

Fiscal Estimate — 2009 Session

| | | |
|---|-------------------------------|--|
| <input checked="" type="checkbox"/> Original <input type="checkbox"/> Updated <input type="checkbox"/> Corrected <input type="checkbox"/> Supplemental | LRB Number Bill Number | Amendment Number if Applicable Administrative Rule Number WT-21-09 |
|---|-------------------------------|--|

Subject

Changes to NR 335, Dam Maintenance, Repair, Modification, Abandonment and Removal Grant Program; and NR 336, Small and Abandoned Dam Removal Grant Program

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sumsufficient appropriation.

- | | |
|--|---|
| <input type="checkbox"/> Increase Existing Appropriation | <input type="checkbox"/> Increase Existing Revenues |
| <input type="checkbox"/> Decrease Existing Appropriation | <input type="checkbox"/> Decrease Existing Revenues |
| <input type="checkbox"/> Create New Appropriation | |

- Increase Costs — May be possible to absorb within agency's budget.
- Yes No
- Decrease Costs

Local: No Local Government Costs

1. Increase Costs
 Permissive Mandatory
2. Decrease Costs
 Permissive Mandatory

3. Increase Revenues
 Permissive Mandatory
4. Decrease Revenues
 Permissive Mandatory

5. Types of Local Governmental Units Affected:
- Towns Villages Cities
- Counties Others Lake Dist., Tribes
- School Districts WTCS Districts

Fund Sources Affected

- GPR FED PRO PRS SEG SEG-S

Affected Chapter 20 Appropriations

Assumptions Used in Arriving at Fiscal Estimate

Rule Summary:

The 2009-11 Biennial Budget included \$4.0 million in new bonding authority for the Dam Safety Grants. Funds are available to dam owners for maintenance, repairs, and removal. These proposed rule changes will improve the Department's ability to provide grants for these purposes and incorporate statutory language changes made in the budget bill. This will allow Wisconsin dam owners to address dam safety deficiencies at municipally owned dams and allow the owner of any dam to obtain funding to remove the dam as a means to mitigate safety deficiencies. The changes can be divided into two broad categories:

1.) Incorporate statutory changes into the existing grant codes: increases the maximum level of state contribution allowed under the grant programs from \$200,000 to \$400,000; varies the state contribution percentage for dam repair and reconstruction projects, depending on the size of the projects; increases the percentage of state contribution to 100% up to the maximum grant award for dam removal projects; eliminates statutory definition of "small dam" for dam removal grants; provides for an inventory of dam safety projects with a notification for dam owners; changes the definition of large dam to match change in s. 31.19, Stats.; and allows for cost effective, non-construction activities that increase the safety of a dam.

2.) Facilitate distributing the bonding for the program: moves grant application cycle for NR 335 to the fall to better match the municipal budget process; adjusts other code timelines and application requirements to address past implementation difficulties and assure more applications can be deemed complete; allows for the ability to adjust the priority ranking process outside the code, making it easier to improve the scoring process based on experience; better defines application requirements; allows for the addition of a variance clause which would facilitate the implementation and administration of NR 335; makes it easier for applicants to NR 335 to pair the grant with other, outside funding sources; corrects incorrect definitions and statute citations; clarifies that state agencies may use the grants to remove abandoned dams; and clarifies that an owner can only submit one application at a time per dam for funding under NR 335 and cannot get a grant for the same dam under NR 335 and NR 336 in the same year.

Long-Range Fiscal Implications

| | | |
|----------------------|---------------|---------------------------------|
| Prepared By: | Telephone No. | Agency |
| Joseph Polasek | 266-2794 | Department of Natural Resources |
| Authorized Signature | Telephone No. | Date (mm/dd/ccyy) |
| | 266-2794 | 01/21/2010 |

Fiscal Estimate — 2009 Session

Page 2 Assumptions Narrative Continued

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|-------------|--|
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Assumptions Used in Arriving at Fiscal Estimate – Continued

State Fiscal Effect: The 2009-2011 Budget Bill, 2009 Wisconsin Act 28, did not provide additional staff or funding for administering the dam grant programs, therefore, the costs associated with handling the additional demand for dam grants will be absorbed with existing staff and within the existing budget. It is assumed that the \$4 million in bonding will be allocated as soon as possible. Assuming an 8% annual amortization rate, the allocation of the bonding will result in annualized costs of \$320,000 in bonding repayments. However, these costs will occur regardless of the action on this rule package, so these costs are included in this fiscal note for information purposes only.

Local Fiscal Effect: The rule package makes it easier for municipalities, lake districts, and persons who own the dam to leverage grant funds and thus provides a greater financial incentive to apply for grants.

Fiscal Estimate Worksheet — 2009 Session
 Detailed Estimate of Annual Fiscal Effect

Original Updated
 Corrected Supplemental

| | |
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One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):

| Annualized Costs: | | Annualized Fiscal Impact on State Funds from: | |
|--|---|---|-------------------------------|
| | | Increased Costs | Decreased Costs |
| A. State Costs by Category | | | |
| State Operations — Salaries and Fringes | | \$ | \$ - |
| (FTE Position Changes) | | (FTE) | (- FTE) |
| State Operations — Other Costs | | | - |
| Local Assistance | | | - |
| Aids to Individuals or Organizations | | | - |
| Total State Costs by Category | | \$ | \$ - |
| B. State Costs by Source of Funds | | Increased Costs | Decreased Costs |
| GPR | | \$ | \$ - |
| FED | | | - |
| PRO/PRS | | | - |
| SEG/SEG-S | | | - |
| State Revenues | Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.) | Increased Revenue | Decreased Revenue |
| 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 Revenues | \$ _____ | \$ _____ |

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|-----------------------------|---------------------------|---|
| Prepared By: Joe Polasek | Telephone No. 266-2794 | Agency Department of Natural Resources |
| Authorized Signature | Telephone No. 266-2794 | Date (mm/dd/ccyy) 01/21/2010 |