

Fiscal Estimate Narratives

DNR 5/21/2012

LRB Number	11-3550/1	Introduction Number	AB-0744	Estimate Type	Original
Description The sale, collection, and recycling of mercury-added lamps and thermostats, the disposal of mercury-added products, granting rule-making authority, making an appropriation, and providing a penalty					

Assumptions Used in Arriving at Fiscal Estimate

This bill requires manufacturers of mercury-containing lamps (principally fluorescent light bulbs) and mercury thermostats to register with the state and establish recycling programs for their products. The bill also bans the disposal of mercury-containing lamps (principally fluorescent light bulbs) and mercury thermostats in Wisconsin landfills and incinerators.

The requirements of this bill are to be phased in, with lamp manufactures required to register with the DNR and pay a registration fee by January 1, 2014; thermostat manufacturers are required to submit a recycling plan to the Department by the 13th month after the bill is signed into law with the disposal ban taking effect 19 months after the bill becomes law.

The Department's estimates are based on the following assumptions:
Based on registration data from other states with similar legislation, the Department estimates 25 lamp manufacturers would need to register, providing \$125,000 annually in registration fees.

The Department estimates that 35 thermostat manufacturers would need to register. The bill directs the Department to promulgate rules to determine the registration fees for thermostat manufacturers; for this analysis the department estimated a per-manufacturer fee of \$2,000 annually beginning in the second year after the bill is signed into law, for a total of \$70,000 annually.

Manufacturers would not need to pay registration fees until approximately one year after the bill becomes law, but the Department would likely need to commit at least one FTE and slightly more than \$100,000 (primarily for IT contractors) to carry out the initial implementation of the law during the first year. Because these activities during the first year would not be supported with fee revenue, expenses associated with implementation will need to be absorbed from other funding sources. The Department estimates a one-time cost of \$180,000 to accomplish the necessary implementation activities.

Once manufacturers of lamps and thermostats begin paying registration fees and the extra expenses of the initial implementation (IT and extra staff time) are reduced, the department estimates revenue from manufacturer registration fees will approximately equal on-going expenses (see summary below):

Summary

One-time implementation costs:

- One (1) FTE= \$80,000, and
- No less than \$100,000 for IT contractor

Total Anticipated One-Time Implementation Costs= ~\$180,000

Anticipated Annual Revenues:

- 25 lamp manufacturers= \$125,000 annually, and
- 35 thermostat manufacturers= \$70,000 annually

Total Anticipated Annual Revenue= \$195,000

On-going Annual Costs:

- One (1) FTE at \$80,000 annually
- One (1) half-time LTE at \$25,000 annually
- On-going IT/Outreach at \$70,000 annually, and
- Administrative costs at \$10,000 annually

Total Estimated Annual Costs of \$185,000

Impact to Local Government:

Local governments do not have specific requirements under the bill, but may choose to become collectors of lamps and/or thermostats, or may already be collecting these items. Whether local government costs increase or decrease as a result of this bill will depend on whether they choose to act as collectors and whether funding from manufacturers covers their costs for this activity. When the disposal bans go into effect, local governments (particularly recycling responsible units) could incur some costs for educating residents and may determine it useful or necessary to offer collection options for residents—but the bill does not make specific requirements for either of these.

Long-Range Fiscal Implications

Once manufacturers begin paying registration fees and initial implementation of the bill is complete, we estimate that annual revenue from registration fees will be approximately equal to DNR costs.

Fiscal Estimate Worksheet - 2011 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description The sale, collection, and recycling of mercury-added lamps and thermostats, the disposal of mercury-added products, granting rule-making authority, making an appropriation, and providing a penalty			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): \$180,000			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
	State Operations - Salaries and Fringes	\$105,000	\$
	(FTE Position Changes)	(1.0 FTE)	
	State Operations - Other Costs	80,000	
	Local Assistance		
	Aids to Individuals or Organizations		
	TOTAL State Costs by Category	\$185,000	\$
B. State Costs by Source of Funds			
	GPR		
	FED		
	PRO/PRS		
	SEG/SEG-S	185,000	
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	195,000	
	TOTAL State Revenues	\$195,000	\$
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$185,000	\$
NET CHANGE IN REVENUE		\$195,000	\$
Agency/Prepared By		Authorized Signature	Date
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