

Fiscal Estimate Narratives

DNR 10/28/2013

LRB Number	13-2983/1	Introduction Number	AB-0444	Estimate Type	Original
Description Fees imposed on the disposal of solid waste and hazardous waste at licensed solid waste and hazardous waste disposal facilities					

Assumptions Used in Arriving at Fiscal Estimate

The bill creates new exemptions from the groundwater, well compensation, solid waste facility siting board, recycling, and environmental repair tipping fees.

The impact to state revenues and local government costs, as applicable, are calculated using the tons of waste in each category for which the fees would be waived multiplied by the \$13/ton fee.

(1) MRF Residues: Wisconsin material recovery facilities (MRFs) reported generating 44,397 tons of waste residuals in 2012. Assuming all of this tonnage was subject to state tipping fees of \$13/ton, but excluding the tonnage that would have exceeded the 10% cap in the bill, the total tipping fees waived under the bill would be \$502,000. Publicly owned MRFs comprised 7,324 tons and \$79,000 of the total; this would be the local municipality savings.

(2) Construction and Demolition MRF Residues: The DNR does not receive reports from C&D MRFs on residue rates. A survey in 2011 indicated the facilities in operation at that time generated 33,623 tons of landfilled residuals. If all these residuals were subject to state tipping fees, this would represent approximately \$437,000 in waived fees.

(3) Remediation Soils: Amounts of soil disposed of at landfills and subject to state tipping fees are highly variable from year to year. Based on a telephone survey conducted in 2011, a typical annual tonnage of 40,000 tons is a reasonable estimate, representing approximately \$520,000 per year in waived fees.

(4) Bad Debt: Approximately 25 landfills in Wisconsin accept loads from private haulers on a credit basis. Based on a 2011 telephone survey, a typical default rate would be less than 1 percent, and has improved over the past several years as adverse economic conditions have forced landfill operators to manage credit more tightly. At 400 tons per landfill per year (i.e., 10,000 tons statewide), the annual revenue decrease to the state would be about \$130,000. An estimated 4,000 tons of this amount, or \$52,000, would be saved local government costs.

In addition to the above, the state would incur higher costs to administer the fee waivers for administrative costs and auditing. We estimate an annual workload of 100 hours and a resulting cost (@ \$40/hr salary+fringe) of about \$4,000.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2013 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 13-2983/1		Introduction Number AB-0444	
Description Fees imposed on the disposal of solid waste and hazardous waste at licensed solid waste and hazardous waste disposal facilities			
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	\$4,000	\$
	(FTE Position Changes)		
	State Operations - Other Costs		
	Local Assistance		
	Aids to Individuals or Organizations		
	TOTAL State Costs by Category	\$4,000	\$
B. State Costs by Source of Funds			
	GPR		
	FED		
	PRO/PRS		
	SEG/SEG-S	4,000	
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		-1,589,000
	TOTAL State Revenues	\$	\$-1,589,000
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
	NET CHANGE IN COSTS	\$4,000	-\$131,000
	NET CHANGE IN REVENUE	\$-1,589,000	\$
Agency/Prepared By		Authorized Signature	Date
DNR/ Joe Polasek (608) 266-2794		Joe Polasek (608) 266-2794	10/28/2013