

Fiscal Estimate - 2015 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 15-1002/1	Introduction Number AB-57
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Description
 Methods of establishing proof of financial responsibility for the closure and long-term care of a landfill

Fiscal Effect

State:

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

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	
2. <input checked="" type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	
<input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
		<input checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others <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 type="checkbox"/> SEG <input type="checkbox"/> SEGS	

Agency/Prepared By DNR/ Joe Polasek (608) 266-2794	Authorized Signature Joe Polasek (608) 266-2794	Date 2/26/2015
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Fiscal Estimate Narratives

DNR 2/26/2015

LRB Number	15-1002/1	Introduction Number	AB-57	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 debt securities issued by an instrumentality of the federal government that have the highest rating assigned by a nationally recognized rating agency; bonds issued by the State of Wisconsin; and corporate bonds that have the highest rating assigned by a nationally recognized rating agency. Current law only allows 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. Because they don't have a direct guarantee, they carry a slightly higher yield than U.S. Government securities (e.g., treasury bills, treasury bonds, treasury certificates, treasury notes and treasury stocks guaranteed by the federal government). Because these securities 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. This could result in an indeterminate decrease in costs for local governments relating to landfill operations.

Long-Range Fiscal Implications