

## Fiscal Estimate - 2007 Session

Original     
  Updated     
  Corrected     
  Supplemental

|   |   |
|---|---|
| <b>LRB Number</b> 07-2626/1   | <b>Introduction Number</b> SB-177   |
| <b>Description</b><br>An assessment on growers that sell corn   |   |
| <b>Fiscal Effect</b>  |   |
| <b>State:</b>   |   |
| <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate  |   |
| <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations  | <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues             |
| <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   |   |
| <b>Local:</b>   |   |
| <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate   |   |
| 1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory   | 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory |
| 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory   | 4. <input type="checkbox"/> Decrease Revenue <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<br><input type="checkbox"/> Counties <input type="checkbox"/> Others<br><input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts |   |
| <b>Fund Sources Affected</b>  |   |
| <input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.115 3 (i)  |   |
| <b>Affected Ch. 20 Appropriations</b>   |   |
| <b>Agency/Prepared By</b>   |   |
| DATCP/ Linda Merriman Hitchman (608) 224-5132   |   |
| <b>Authorized Signature</b>   |   |
| Barb Knapp (608) 224-4746   |   |
| <b>Date</b>   |   |
| 5/14/2007   |   |

**Fiscal Estimate Narratives**  
**DATCP 5/14/2007**

|   |                                   |                               |
|---|-----------------------------------|-------------------------------|
| LRB Number <b>07-2626/1</b>                                   | Introduction Number <b>SB-177</b> | Estimate Type <b>Original</b> |
| <b>Description</b><br>An assessment on growers that sell corn |                                   |                               |

**Assumptions Used in Arriving at Fiscal Estimate**

DATCP administers Wisconsin's Agricultural Marketing Act which authorizes the creation of marketing orders for agricultural commodities. The provisions of Ch. 96, Stats., and Ch. ATCP 140 Wis. Adm. Code govern marketing orders in general. Ch ATCP 143 sets forth the requirements of the corn marketing order, including the assessment rate, which is currently 0.1 cent per bushel.

SB 177 would add a new section to Ch. 96 which would create an additional assessment of 0.4 cents per bushel. The funds collected would be utilized for the same purposes as specified in ATCP 143. The purposes established in ATCP 143 are "to maintain and expand sales of corn. This includes the development of new products and new markets; improving corn production, marketing, or handling methods or practices; and educational programs for producers, handlers, or consumers relating to the quality or nutritional value of corn or corn products." [ATCP 143.02 (1)]. The 2005 assessments generated \$178,695 with the 0.1 cent per bushel assessment. Assuming the same amount of corn were grown and sold in the state, SB 177's new assessment, plus the existing assessment, would generate \$893,475. Because SB 177 would create a separate statutory assessment which would not change the existing assessment established in the ATCP 143, no rulemaking would be necessitated by this bill.

SB 177 would direct DATCP to conduct a corn marketing order referendum if, after June 20, 2011 and before January 1, 2012, 10% of the effected producers petition for one. Ch. 96.10 (5) authorizes the marketing boards to request administrative services from DATCP, directs the department to provide the services needed and specifies that the board shall reimburse DATCP for all of the costs incurred. One of the services DATCP regularly provides is administration of referenda and elections. A corn market order referendum would cost DATCP an estimated \$20,000 but these costs would be required to be reimbursed by the corn marketing order board, so there would be no significant net cost increase to the state.

SB 177 will increase revenues and may increase expenses for the corn marketing board, but will not have a significant fiscal effect on DATCP and will have no fiscal effect on local governments.

**Long-Range Fiscal Implications**

## Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

|  |               |  |                 |
|--|---------------|--|-----------------|
| <b>LRB Number</b> <b>07-2626/1</b>   |               | <b>Introduction Number</b> <b>SB-177</b>       |                 |
| <b>Description</b><br>An assessment on growers that sell corn  |               |  |                 |
| <b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b><br>\$20,000 for a referendum. Costs would be reimbursed by the Corn Marketing Order Board. |               |  |                 |
| <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>     |  | <b>\$</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>\$</b>     |  | <b>\$</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>                    | <b>Date</b>     |
| DATCP/ Linda Merriman Hitchman (608) 224-5132  |               | Barb Knapp (608) 224-4746                      | 5/14/2007       |