

### Fiscal Estimate - 2007 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>07-1906/1</b>	<b>Introduction Number</b> <b>SB-169</b>
------------------------------------	--

**Description**  
 The regulation of certain structures in navigable waters, granting rule-making authority, and making an appropriation

**Fiscal Effect**

**State:**

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Indeterminate	<input checked="" 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"/> Create New Appropriations	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Decrease Costs	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

**Local:**

<input type="checkbox"/> No Local Government Costs	<input type="checkbox"/> Indeterminate	<b>5. Types of Local Government Units Affected</b>		
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	<input type="checkbox"/> Towns	<input type="checkbox"/> Village	<input type="checkbox"/> Cities
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Counties	<input type="checkbox"/> Others	
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	<input type="checkbox"/> School Districts	<input type="checkbox"/> WTCS Districts	
<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 checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.370(4)(aq)	

<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
DNR/ Joe Polasek (608) 266-2794	Joe Polasek (608) 266-2794	1/29/2008

## Fiscal Estimate Narratives

DNR 1/29/2008

LRB Number	07-1906/1	Introduction Number	SB-169	Estimate Type	Original
<b>Description</b> The regulation of certain structures in navigable waters, granting rule-making authority, and making an appropriation					

### Assumptions Used in Arriving at Fiscal Estimate

SUMMARY: The bill makes several changes to the regulation of piers in Wisconsin:

1. It modifies permit exemptions for piers by changing the distance requirement and expanding the exemption to include piers with loading platforms that are more than 6 feet wide but not more than 8 feet wide.
2. It allows a riparian property owner to construct a multi-slip pier if a permit is obtained authorizing its configuration. In addition, it authorizes the DNR to promulgate rules concerning multi-slip piers.
3. It creates a permit exemption for certain piers constructed on or before February 6, 2004, and it prohibits DNR from taking enforcement action against owners of piers, wharves, boat shelters, boat hoists or boat lifts that were permitted or authorized on or before February 6, 2004.
4. It allows owners of exempt piers to repair, maintain or replace a pier without a permit if the structure is not enlarged.
5. It authorizes the DNR to promulgate rules for the permitting of solid piers, which are defined as those that inhibit the free flow of water beneath the structure.

In addition, the bill changes the formula for determining the amount of motor fuel tax revenue that shall be transferred annually from the transportation fund to the water resources account of the conservation fund. The current formula is as follows:

Number of registered boats in Wisconsin X 50 gallons of gasoline X current motor fuel tax per gallon X 1.4

The bill would increase the gallon component of the formula from 50 to 50.5 gallons for fiscal years 2008, 2009 and 2010.

Finally, the bill increases spending authority for DNR's water resources management appropriation by \$130,000 in fiscal year 2008 to compensate for the additional administrative expenses that the Department will incur for permit drafting or for determining exemptions for piers and other structures.

### FISCAL EFFECT: ESTIMATED COSTS

A. The Department will incur one-time expenses to promulgate administrative rules related to this bill. Rulemaking on piers will require a significant amount of public input and process, including stakeholder involvement, public information forums, public hearings, Natural Resources Board briefings, and additional application, brochures, forms, and web page publishing of information. This will involve approximately 2,500 staff hours at an average of \$32/hour for salary and fringe benefits, for a total of \$80,000 in one-time staffing costs.

B. The Department assumes that a significant number of pier owners will want to verify whether their pier qualifies for a statutory exemption due to uncertainty regarding the allowable size and configuration of a pier or pier platform, the definition of a major or minor reconfiguration and/or relocation of a pier, the allowable number of boat slips for multi-slip piers, and other factors. These owners will subsequently submit an exemption determination request (EDR) to obtain this verification. A 2005 study of Wisconsin lakes reveals that there are an estimated 187,000 piers in the state. Further, the Department estimates that the bill will prompt as many as 18,700 EDRs, which equates to 10% of the estimated number of piers in the state. Although no fee is required for an EDR, each EDR requires approximately 1 hour of staff time to process at an average of \$32/hour for salary and fringe benefits. Therefore, the Department estimates total one-time staffing costs of up to \$598,400 ( $\$32 \times 18,700$ ) to process EDRs.

C. The Department assumes that complaints and enforcement cases related to piers will increase as property owners are unclear about which exemption standards apply to them, and as neighbors, concerned

citizens and DNR staff observe oversized piers or other structures and cannot easily determine whether the structures are exempt or not. Therefore, the Department estimates that this bill will trigger 75 pier-related cases annually requiring investigation and enforcement. Each case will require an estimated 40 hours of staff time from water regulation & zoning and law enforcement staff at an average of \$32/hour for salary and fringe benefits. This translates to an ongoing total cost of \$96,000 (75 cases x 40 hrs. per case x \$32/hr.). Refer to page 1 for additional information on the long-range fiscal impact of this assumption.

