

Fiscal Estimate - 2009 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 09-4055/1	Introduction Number SB-557	
Description Notices concerning construction near or on lakes, streams, or wetlands that are given to applicants for building permits and other construction approvals, requiring the Department of Natural Resources to furnish informational brochures about wetlands laws, requiring the Department of Natural Resources to provide evaluations and statements about whether certain land contains wetlands, and making an appropriation		
Fiscal Effect		
State:		
<input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input checked="" type="checkbox"/> Increase Existing Appropriations <input checked="" type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
Local:		
<input checked="" type="checkbox"/> No Local Government Costs <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		
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		
Fund Sources Affected		
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.370 (4)(bi)		
Affected Ch. 20 Appropriations		
Agency/Prepared By	Authorized Signature	Date
DNR/ Joe Polasek (608) 266-2794	Joe Polasek (608) 266-2794	3/22/2010

Fiscal Estimate Narratives

DNR 3/22/2010

LRB Number	09-4055/1	Introduction Number	SB-557	Estimate Type	Original
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Assumptions Used in Arriving at Fiscal Estimate

The bill has four major components:

1. It requires DNR to provide, for a fee, a wetland map review (Tier 1), a wetland identification (Tier 2), or a wetland confirmation (Tier 3) upon request by a person who owns or leases land. The Department shall charge \$50 for a wetland map review and \$300 for a wetland identification or confirmation.
2. It requires a county or municipality that issues a building permit or other approval for construction activity to give an applicant a written notice about construction near wetlands and that the applicant is responsible for complying with state or federal laws regarding construction near wetlands, lakes and streams.
3. It requires the Department of Commerce to include a written notice about construction near wetlands on its building permit forms.
4. It requires DNR to furnish informational brochures to counties and municipalities for distribution to the public that describe the laws that apply to wetlands.

Assumptions:

1. The Department expects to receive no requests for the wetland map review service (Tier 1) and therefore, no revenue. This assumption is based on the lack of wetland inventory order requests since 2008, when DNR made wetland inventory and wetland indicator maps available to the public on-line at no cost.
2. The Department estimates that it will receive 500 on-site requests (Tier 2 and Tier 3), based on 2009 data from our Waterway and Wetland Permit Database, which would generate an estimated \$150,000 of fee revenue (500 x \$300). Based upon the State of Michigan's experience with implementation of a similar program, the Department estimates that 50% of the on-site requests will be for wetland identifications (Tier 2) and the other 50% of the on-site requests will be for confirmation of a wetland boundary determination by a 3rd party (Tier 3).
3. The bill provides for 4.0 FTE to administer the program. Three of the FTE will be 4-year project positions that the Department expects to classify as Water Resources Management Specialists assuming a salary and fringe of \$29.00 per hour. This translates to \$60,300 in salary and fringe expenses for each position, for a total of \$180,900. The other FTE will be a permanent position that the Department expects to classify as a Natural Resources Program Coordinator assuming a salary and fringe of \$35.00 per hour. This translates to \$72,800 in salary and fringe expenses for the position. Supplies expenses are estimated at \$30,400 and LTE expenses are estimated at \$29,200 for GIS data management services. Therefore, total ongoing program costs are estimated at \$313,300.

Total one-time program cost are estimated at \$94,700, which includes \$44,700 for 5 computers and software (4 FTE and 1 LTE for required WWI map update), \$45,000 for survey equipment and \$5,000 for color printers.

4. The Department anticipates very minimal fiscal effect on local governments. Local governments have the option of using the wetland notification language required by the bill on the Department of Commerce standard permit application form. Additionally, the Department is required to provide local governments with informational brochures to give to their applicants related to state and federal wetland protection laws.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2009 Session

Detailed Estimate of Annual Fiscal Effect

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I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): One-time costs of \$44,700 for computers, \$45,000 for surveying equipment, \$5,000 for color printers, for an overall total of \$94,700.		
II. Annualized Costs:	Annualized Fiscal Impact on funds from:	
	Increased Costs Decreased Costs	
A. State Costs by Category		
State Operations - Salaries and Fringes	\$253,700	\$
(FTE Position Changes)	(4.0 FTE)	
State Operations - Other Costs	59,600	
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$313,300	\$
B. State Costs by Source of Funds		
GPR		
FED		
PRO/PRS	313,300	
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		
FED		
PRO/PRS	150,000	
SEG/SEG-S		
TOTAL State Revenues	\$150,000	\$
NET ANNUALIZED FISCAL IMPACT		
	State	Local
NET CHANGE IN COSTS	\$313,300	\$
NET CHANGE IN REVENUE	\$150,000	\$
Agency/Prepared By		
Authorized Signature		Date
DNR/ Joe Polasek (608) 266-2794		3/22/2010
Joe Polasek (608) 266-2794		