

Fiscal Estimate Narratives

DATCP 10/10/2005

LRB Number	05-3146/1	Introduction Number	SB-342	Estimate Type	Original
Subject					
Repeal restrictions on non-ozone depleting refrigerants for mobile air conditioners					

Assumptions Used in Arriving at Fiscal Estimate

This bill removes the Department's authority to promulgate and enforce rules relating to the sale, installation and recovery of substitutes for ozone-depleting refrigerants. Under current law the Department licenses 3,460 businesses working in mobile air conditioning, collecting licensing fees of \$415,200 annually to support the program. These businesses are licensed to repair systems that contain either ozone depleting or substitute refrigerants.

This registration process requires the technician to pump any refrigerant removed from the mobile air conditioner into storage tanks; and recycle the stored refrigerant or transfer it to another person for recycling. It also prohibits venting the substance to the atmosphere. Federal regulations have similar provisions prohibiting venting and requiring removal and recycling.

This bill would require the Department to remove current restrictions that prohibit 1.) the sale of a substitute for ozone-depleting refrigerant in a container holding less than 15 pounds and 2.) the repair of a mobile air conditioner that may release substitutes for ozone-depleting refrigerants unless the person performing the repair holds a registration certificate issued by the Department.

Should this bill pass it is assumed that a significant number of businesses will no longer license with the Department and instead will vent substitute refrigerants to the atmosphere during repair and sublet repairs of ozone depleting systems to the few remaining licensees. The Department can assume a 90% decrease in licensing fees accompanied by an increase in inspections and investigations particularly of non-licensed shops that do not contribute to the program revenue funding. This would require funding through General Program Revenue.

Based on these assumptions the Department estimates \$364,000 Program Revenue shortfall with no reduction in workload. This amount would need to be replaced with \$364,000 GPR revenue.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 05-3146/1		Introduction Number SB-342	
Subject			
Repeal restrictions on non-ozone depleting refrigerants for mobile air conditioners			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
	State Operations - Salaries and Fringes	\$324,000	-324,000
	(FTE Position Changes)		
	State Operations - Other Costs	40,000	-40,000
	Local Assistance		
	Aids to Individuals or Organizations		
	TOTAL State Costs by Category	\$364,000	-\$364,000
B. State Costs by Source of Funds			
	GPR	364,000	
	FED		
	PRO/PRS (20.115(1)(hm))		-364,000
	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, ets.)			
		Increased Rev	Decreased Rev
	GPR Taxes	\$	\$
	GPR Earned		
	FED		
	PRO/PRS		-364,000
	SEG/SEG-S		
	TOTAL State Revenues	\$	-\$364,000
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$0	\$
NET CHANGE IN REVENUE		\$-364,000	\$
Agency/Prepared By		Authorized Signature	Date
DATCP/ Jim Rabbitt (608) 224-4965		Barb Knapp (608) 224-4746	10/7/2005