D. Under current law, the Department receives approximately 95 permit applications annually for multi-slip piers. Since the bill would liberalize the restrictions for the construction of these type of piers, the Department assumes that it will increase the number of multi-slip pier applications. Each multi-slip application equates to approximately 67 hours of staff review time in water regulation & zoning, law enforcement and legal services. Therefore, assuming that the number of applications increases by 1 annually, and assuming an average of \$32/hour for salary and fringe benefits, the Department anticipates an increase in ongoing costs of \$2,100 (67 hrs. per application x \$32/hr.) and a \$500 increase in annual permitting revenue.

E. The Department assumes that the regulatory changes to piers will have a cumulative adverse impact on fish and aquatic life and will thus trigger an ongoing increase in fisheries survey and habitat projects. Spawning and nursery habitat critical to fish reproduction may be lost, and lakes with moderate development and increasing development pressure will be most vulnerable. Department staff will have ongoing increased costs for fisheries surveys and monitoring to evaluate these impacts of increased pier and boat densities. Increased costs will also result from the habitat restoration, fish stocking, and other approaches needed to address the impacts and maintain healthy fisheries. Although it is difficult to predict the number or frequency of lakes that will experience these impacts, or the appropriate management tools needed to restore healthy fisheries, the Department estimates that one lake per year with an average size of 400 acres will require additional survey work and fish restocking. A typical survey for a lake this size involves \$1,400 in equipment, travel and fish stocking expenses, 108 LTE hours @ \$20/hour for salary and fringe benefits, and 156 permanent staff hours @ \$28/hour for salary and fringe benefits, for a total of \$7,900.

In total, the Department anticipates one time costs of up to \$678,400 and ongoing costs of \$106,000 to implement the bill.

#### FISCAL EFFECT: ESTIMATED REVENUES

The bill would increase the amount of motor fuel tax revenue that will be transferred from the transportation fund to the water resources account of the conservation fund in fiscal years 2008, 2009 and 2010 by modifying the formula that is used to calculate the transfer from 50 gallons of fuel per boat to 50.5 gallons.

Under current law, the estimated revenue for FY 2008 is as follows:

626,942 registered boats X 50 gallons X 30.9 cents/gallon motor fuels tax X 1.4 = \$13,560,755

Under the formula proposed in the bill, the estimated revenue for FY 2008 is as follows:

626,942 registered boats X 50.5 gallons X 30.9 cents/gallon motor fuels tax X 1.4 = \$13,696,363

Therefore, it is estimated that the bill would increase the amount of motor fuel tax revenue transferred from the transportation fund to the water resources account by \$135,600 annually.

In addition, permitting revenue for multi-slip piers would increase by \$500 annually, resulting in an estimated overall revenue increase of \$136,100.

#### Long-Range Fiscal Implications

The number of complaint and enforcement cases and the staff time and financial resources required to investigate them are likely to decrease over time as DNR staff and pier owners accumulate information from prior cases about the characteristics of an exempt versus a non-exempt pier.

## Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> 07-1906/1		<b>Introduction Number</b> SB-169	
<b>Description</b> The regulation of certain structures in navigable waters, granting rule-making authority, and making an appropriation			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>  One-time staffing costs (salary and fringe benefits) of \$80,000 for rule promulgation and \$598,400 for processing of exemption determination requests, for a total of \$678,400.			
<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	\$104,600	\$
	(FTE Position Changes)		
	State Operations - Other Costs	1,400	
	Local Assistance		
	Aids to Individuals or Organizations		
	<b>TOTAL State Costs by Category</b>	<b>\$106,000</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
	GPR		
	FED		
	PRO/PRS		
	SEG/SEG-S	106,000	
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)</b>			
		Increased Rev	Decreased Rev
	GPR Taxes	\$	\$
	GPR Earned		
	FED		
	PRO/PRS	500	
	SEG/SEG-S	135,600	
	<b>TOTAL State Revenues</b>	<b>\$136,100</b>	<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
		State	Local
	NET CHANGE IN COSTS	\$106,000	\$
	NET CHANGE IN REVENUE	\$136,100	\$
<b>Agency/Prepared By</b> <b>Authorized Signature</b> <b>Date</b>			
DNR/ Joe Polasek (608) 266-2794		Joe Polasek (608) 266-2794	1/29/2008