
<input type="checkbox"/> Decrease Costs					
Local:					
<input type="checkbox"/> No Local Government Costs					
<input type="checkbox"/> Indeterminate					
1. <input type="checkbox"/> Increase Costs		3. <input type="checkbox"/> Increase Revenue			
<input 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 type="checkbox"/> Towns		<input type="checkbox"/> Village <input type="checkbox"/> Cities			
<input 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 checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.370(4)(mq)					
Agency/Prepared By		Authorized Signature		Date	
DNR/ Joe Polasek (608) 266-2794		Joe Polasek (608) 266-2794		1/8/2008	

Fiscal Estimate Narratives

DNR 1/8/2008

LRB Number	07-3068/1	Introduction Number	AB-0638	Estimate Type	Original
Description Bottling of water provided by a local governmental unit					

Assumptions Used in Arriving at Fiscal Estimate

Bill Summary:

This bill requires a person who proposes to bottle water, using more than 25 percent of the water produced by a local governmental unit, such as a municipal water district, to obtain approval from the Department of Natural Resources (DNR). The bill prohibits DNR from providing its approval unless it determines that the bottling of the water will not impair the ability of the local governmental unit to furnish water to the public and will not have a significant adverse environmental impact.

Fiscal Effect:

Annual State Costs:

The bill will increase annual costs to the Department by an estimated \$7,700 of salary and supplies related expenditures associated with 0.11 FTE. This estimate includes costs associated with 1) assisting and guiding water bottling businesses, which are required to obtain Department approval, prepare an environmental impact statement (EIS); and 2) Department review of the EIS prepared by water bottling applicants. The Department estimates that applications would be infrequent - possibly one every 3-5 years.

The individual elements of this fiscal estimate are itemized below. Note: Because the Department estimates that only one approval would be required every 3 - 5 years, the following assessment and review costs were divided by three to obtain an annual cost.

Impact Assessment: When approvals are requested, a detailed assessment will be required to determine if there will be a significant adverse environmental impact. The Department assumes, based on an estimate given to Perrier by the U.S. Geological Survey, that this assessment would cost approximately \$70,000 and take about 12 months to complete. The Department assumes that it can require that the cost of the study be borne by the applicant and that the assessment would be prepared by a third party.

Department staff would be involved during the assessment by providing assistance and guidelines to the applicant and responding to questions from the applicant, its consultant and other interested parties. Because technical studies of this type are not common and consultants will likely have many questions, the Department estimates that DNR staff involvement during the study development would require approximately 200 hours of an advanced hydrogeologist's time per study.

200 hrs/1820 hrs per FTE = 0.11 FTE (Hydrogeologist -- Adv.)

Hydrogeologist – Adv. (\$31.12/hr salary and fringe) x 2080 hrs + \$5,200 supplies related expenditures = \$69,900 x 0.11 = \$7,700.

Review of Impact Assessment: Following completion and submittal of the above assessment, the Department estimates that approximately 400 hours of DNR staff time would be required to review the assessment, recommend an action (approval or disapproval) and any required conditions of an approval, and provide the public with an opportunity to comment on action.

400 hrs/1820 hrs per FTE = 0.22 FTE (Hydrogeologist -- Adv.)

Hydrogeologist – Adv. (\$31.12/hr salary and fringe) x 2080 hrs + \$5,200 supplies related expenditures = \$69,900 x 0.22 = \$15,400.

TOTAL ANNUALIZED COSTS: (\$7,700 + \$15,400)/3 yrs = \$7,700/yr and (0.11 FTE + 0.22 FTE)/3 yrs = 0.11 FTE/yr.

One-Time Costs:

As a result of the bill, the Department would incur \$17,500 in one-time costs associated with developing an administrative code. The Department estimates that it will take 0.25 FTE of Water Supply Specialist time to develop the new administrative code needed to implement this legislation. This estimate is based on the amount the amount of time spent in the past developing rules for an item of similar complexity.

Water Supply Specialist –Adv. (\$31.12/hr salary and fringe) x 2080 hrs + \$5,200 supplies related expenditures = \$69,900 x 0.25 FTE = \$17,500.

Long-Range Fiscal Implications

None

Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

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Description Bottling of water provided by a local governmental unit			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
\$17,500			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
	State Operations - Salaries and Fringes	\$7,100	\$
	(FTE Position Changes)	(0.1 FTE)	
	State Operations - Other Costs	600	
	Local Assistance		
	Aids to Individuals or Organizations		
	TOTAL State Costs by Category	\$7,700	\$
B. State Costs by Source of Funds			
	GPR		
	FED		
	PRO/PRS		
	SEG/SEG-S	7,700	
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	\$7,700	\$
	NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By		Authorized Signature	Date
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