

Fiscal Estimate - 2013 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 13-3265/2	Introduction Number AB-0868	
Description Monitoring industrial sand mining and processing operations, a fee on the extraction of certain sand, compensation for costs incurred because of sand mining, granting rule-making authority, and making an appropriation		
Fiscal Effect		
State: <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input checked="" type="checkbox"/> Increase Existing Appropriations <input checked="" type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input checked="" type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
Local: <input type="checkbox"/> No Local Government Costs <input checked="" type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue 5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input type="checkbox"/> Villages <input type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
Fund Sources Affected Affected Ch. 20 Appropriations <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)		
Agency/Prepared By DNR/ Joe Polasek (608) 266-2794	Authorized Signature Joe Polasek (608) 266-2794	Date 3/19/2014

Fiscal Estimate Narratives

DNR 3/19/2014

LRB Number	13-3265/2	Introduction Number	AB-0868	Estimate Type	Original
Description Monitoring industrial sand mining and processing operations, a fee on the extraction of certain sand, compensation for costs incurred because of sand mining, granting rule-making authority, and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

The bill 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

Original
 Updated
 Corrected
 Supplemental

LRB Number 13-3265/2		Introduction Number AB-0868	
Description Monitoring industrial sand mining and processing operations, a fee on the extraction of certain sand, compensation for costs incurred because of sand mining, granting rule-making authority, and making an appropriation			
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		\$1,117,000	\$
(FTE Position Changes)		(10.0 FTE)	
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$1,117,000	\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S		1,117,000	
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			
TOTAL State Revenues		\$	\$
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$1,117,000	\$
NET CHANGE IN REVENUE		\$	\$
Agency/Prepared By		Authorized Signature	Date
DNR/ Joe Polasek (608) 266-2794		Joe Polasek (608) 266-2794	3/19/2014