

Fiscal Estimate — 2009 Session

<input checked="" type="checkbox"/> Original <input type="checkbox"/> Updated <input type="checkbox"/> Corrected <input type="checkbox"/> Supplemental	LRB Number	Amendment Number if Applicable
	Bill Number	Administrative Rule Number DG-23-10

Subject
 Water Use Fees for Large Withdrawals from the Great Lakes Basin

Fiscal Effect

State: No State Fiscal Effect
 Indeterminate

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

Increase Existing Appropriation Increase Existing Revenues
 Decrease Existing Appropriation Decrease Existing Revenues
 Create New Appropriation

Increase Costs — May be possible to absorb within agency's budget.

Yes No

Decrease Costs

Local: No Local Government Costs
 Indeterminate

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 Public Utilities

School Districts WTCS Districts

Fund Sources Affected

GPR FED PRO PRS SEG SEG-S

Affected Chapter 20 Appropriations

s. 20.370 (4)(ai)

Assumptions Used in Arriving at Fiscal Estimate

Rule Summary: Section 281.346 (12) (c), directs the Department to promulgate a rule specifying an additional annual fee for persons who withdraw more than 50 million gallons per year (MGY) from the waters of the Great Lakes basin—that is, from surface water or groundwater within the land area of the state draining to Lakes Michigan or Superior, or from those lakes. The proposed fee would be assessed on marginal increments of withdrawals over 50 million gallons per year starting @ \$1.50 per million gallons over 50 million, and would increase \$0.50 per million gallons for each 50 million gallon increment as follows:

For amounts withdrawn between 50 MGY to 100 MGY	\$1.50/million gallons withdrawn
For amounts withdrawn between 100 MGY to 150 MGY	\$2.00/million gallons withdrawn
For amounts withdrawn between 150 MGY to 200 MGY	\$2.50/million gallons withdrawn
For amounts withdrawn between 200 MGY to 250 MGY	\$3.00/million gallons withdrawn
For amounts withdrawn between 250 MGY to 300 MGY	\$3.50/million gallons withdrawn
For amounts withdrawn between 300 MGY to 350 MGY	\$4.00/million gallons withdrawn
For amounts withdrawn between 350 MGY to 400 MGY	\$4.50/million gallons withdrawn
For amounts withdrawn between 400 MGY to 450 MGY	\$5.00/million gallons withdrawn
For amounts withdrawn between 450 MGY to 500 MGY	\$5.50/million gallons withdrawn
For amounts withdrawn in excess of 500 MGY	\$6.00/million gallons withdrawn

The fee would not exceed \$9,500 annually for withdrawals from a water supply system on a contiguous property or a public water system. The fee would take effect in 2011. Fee revenue will be deposited in a program revenue appropriation supporting Great Lakes Compact implementation. The Department anticipates that between 200 and 300 persons will pay the fee annually.

The rule also clarifies that the statutorily-imposed statewide annual fee of \$125 on persons with water supply systems with the capacity to withdraw an average of 100,000 gallons per day or more in any 30-day period will be imposed on a calendar-year basis and will be due by June 30th of the following calendar year, beginning in 2011.

Long-Range Fiscal Implications

None

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

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Page 2 Assumptions Narrative Continued

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Assumptions Used in Arriving at Fiscal Estimate – Continued

State Fiscal Effect:

Revenues that will be generated as a result of the annual withdrawal fee are the result of the fee provisions enacted in to law in 2009 Wisconsin Act 28. The Department assumes that the statutory statewide base fee of \$125 on persons with water supply systems with the capacity to withdraw an average of 100,000 gallons per day or more in any 30-day period will be imposed on approximately 4900 persons and will generate approximately \$612,500 annually. (Revenue from this base fee is not included on the attached fiscal estimate worksheet.)

Based on actual withdrawal data from public water supply systems and high capacity well owners, and assumptions related to surface water withdrawals, the Department expects that the fee will generate between \$38,000 and \$400,000 annually. In addition, state-owned facilities (e.g., state fish hatcheries) that withdraw over 50 million gallons per year in the Great Lakes Basin would have to pay the fee. The Department lacks accurate data on total amounts of water withdrawn from state-owned facilities, therefore costs to the state are indeterminate at this time.

Local Government Fiscal Impacts: Based on 2009 data, there are approximately 180 public water systems in the Great Lakes Basin. Of those 180 systems, approximately 90 systems withdraw in excess of 50 million gallons per year and will be affected by this rule--e.g., systems withdrawing 100 million gallons of water per year will pay approximately \$75 under the rule; systems withdrawing 1 billion gallons of water per year will pay approximately \$4,600; and systems withdrawing 2.3 billion gallons of water per year will pay \$9,500 per year. The Department anticipates that approximately 9 public water systems in the Great Lakes basin will pay the maximum \$9,500 fee, 60 public water systems will pay a fee under \$1,000, and more than 90 public water systems in the Great Lakes basin would pay no additional fee over the \$125 statutory base fee.

Private Sector Fiscal Impact: The Department lacks complete data on the number and nature of all operations withdrawing water above the threshold amount of 50 million gallons per year. However, based on the withdrawal data that does exist (e.g. high capacity well pumpage data), comparatively few small businesses will be affected by the rule.

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		390,000	-
SEG/SEG-S			-
Total State Revenues		\$	\$ -

Net Annualized Fiscal Impact

	<u>State</u>	<u>Local</u>
Net Change in Costs	\$ _____	\$ _____
Net Change in Revenues	\$ 390,000	\$ _____

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