

Fiscal Estimate Narratives

DNR 6/17/2011

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|---|-----------|---------------------|--------|---------------|----------|
| LRB Number | 11-1830/2 | Introduction Number | SB-111 | Estimate Type | Original |
| Description The regulation of indirect sources of air pollution and the suspension of a rule promulgated by the Department of Natural Resources | | | | | |

Assumptions Used in Arriving at Fiscal Estimate

Under current law, the Department of Natural Resources (DNR) issues permits for certain stationary sources of air pollution. The current definition of "stationary source" includes facilities that indirectly emit air pollution. DNR has promulgated

rules that require permits for certain indirect sources of air pollution, including certain parking lots and highways. Some of the requirements that apply to other stationary sources do not apply to indirect sources.

The bill prohibits the DNR from requiring air pollution control permits for indirect sources.

State Fiscal Effect

Elimination of NR 411, Wis. Adm. Code, would result in decreased state revenues from the elimination of permit fees. During fiscal years 2007 through 2010, the DNR processed 29 indirect source air permits with fees ranging from \$275 to \$11,250 and an average fee per project of \$5,950. Therefore, the Department estimates that the bill will reduce annual permit revenue by \$43,200 [(29 permits/4 years) x \$5,950].

The bill would also reduce Department costs. From fiscal years 2007 through 2010, the Department incurred average costs of \$46,000 annually associated with the review of indirect source air permits.

Additional cost reductions may be realized by other state agencies that would be required to obtain indirect source permits (e.g., DOT highway projects).

Local Government Fiscal Effect

The Department estimates that the bill will result in an indeterminate reduction in costs to local units of government due to the elimination of the screening level analysis for local highway projects.

Private Sector Fiscal Effect

Elimination of NR 411, Wis. Adm. Code, will reduce costs to businesses and developers by an indeterminate amount as a result of a reduction in permit fees, the cost to develop an indirect source permit application, including consultant fees, traffic modeling and documentation and possible legal fees.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2011 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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|--|---|--|------------------|
| LRB Number 11-1830/2 | | Introduction Number SB-111 | |
| Description The regulation of indirect sources of air pollution and the suspension of a rule promulgated by the Department of Natural Resources | | | |
| I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): | | | |
| II. Annualized Costs: | | Annualized Fiscal Impact on funds from: | |
| | | Increased Costs | Decreased Costs |
| A. State Costs by Category | | | |
| | State Operations - Salaries and Fringes | \$ | \$-46,000 |
| | (FTE Position Changes) | | |
| | State Operations - Other Costs | | |
| | Local Assistance | | |
| | Aids to Individuals or Organizations | | |
| | TOTAL State Costs by Category | \$ | \$-46,000 |
| B. State Costs by Source of Funds | | | |
| | GPR | | |
| | FED | | |
| | PRO/PRS | | -46,000 |
| | 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 | | -43,200 |
| | SEG/SEG-S | | |
| | TOTAL State Revenues | \$ | \$-43,200 |
| NET ANNUALIZED FISCAL IMPACT | | | |
| | | <u>State</u> | <u>Local</u> |
| NET CHANGE IN COSTS | | \$-46,000 | \$ |
| NET CHANGE IN REVENUE | | \$-43,200 | \$ |
| Agency/Prepared By | | Authorized Signature | Date |
| DNR/ Joe Polasek (608) 266-2794 | | Joe Polasek (608) 266-2794 | 6/17/2011 |