

Fiscal Estimate - 2007 Session

Original Updated Corrected Supplemental

LRB Number 07-3193/1	Introduction Number AB-0915	
Description Notices concerning construction near or on lakes, streams, or wetlands that are given to applicants for building permits and other construction approvals, requiring the Department of Natural Resources to furnish informational brochures about wetlands laws, requiring the Department of Natural Resources to provide evaluations and statements about whether certain land contains wetlands, 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"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input checked="" 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 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 checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.370(4)(bi)		
Agency/Prepared By DNR/ Joe Polasek (608) 266-2794	Authorized Signature Joe Polasek (608) 266-2794	Date 3/10/2008

Fiscal Estimate Narratives

DNR 3/10/2008

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Assumptions Used in Arriving at Fiscal Estimate

The bill has five major components:

1. It requires DNR to provide, for a fee, a wetland map review, a wetland identification, or a wetland confirmation upon request by a person who owns or leases land. The Department shall charge \$50 for a wetland map review and \$300 for a wetland identification or confirmation.
2. It requires a county or municipality that issues a building permit or other approval for construction activity to give an applicant a written notice about construction near wetlands and that the applicant is responsible for complying with state or federal laws regarding construction near wetlands, lakes and streams.
3. It requires the Department of Commerce to include a written notice about construction near wetlands on its building permit forms.
4. It requires DNR to furnish informational brochures to counties and municipalities for distribution to the public that describe the laws that apply to wetlands.
5. It authorizes 3.0 FTE project positions and 1.0 FTE permanent position for DNR to provide wetland map reviews, identifications and confirmation services.

Assumptions

The Department has chosen to use the most recent and available housing start and real estate transfer data as the basis for estimating the fiscal impact of this bill. It acknowledges that the data will not include the downward effects that the housing construction and real estate slumps have had on these indicators.

According to the U.S. Census Bureau, there were an average of 34,218 residential housing starts per year in Wisconsin from 2004 to 2006. The Department assumes that 10% of residential housing starts will be in proximity to a wetland, lake or stream, which translates to 3,422 per year ($34,218 \times .10$) and that this total should be increased by 10%, or 342 ($3,422 \times .10$) to account for commercial building projects that are in proximity to a wetland, lake or stream. Therefore, it is estimated that a total of 3,764 residential and commercial building projects ($3,422$ residential + 342 commercial) per year will be in proximity to a wetland, lake or stream.

According to the Wisconsin Department of Revenue, there were an average of 253,690 real estate transfers per year in Wisconsin from 2004 to 2006.

State Costs--On-Site Wetland Identifications or Confirmations

The Department estimates that 30% of the estimated 3,764 residential and commercial building projects per year that are in proximity to a wetland, lake or stream will result in a request for an on-site wetland identification or confirmation. This translates to an estimated 1,129 on-site identifications/confirmations ($3,764 \times .3$) per year. It is estimated that each on-site identification/confirmation requires an average of 8 staff hours, for a total of 9,032 staff hours ($1,129$ determinations \times 8 hrs. each). Under current law, Department staff are already devoting an estimated 900 hours per year for on-site identifications/confirmations. Therefore, the net workload increase for on-site identifications/confirmations is estimated to be 8,132 hours ($9,032$ hrs. - 900 hrs.), or equivalent to approximately 4.5 FTE ($8,132$ hrs./ $1,820$ hrs.).

Assuming an hourly salary and fringe rate of \$24, the bill would increase Department staffing costs by \$195,200 ($8,132$ hours \times \$24). In addition, assuming annual costs of \$5,200 per FTE per year for supplies & services (i.e. travel, training, phone, space, etc.), the bill would increase Department supplies & services

costs by \$20,800 ($\$5,200 \times 4$ FTE).

In summary, the Department estimates that annual staffing and supplies & services costs will increase by \$216,000 ($\$195,200$ for staffing + $\$20,800$ for supplies & services).

The Department will incur one-time costs of \$14,000 for 4 computers and \$45,000 for surveying equipment for field work, for total one-time costs of \$59,000.

State Costs--Wetland Map Reviews

The Department estimates that 70% of the estimated 3,764 residential and commercial building projects per year that are in proximity to a wetland, lake or stream will result in a request for a wetland map review. This translates to an estimated 2,635 map reviews ($3,764 \times .7$) per year. In addition, the Department assumes that 5% of real estate transfers will result in Department staff conducting a wetland map review, which translates to 12,685 wetland map reviews per year. ($253,690 \times .05$). This results in a combined total of 15,320 wetland map reviews per year ($2,635 + 12,685$); however, this total is reduced by the estimated 1,000 map reviews that staff are already conducting under current law, for a net estimated increase of 14,320 map reviews per year.

The Department will need to hire LTEs to do the wetland review work. Therefore, it is estimated that each map review will require 1 hour of LTE time at an hourly salary and fringe rate of \$16.48, resulting in a total increase in LTE costs of \$236,000 ($14,320$ map reviews $\times 1$ hr./review $\times \$16.48$). In addition, the Department would incur an estimated \$3,000 per year in supplies & services costs associated with the LTEs.

In summary, the Department estimates that annual staffing and supplies & services costs will increase by \$239,000 ($\$236,000$ for staffing + $\$3,000$ for supplies & services).

The Department will incur estimated one-time costs of \$7,000 for 2 computers for LTEs and \$5,000 for a color printer (for printing maps), for total one-time costs of \$12,000.

State Costs--Other

It is estimated that the Department will incur additional costs of \$25,000 per year to hire a contractor (or LTE) for geographic information system (GIS) data management work. This work, in turn, will allow the Department to incorporate data gathered from on-site wetland determinations into the Department's wetland inventory.

In addition, the Department will incur one-time costs of \$10,000 for printing and mailing informational brochures to counties and municipalities that describe the laws that apply to wetlands.

State Revenues

Assuming that there are an estimated 1,129 on-site wetland identifications/confirmations per year, it would generate an estimated \$338,700 per year in water regulation and zoning fee revenues ($1,129 \times \$300$).

Assuming that there are an estimated 14,320 wetland map reviews per year, it would generate an estimated \$716,000 per year in water regulation and zoning fee revenues ($14,320 \times \$50$).

Therefore, total overall fee revenues would increase by \$1,054,700.

Fiscal Effect--Local Government

Local units of government will incur additional costs in order to ensure that written notices are provided to building permit applicants and that a signature is obtained from the applicant acknowledging that they received such notice. However, since it is not possible to estimate those additional costs with any degree of specificity, the Department characterizes the local fiscal impact as "indeterminate".

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

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I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): One-time costs of \$21,000 for computers, \$45,000 for surveying equipment, \$5,000 for color printers, and \$10,000 for printing informational brochures, for an overall total of \$81,000.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$431,200	\$
(FTE Position Changes)		(4.5 FTE)	
State Operations - Other Costs		48,800	
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$480,000	\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS		480,000	
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		1,054,700	
SEG/SEG-S			
TOTAL State Revenues		\$1,054,700	\$
NET ANNUALIZED FISCAL IMPACT			
		State	Local
NET CHANGE IN COSTS		\$480,000	\$
NET CHANGE IN REVENUE		\$1,054,700	\$
Agency/Prepared By		Authorized Signature	Date
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