1. Fiscal Estimate Version

☐ Original  ☐ Updated  ☐ Corrected

2. Administrative Rule Chapter Title and Number

Chs. NR 700 to 754, Environmental Protection - Investigation and Remediation, Order RR-04-11

3. Subject

Proposed revisions to rules for the investigation and cleanup of Brownfield's and other contaminated properties.

4. State Fiscal Effect:

☒ Increase Existing Revenues
☐ Increase Costs
☐ Yes  ☐ No  ☐ May be possible to absorb within agency's budget.
☐ Decrease Existing Revenues
☐ Decrease Costs

5. Fund Sources Affected:

☐ GPR  ☐ FED  ☒ PRO  ☐ PRS  ☐ SEG  ☐ SEG-S

6. Affected Ch. 20, Stats. Appropriations:

s. 20.370(2)(dh)

7. Local Government Fiscal Effect:

☐ No Fiscal Effect
☐ Increase Revenues
☒ Increase Costs
☐ Decrease Revenues
☐ Decrease Costs

8. Local Government Units Affected:

☒ Towns  ☒ Villages  ☒ Cities  ☒ Counties  ☐ School Districts  ☐ WTCS Districts  ☐ Others

9. Private Sector Fiscal Effect (small businesses only):

☒ Increase Costs
☐ No Fiscal Effect
☐ Increase Revenues
☐ Decrease Revenues
☐ Yes  ☐ No  ☐ May have significant economic impact on a substantial number of small businesses
☐ Decrease Costs

10. Types of Small Businesses Affected:

Small business with contaminated properties that specifically request DNR assistance would pay higher fees under these proposed rule revisions. The changes do not affect which small businesses are subject to complying with the rules or when a small business is required to pay a fee.

11. Fiscal Analysis Summary

The fees in ch. NR 749 have not been increased since the rule was originally promulgated in 1998. The proposed increases are based on cost-of-living changes since that time and the additional revenue would be used to ensure that the 9 positions currently funded by fees could be maintained. It is estimated that the increase in fees will result in approximately $170,000/year of additional state revenue being received.

The proposed fee increases should not affect most small businesses, local governments or other entities for several reasons. First, only those persons that possess or control a hazardous substance which is discharged or who cause the discharge must take action to restore the environment. Most small businesses and many local governments do not have to address this situation. Second, the NR 700 rule series is largely self-implementing which means that the Responsible Party typically decides whether or not they want regulatory agency review of the documents they prepare and only pay a review fee if DNR assistance is requested. Finally, the fees are often one-time expenditures and generally are only a small percentage of the overall cost for completing the cleanup.
The $170,000/year was calculated by taking the amount of revenue received in FY ’11, reducing it by 10% based on average annual decreases in revenue and then applying a 40% increase to account for the new fees. How these fee increases would potentially affect a typical site was determined by reviewing past history of fee related requests. This evaluation indicated that most sites do not request DNR review of any additional documents besides case closure and that most sites have some contamination remaining at the completion of the cleanup. It was therefore assumed that most parties responsible for completing a cleanup, including small businesses and local governments, would request DNR review of case closure for a site that has both residual soil and groundwater contamination. In this scenario, the total increase in fee related costs would be $500. This example illustrates the most common situation and the actual cost increase will be dependent on the specific needs and requests of the Responsible Party.

12. Long-Range Fiscal Implications
The long-range fiscal implications for Responsible Parties that need to complete the cleanup of contamination should be neutral to positive. For those sites where the cleanup is completed and case closure is obtained, no future work (or additional costs) should be necessary. If the Responsible Party ultimately plans to sell the property, having a letter from the Department indicating that the cleanup was properly completed can make the property more marketable and valuable.

<table>
<thead>
<tr>
<th>13. Name - Prepared by Mark Gordon</th>
<th>Telephone Number 608-266-7278</th>
</tr>
</thead>
<tbody>
<tr>
<td>14. Name – Analyst Reviewer</td>
<td>Telephone Number</td>
</tr>
<tr>
<td>Signature –Secretary or Designee</td>
<td>Telephone Number</td>
</tr>
</tbody>
</table>

This document can be made available in alternate formats to individuals with disabilities upon request.