

**Fiscal Estimate — 2001 Session**

<input checked="" type="checkbox"/> Original	<input type="checkbox"/> Updated	LRB Number 01-13421	Amendment Number if Applicable
<input type="checkbox"/> Corrected	<input type="checkbox"/> Supplemental	Bill Number <del>AB</del> 47	Administrative Rule Number

Subject  
Failure to Pay Owners of Raw Forest Products

**Fiscal Effect**

State:  No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient 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  
 School Districts  WTCS Districts

**Fund Sources Affected**

- GPR  FED  PRO  PRS  SEG  SEG-S

**Affected Chapter 20 Appropriations**

20.370 (1) (mu), (3)(mu)

**Assumptions Used in Arriving at Fiscal Estimate**

**Bill Summary:** This bill is intended to allow a forest landowner to recover fiscal damages caused because a logging contractor did not complete the contracted obligation. Forest landowners sell standing trees (stumpage) to logging contractors. Generally a contract identifies the obligations of both parties. If the contractor fails to pay the landowner the contracted obligation, this bill indicates that the contractor is liable for the costs to establish the volume and value of the stolen raw forest products. Furthermore, the bill provides for a party who has intentionally tried to defraud a landowner to be subject to the penalties for theft. The bill also authorizes recovery of court costs and reasonable fees to the successful party if failure to pay is deemed unreasonable.

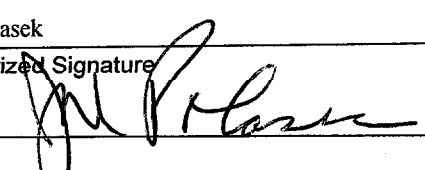
**Fiscal Estimate:** This bill would increase cost and workload for those Department foresters who hold credentials and for Department wardens. The Department's credentialed foresters and wardens may investigate the theft of forest products (statutes 26.06 and 26.97). This bill adds another investigative responsibility to the Department. This additional responsibility is estimated to cost 3,600 hours and \$95,220 annually.

Wardens could become involved in those investigations where credentialed foresters are not available, generally in the southern and eastern portions of the state.

If this bill is approved as written, Department foresters and wardens will spend additional time investigating complaints that timber sale contracts were not executed as written. The annual fiscal estimate is 3,600 hours and \$95,220. This cost estimate is based on the following assumptions:

**Long-Range Fiscal Implications**

This bill would create an on-going workload. Costs would increase or decrease based on annual salary changes for the involved personnel.

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**Page 2 Assumptions Narrative  
Continued**

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Assumptions Used in Arriving at Fiscal Estimate – Continued

NIPF = non-industrial private forest

Estimate of annual # of acres of NIPF lands harvested = 270,000 acres

Estimate of average size of harvests = 30 acres

Estimate of NIPF timber sales = 9,000 harvests (270,000/30)

Estimate that 2% of the timber sales contracts are not executed properly

Estimate of # of NIPF harvests not properly compensated = 180 harvests (9,000 x 2%)

Estimated hours for investigation & testimony per case = 20 hours

Estimated hours of new workload = 3,600 hours

Average salary and fringe for a senior classification FTE = \$25/hour

Cost of salary and fringe for new workload = \$90,000 - (3,600 hours x \$25/hr)

Travel cost associated with new workload = \$5,220 (100 miles/case x \$.029/mile x 180 cases)

**TOTAL COST = \$95,220 - rounded to \$95,200**

**Fiscal Estimate Worksheet — 2001 Session**  
 Detailed Estimate of Annual Fiscal Effect

Original       Updated  
 Corrected       Supplemental

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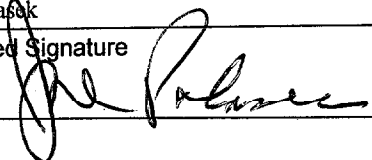
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One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):

Annualized Costs:		Annualized Fiscal Impact on State Funds from:	
A. State Costs by Category		Increased Costs	Decreased Costs
State Operations — Salaries and Fringes		\$ 90,000	\$ -
(FTE Position Changes)		( 2.00 FTE )	(- FTE )
State Operations — Other Costs		\$ 5,200	-
Local Assistance			-
Aids to Individuals or Organizations			-
<b>Total State Costs by Category</b>		\$ 95,200	\$ -
B. State Costs by Source of Funds		Increased Costs	Decreased Costs
GPR		\$	\$ -
FED			-
PRO/PRS			-
SEG/SEG-S		95,200	-
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			-
<b>Total State Revenues</b>		\$	\$ -

**Net Annualized Fiscal Impact**

	State	Local
Net Change in Costs	\$ 95,200	\$ 0
Net Change in Revenues	\$ 0	\$ 0

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