

Fiscal Estimate Narratives

DATCP 5/14/2007

LRB Number	07-2310/1	Introduction Number	AB-0306	Estimate Type	Original
Description An assessment on growers that sell corn					

Assumptions Used in Arriving at Fiscal Estimate

DATCP administers Wisconsin's Agricultural Marketing Act which authorizes the creation of marketing orders for agricultural commodities. The provisions of Ch. 96, Stats., and Ch. ATCP 140 Wis. Adm. Code govern marketing orders in general. Ch ATCP 143 sets forth the requirements of the corn marketing order, including the assessment rate, which is currently 0.1 cent per bushel.

AB 306 would add a new section to Ch. 96 which would create an additional assessment of 0.4 cents per bushel. The funds collected would be utilized for the same purposes as specified in ATCP 143. The purposes established in ATCP 143 are "to maintain and expand sales of corn. This includes the development of new products and new markets; improving corn production, marketing, or handling methods or practices; and educational programs for producers, handlers, or consumers relating to the quality or nutritional value of corn or corn products." [ATCP 143.02 (1)]. The 2005 assessments generated \$178,695 with the 0.1 cent per bushel assessment. Assuming the same amount of corn were grown and sold in the state, AB 306's new assessment, plus the existing assessment, would generate \$893,475. Because AB 306 would create a separate statutory assessment which would not change the existing assessment established in the ATCP 143, no rulemaking would be necessitated by this bill.

AB 306 would direct DATCP to conduct a corn marketing order referendum if, after June 20, 2011 and before January 1, 2012, 10% of the effected producers petition for one. Ch. 96.10 (5) authorizes the marketing boards to request administrative services from DATCP, directs the department to provide the services needed and specifies that the board shall reimburse DATCP for all of the costs incurred. One of the services DATCP regularly provides is administration of referenda and elections. A corn market order referendum would cost DATCP an estimated \$20,000 but these costs would be required to be reimbursed by the corn marketing order board, so there would be no significant net cost increase to the state.

AB 306 will increase revenues and may increase expenses for the corn marketing board, but will not have a significant fiscal effect on DATCP and will have no fiscal effect on local governments.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description An assessment on growers that sell corn			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): \$20,000 to conduct a referendum. Costs would be reimbursed by the Corn Marketing Order Board.			
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			
	State	Local	
NET CHANGE IN COSTS	\$		\$
NET CHANGE IN REVENUE	\$		\$
Agency/Prepared By		Authorized Signature	Date
DATCP/ Linda Merriman Hitchman (608) 224-5132		Barb Knapp (608) 224-4746	5/14/2007