

Fiscal Estimate - 2001 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 01-5056/2	Introduction Number AB-931
Subject Exemption from vehicle emissions testing	
Fiscal Effect	
State:	
<input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input 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 checked="" type="checkbox"/> Decrease Costs	
Local:	
<input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue 5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
Fund Sources Affected	
<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	
Affected Ch. 20 Appropriations	
20.395(5)(cq) one-time DP costs; 20.395(5)(hq) state funds contractor payments	
Agency/Prepared By DOT/ Carson Frazier (608) 266-7857	Authorized Signature Carol Buckmaster (608) 267-6979
Date 3/27/02	

Fiscal Estimate Narratives

DOT 3/27/02

LRB Number	01-5056/2	Introduction Number	AB-931	Estimate Type	Original
Subject					
Exemption from vehicle emissions testing					

Assumptions Used in Arriving at Fiscal Estimate

AB 931 changes the time that a non-exempt vehicle is required to receive its first emission test from the second to the fourth year after the vehicle's model year.

One-time cost of \$21,900 for data processing modifications. This cost is incurred in Appropriation 20.395(5) (cq). The bill does not appropriate funds to cover this cost, and it cannot be absorbed within DMV's current budget.

Savings of contractor payments occurs in Appropriation 20.395(5)(hq). Since this is a different appropriation, savings cannot be used to offset the one-time costs for data processing modifications.

Annual net savings is \$162,000: Savings of \$620,500 offset by cost of \$458,500. This estimate is calculated as follows:

1. VOLUME:

In Calendar Year 2001, the vehicle emission inspection (I/M) program tested about 103,500 Model Year 2001 and 2000 vehicles. These represent the 2 latest model years which, under AB 931, would NOT be tested. Thus, on an annual basis, DOT would test about 103,500 fewer vehicles.

2. SAVINGS:

Current contractor payment, through November 30, 2002, is \$11.99 per test. (DOT's current contract expires November 30, 2002. DOT is currently negotiating with the contractor for a contract extension. At this time, it is unknown what the per-test fee will be under the new contract.)

DOT would not save the entire test fee, because the contractor would charge for its fixed costs, which occur regardless of the number of tests performed. This estimate assumes that DOT would save about half the test fee. Thus, DOT would experience savings of \$620,500 annually.

3. OFFSETTING COST:

Vehicle emission inspection is an element of the Wisconsin State Implementation Plan (SIP) for pollution reduction. The SIP is prepared by DNR and submitted to USEPA for approval.

If DOT were to test fewer newer vehicles each year, DNR may seek to require a larger universe of older vehicles to be tested, in order to maintain the total pollution reduction approved by USEPA in Wisconsin's SIP. Discussions with DNR indicate they may seek to include vehicles up to 14,000 lbs. (However, DOT does not register any vehicles at 14,000 lbs; registration categories are 12,000 lbs and 16,000 lbs. Also, in reality, any suggestion to include heavier vehicles must carefully consider negative consequences for interstate registration of commercial motor vehicles.)

For purposes of this fiscal estimate, increasing the universe of tested vehicles to 16,000 lbs would increase the number of vehicles by about 34,800 vehicles — or, about 38,240 tests including re-tests after failure. At current contractor payment cost of \$11.99 per test, cost to DOT would increase by \$458,500 annually.

Long-Range Fiscal Implications

DOT's current contract for emission inspections expires November 30, 2002. DOT is currently negotiating with the contractor for a contract extension. At this time, it is unknown what the per-test cost will be under the new contract. This fiscal estimate cannot predict the savings or offsetting costs, under a new contract. Also unpredictable are changes in actions that DNR might require to maintain SIP-specified pollution reduction.

Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

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Subject			
Exemption from vehicle emissions testing			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
One-time cost to modify data processing systems of \$21,900 , in Appropriation 20.395(5)(cq).			
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			-162,000
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$	\$-162,000
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S			-162,000
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		\$-162,000	\$
NET CHANGE IN REVENUE		\$	\$
Agency/Prepared By		Authorized Signature	Date
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