

### Fiscal Estimate - 2017 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> 17-2277/1	<b>Introduction Number</b> AB-0374
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**Description**  
 fence requirements for deer farms, granting rule-making authority, and making appropriations

**Fiscal Effect**

**State:**

<input type="checkbox"/> No State Fiscal Effect	<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"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		

**Local:**

<input type="checkbox"/> No Local Government Costs		
<input 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 type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
		<input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <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 (1)(mu) & (3)(mu)	

<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
DNR/ Joe Polasek (608) 266-2794	Joe Polasek (608) 266-2794	6/29/2017

## Fiscal Estimate Narratives

DNR 6/29/2017

LRB Number	17-2277/1	Introduction Number	AB-0374	Estimate Type	Original
<b>Description</b> fence requirements for deer farms, granting rule-making authority, and making appropriations					

### Assumptions Used in Arriving at Fiscal Estimate

Under current law, general regulatory authority for all farm-raised deer is assigned to the Department of Agriculture, Trade, and Consumer Protection (DATCP), except that the regulation of fences for farms keeping farm-raised deer that are white-tailed deer is assigned to the Department of Natural Resources (DNR). Among other items, this bill proposes to expand DNR oversight to also include fencing for farm-raised deer that are not white-tailed deer.

DNR records historically indicate 355 total deer farms holding farm-raised deer in Wisconsin (110 white-tailed deer, 245 non-white-tailed deer). For purposes of this estimate, the respective numbers of farms, and their size, will be assumed to remain the same over time.

The following current hourly rates are used throughout this estimate:

- DNR conservation warden (protective status), including fringe: \$39
- DNR law enforcement captive wildlife program assistant (non-protective status), including fringe: \$41
- DNR administrative rule drafter, including fringe: \$45
- DNR wildlife biologist, including fringe: \$37
- DNR wildlife biologist LTE: \$14

### Revenues

Under current law, 110 white-tailed deer farms are required to submit a fence certificate application to DNR, once every 10 years. The fee for white-tailed deer farm fence certificate applications is \$50 if the fenced area is under 80 acres, and \$100 if the fenced area is 80 acres or more. On average, the Dept. receives nearly 4 unique fence applications per registered farmer. The average annualized revenue from fence certificate applications is \$2,480  $((73 \times \$100 + 350 \times \$50)/10 \text{ years})$ .

Under this bill, all 355 farms holding farm-raised deer would be required to submit fence certificate applications to DNR every two years, with tiered fees similar to current law. Assuming a similar distribution and rate of fence applications (4 per registered farmer, for a total of 1,420 applications), the average annualized revenue from fence certificate applications under this proposal would be \$41,625  $((245 \times \$100 + 1,175 \times \$50)/2 \text{ years})$ .

This proposal would create a net increase in revenues to DNR, via deer farm fence certificate applications, of \$39,145 per year.

### Costs - Inspections and Certificate Issuance

DNR's current standardized deer farm inspection practice (absent a fence failure or other exigent circumstance) is one inspection per farm per application cycle. With 110 white-tailed deer farms subject to a 10 year application cycle, this produces approximately 11 inspections per year.

Under current law and practice, the average time expended on each inspection process, including set-up, travel, inspection, reporting, follow-up, supervisory reviews, certificate issuance, and record keeping, is 16 hours (12 hours - conservation warden, 4 hours - program assistant). The average staff cost per inspection is \$632  $(12 \text{ hours} \times \$39 + 4 \text{ hours} \times \$41)$ .

With 11 inspections per year, at a staff cost of \$632, the current total average annualized staff costs for inspections is \$6,952.

Under this proposal, all 355, farms holding farm-raised deer would be subject to a 2 year application cycle, producing approximately 178 inspections per year. Assuming the average time expended on each

inspection process would remain the same, the total annualized staff costs for inspections would be \$112,496 under this proposal; an annual increase of \$105,544.

Under this proposal's new requirements for each non-white-tailed deer farm to obtain a fence certificate, all farms to install electronic monitoring systems at each gate, and a non-statutory early sunset for current fence certificates, the Department estimates an on-going unbalanced inspection cycle over every two year period, where the first year sees 256 inspections (245 non-white tailed deer farms needing the initial certificate, along with the average annual inspection rate of 11) , and the second year 99 inspections (the remainder of the total 355 facilities in need of renewal). Although the two-year costs remain equal under a balanced cycle (discussed above), as well as the expected un-balanced cycle (discussed here), the annual variations of 157 inspections and \$99,224 in costs present challenges for managing consistent annual workloads and staffing levels.

#### Costs - Post-CWD Monitoring on Deer Farms

Current law does not impose any CWD monitoring requirements on DNR for deer farms which discover chronic wasting disease in their herds. This proposal requires operators of a deer farm in which chronic wasting disease has been confirmed to maintain fences enclosing the farm until the DNR and DATCP certify that the farm has been free of CWD prions for five years. This requirement necessitates that the DNR promulgate administrative rules, primarily affecting Ch. NR 16, to define a procedure for determining when a farm is free of CWD prions. Assuming 60 hours of staff time, the one-time cost for developing these rules would be approximately \$2,700.

DNR is uncertain that it is possible to determine or verify that a deer enclosure is free of CWD prions. If the department were to attempt to assess the presence of prions in CWD-positive deer farms to certify that they are "free of chronic wasting disease prions" after the 5-year period, this will require LTE and/or FTE staff time. Assuming an average of 30 hours required to screen each CWD-positive deer farm (including on-site screening, sampling, and testing), screening costs to the department would range from \$420 to \$1,110 per deer farm (LTE vs. FTE wildlife biologists).

#### Costs - Study of Deer Farm Gates

This proposal also includes a requirement that DNR conduct a one-year study on preventing farm-raised deer from crossing through open deer farm gates. Based on recent deer studies in Wisconsin (with annual costs ranging from \$215,000 to \$275,000), the cost estimate of staff time and materials to implement the study, within the required timeline, is estimated to be \$250,000.

### **Long-Range Fiscal Implications**

## Fiscal Estimate Worksheet - 2017 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
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<b>LRB Number</b> 17-2277/1	<b>Introduction Number</b> AB-0374	
<b>Description</b> fence requirements for deer farms, granting rule-making authority, and making appropriations		
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>  \$2,700 for administrative rule development costs; \$250,000 to conduct a one-year study on preventing farm-raised deer from crossing through open deer farm gates		
<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	\$105,600	\$
(FTE Position Changes)		
State Operations - Other Costs		
Local Assistance		
Aids to Individuals or Organizations		
<b>TOTAL State Costs by Category</b>	<b>\$105,600</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>		
GPR		
FED		
PRO/PRS		
SEG/SEG-S	105,600	
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)</b>		
	Increased Rev	Decreased Rev
GPR Taxes	\$	\$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S	39,200	
<b>TOTAL State Revenues</b>	<b>\$39,200</b>	<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$105,600	\$
NET CHANGE IN REVENUE	\$39,200	\$
<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
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