

Fiscal Estimate - 2005 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 05-2453/1	Introduction Number SB-188
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Subject
 Failure to pay for raw forest products

Fiscal Effect

State:

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase 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"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	
<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 checked="" type="checkbox"/> No Local Government Costs		5. Types of Local Government Units Affected <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
<input type="checkbox"/> Indeterminate		
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	
<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	

Fund Sources Affected	Affected Ch. 20 Appropriations
<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)(mv)	

Agency/Prepared By DNR/ Joe Polasek (608) 266-2794	Authorized Signature Joe Polasek (608) 266-2794	Date 5/5/2005
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Fiscal Estimate Narratives

DNR 5/5/2005

LRB Number	05-2453/1	Introduction Number	SB-188	Estimate Type	Original
Subject					
Failure to pay for raw forest products					

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 law enforcement credentials and for Department wardens. The Department's foresters holding law enforcement credentials 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 \$113,200 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 \$113,200. This cost estimate is based on the following assumptions

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 = \$30/hour

Cost of salary and fringe for new workload = \$108,000 - (3,600 hours x \$30/hr)

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

TOTAL COST = \$113,220 - rounded to \$113,200

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

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Subject			
Failure to pay for raw forest products			
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	\$108,000		
(FTE Position Changes)	(2.0 FTE)		
State Operations - Other Costs	5,200		
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$113,200	\$	
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S	113,200		
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)			
		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		\$113,200	\$
NET CHANGE IN REVENUE		\$	\$
Agency/Prepared By		Authorized Signature	Date
DNR/ Joe Polasek (608) 266-2794		Joe Polasek (608) 266-2794	5/5/2005