

Fiscal Estimate Narratives
DOR 2/5/2020

LRB Number	19-0476/1	Introduction Number	AB-0756	Estimate Type	Original
Description the regulation of metallic mining and related activities and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

This bill changes the laws under which the Department of Natural Resources currently regulates mining so that the laws are substantially the same as they existed before enactment of 2013 Wisconsin Act 1, 2013 Wisconsin Act 81, and 2017 Wisconsin Act 134. This fiscal estimate addresses sections administered by the Department of Revenue.

Mining Net Proceeds Tax

The department administers a graduated net proceeds (revenues less allowed deductions) occupation tax on the mining of metallic minerals. Under current law, 15 days after the tax collection, the Department of Administration shall transfer 60 percent of the collection to the Investment and Local Impact Fund, a SEG Fund, and 40 percent to the General Fund. Under the bill, 100 percent of the collection would be transferred to the Investment and Local Impact Fund. The shift has no net fiscal effect on the state. If active and profitable metallic mines operated in Wisconsin, the bill would decrease revenue to the General Fund and shift that funding to the Investment and Local Impact Fund.

Managed Forest Land (MFL)

Under current law, an owner of twenty or more contiguous forest acres may apply to the DNR to enter his or her land into the MFL program. MFL land is exempt from property taxes. In lieu of property taxes, three annual payments are made on this land: (1) Department of Natural Resource (DNR) annual payment of \$0.20 per MFL enrolled acre to the municipality where the land is located, (2) an acreage share payment made by the landowner to the municipality where the land is located, and (3) the closure fee paid by the landowner to the municipality where the land is located for acres closed to certain public access.

Current law allows a landowner with enrolled MFL land to "close" or restrict public access for each acre located in a proposed ferrous mining site once a pre-application notification occurs with the DNR. The MFL is subject to closure fees under current law. Under the bill, a landowner could not close lands located in a proposed ferrous mining site. No entity has a standing pre-application notification to qualify for closing a portion of MFL land for ferrous mining, subjecting the acreage to the ferrous mining closure fees in 2020. If MFL located in a proposed ferrous mining site is closed in the future, the bill would result in a decrease in local government revenue compared to current law.

One-time administrative costs of \$32,200 for computer system and form changes cannot be absorbed with existing resources.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2019 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description the regulation of metallic mining and related activities and making an appropriation			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): \$32,200			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$	\$
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$	\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S			
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		\$	\$
NET CHANGE IN REVENUE		\$	\$
Agency/Prepared By		Authorized Signature	Date
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