## Fiscal Estimate - 2013 Session

$\boxtimes$	Original		Updated		Correcte	d		Supple	mental				
LRB	Number	13-1917/1		Intro	duction	Number	Α	B-028	6				
<b>Description</b> Methods of establishing proof of financial responsibility for the closure and long-term care of a landfill													
Fiscal	Effect												
	No State Fisco Indeterminate Increase E Appropria Decrease Appropria Create No	e Existing tions Existing	Revenue Decreas Revenue	e Existing	;	Increase ( to absorb Y Decrease	withir 'es	n agency					
	No Local Golindeterminate  1. Increase Permiss 2. Decrea	e Costs sive∭Mandat se Costs	s  3.  Increase ory Permiss 4.  Decrease ory Permiss	ive <b>∏M</b> a e Revenu	e ndatory ue	Types of Le Governmen Towns Counti Schoo District	nt Un E es	its Affect ☑ Village ☑ Others ☑ WTCS District	Cities				
Fund Sources Affected Affected Ch. 20 Appropriations  GPR FED PRO PRS SEG SEGS													
Agen	cy/Prepared	Ву	Au	thorized	Signature	)			Date				
DNR/ Joe Polasek (608) 266-2794				Joe Polasek (608) 266-2794					8/19/2013				

## Fiscal Estimate Narratives DNR 8/19/2013

LRB Number 13-19	17/1	Introduction Number	AB-0286	Estimate Type	Original					
Description										
Methods of establishing proof of financial responsibility for the closure and long-term care of a landfill										

## Assumptions Used in Arriving at Fiscal Estimate

The bill proposes that escrow accounts and irrevocable trusts used by landfill owners to demonstrate proof of financial responsibility may include securities issued by an instrumentality of the federal government, as well as securities issued the federal government. Current law allows only cash, certificates of deposit, or U.S. government securities. Examples of securities issued by an instrumentality of the federal government would be Fannie Mae or Freddie Mac. U.S. government agency securities (like Fannie Mae) are not direct obligations of the U.S. Treasury, and are not backed by the Treasury's tax and credit authority, which means that they carry a slightly higher yield than U.S. government securities (treasury bills, treasury bonds, treasury certificates, treasury notes and treasury stocks guarantied by the federal government). Because they carry a slightly higher yield, landfill owners (which could include local governments) using these types of securities would be able to invest fewer funds and still maintain adequate balances in their accounts to meet their proof of financial responsibility requirements.

## Fiscal Effect

The bill could result in a decrease in costs for local governments relating to landfill operations; however, because of all the variables involved, it is not possible to accurately estimate the cost savings.

Long-Range Fiscal Implications