

Fiscal Estimate - 2023 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 23-1756/1	Introduction Number AB-0457
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Description
 authorizing the Public Service Commission to regulate storm water utilities

Fiscal Effect

State:

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

Local:

- | | | |
|---|--|--|
| <input type="checkbox"/> No Local Government Costs
<input checked="" type="checkbox"/> Indeterminate
1. <input checked="" type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory
2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory
4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 5. Types of Local Government Units Affected
<input checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities
<input type="checkbox"/> Counties <input type="checkbox"/> Others
<input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts |
|---|--|--|

Fund Sources Affected **Affected Ch. 20 Appropriations**

GPR FED PRO PRS SEG SEGS 20.155(1)(g)

Agency/Prepared By	Authorized Signature	Date
PSC/ Jenna Schmidt (608) 267-7709	Jenna Schmidt (608) 267-7709	10/13/2023

Fiscal Estimate Narratives

PSC 10/13/2023

LRB Number	23-1756/1	Introduction Number	AB-0457	Estimate Type	Original
Description authorizing the Public Service Commission to regulate storm water utilities					

Assumptions Used in Arriving at Fiscal Estimate

2023 AB 457 subjects municipal storm water utilities to the full authority of the Public Service Commission (Commission) to regulate rates and services. Under current law the more than 120 Wisconsin municipal storm water utilities are generally not subject to the Commission's jurisdiction. The Commission does, however, address complaints by users that municipal storm water utility rates, rules, or practices are unreasonable or unjustly discriminatory.

2023 AB 457 has a significant impact on both storm water utilities and the Commission. Commission staff would need to establish and review accounting standards and rate methodologies, conduct audits, develop reasonable rates and tariffs, review construction projects, and respond to utility requests to update tariffs. Additionally, Commission staff would have to develop application materials, update data collection and annual report systems and develop other key processes to ensure statutory compliance. Municipal storm water utilities are not currently subject to these requirements and would need to implement processes to respond to the requirements in all these areas. The Commission would provide technical assistance and outreach to support the implementation.

The Commission will need 5.5 FTE to accomplish the regulatory activities included in 2023 AB 457. The annual costs are as followed:

Salary: \$454,800
Fringe Benefits: \$158,500
Supplies and Services: \$55,000

Total: \$668,300

As a program revenue agency, the Commission would recover these costs via utility assessments. 2023 AB 457 would generate \$668,300 in program revenues as well as \$74,300 in revenue for state operations (GPR Earned), as required under Wis. Stat. 196.85.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2023 Session

Detailed Estimate of Annual Fiscal Effect

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Description authorizing the Public Service Commission to regulate storm water utilities		
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	\$613,300	\$
(FTE Position Changes)	(5.5 FTE)	
State Operations - Other Costs	55,000	
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$668,300	\$
B. State Costs by Source of Funds		
GPR		
FED		
PRO/PRS (General Fund)	668,300	
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	74,300	
FED		
PRO/PRS (General)	668,300	
SEG/SEG-S		
TOTAL State Revenues	\$742,600	\$
NET ANNUALIZED FISCAL IMPACT		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$668,300	\$
NET CHANGE IN REVENUE	\$742,600	\$
Agency/Prepared By	Authorized Signature	Date
PSC/ Jenna Schmidt (608) 267-7709	Jenna Schmidt (608) 267-7709	10/13/2023