

### Fiscal Estimate - 2013 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>13s0294/1</b>	<b>Introduction Number</b> <b>ASA1-AB-0704</b>
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**Description**  
 Monitoring industrial sand mining and processing operations, a fee on the extraction of certain sand, compensation for costs incurred because of sand mining, increasing funding for inspection and repair of state bridges, granting rule-making authority, and making an appropriation

**Fiscal Effect**

**State:**

- |   |   |   |
|---|---|---|
| <input type="checkbox"/> No State Fiscal Effect<br><input type="checkbox"/> Indeterminate<br><input checked="" type="checkbox"/> Increase Existing Appropriations<br><input type="checkbox"/> Decrease Existing Appropriations<br><input checked="" type="checkbox"/> Create New Appropriations | <input checked="" type="checkbox"/> Increase Existing Revenues<br><input type="checkbox"/> Decrease Existing Revenues | <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget<br><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No<br><input type="checkbox"/> Decrease Costs |
|---|---|---|

**Local:**

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> No Local Government Costs<br><input checked="" type="checkbox"/> Indeterminate<br>1. <input type="checkbox"/> Increase Costs<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory<br>2. <input type="checkbox"/> Decrease Costs<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 3. <input type="checkbox"/> Increase Revenue<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory<br>4. <input type="checkbox"/> Decrease Revenue<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 5. Types of Local Government Units Affected<br><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>	<b>Affected Ch. 20 Appropriations</b>
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.370 (3)(mq); (6)(cs)	

<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
DNR/ Joe Polasek (608) 266-2794	Joe Polasek (608) 266-2794	2/24/2014

## Fiscal Estimate Narratives

DNR 2/24/2014

LRB Number	13s0294/1	Introduction Number	ASA1-AB-0704	Estimate Type	Supplemental
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### Assumptions Used in Arriving at Fiscal Estimate

The amendment establishes a fee of one dollar per ton of frac sand extracted, and it requires the Department to use a portion of the revenue generated from the fee to provide compensation to cities, villages, towns, and counties for costs incurred due to the impacts of frac sand mining, including costs of road repair and repairing damaged wetlands. In addition, the amendment authorizes 10.0 FTE to DNR for monitoring industrial sand mining and processing operations.

#### Fiscal Effect

##### Revenues

Within a 19-county area of the state, there are an estimated 61 operational sand mines in addition to an estimated 57 mines that are either proposed, permitted but not operational, in development, or inactive. Some mines may be producing sand for purposes other than "fracking".

Since the Department does not currently track the amount "frac sand" extracted from the state, it is unable to estimate the revenue that would be generated from the proposed \$1.00/ton fee.

##### Costs

The bill establishes 10.0 FTE and ongoing spending authority of \$1,117,000 within the Department's Bureau of Law Enforcement for monitoring sand mining and processing operations. In addition, to the extent that revenues generated from the \$1.00/ton fee exceed \$1,117,000/year, the bill establishes a program to compensate local units of government for impacts of frac sand mining operations. Since the Department is unable to estimate the revenue that would be generated from the \$1.00/ton fee, the amount of money that would be available each year for compensation payments is indeterminate.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2013 Session

Detailed Estimate of Annual Fiscal Effect

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<b>Description</b> Monitoring industrial sand mining and processing operations, a fee on the extraction of certain sand, compensation for costs incurred because of sand mining, increasing funding for inspection and repair of state bridges, 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>		
<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	\$1,117,000	\$
(FTE Position Changes)	(10.0 FTE)	
State Operations - Other Costs		
Local Assistance		
Aids to Individuals or Organizations		
<b>TOTAL State Costs by Category</b>	<b>\$1,117,000</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>		
GPR		
FED		
PRO/PRS		
SEG/SEG-S (Environmental)	1,117,000	
<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>		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$1,117,000	\$
NET CHANGE IN REVENUE	\$	\$
<b>Agency/Prepared By</b> <b>Authorized Signature</b> <b>Date</b>		
DNR/ Joe Polasek (608) 266-2794	Joe Polasek (608) 266-2794	2/24/2014