

Fiscal Estimate - 2009 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 09-3990/1	Introduction Number AB-0712	
Description A sales and use tax exemption for extended-range electric vehicles; a property tax exemption for tangible personal property used to recharge electric vehicles; the motor vehicle emission inspection and maintenance program, extended-range electric vehicle grants; an income and franchise tax credit for research conducted in this state by a corporation; a property and sales and use tax exemption for certain machinery and tangible personal property used to conduct research; granting rule-making authority; and making appropriations		
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 type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input checked="" type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input checked="" 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 type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS		
Affected Ch. 20 Appropriations 20.395(5)(cq), 20.395(5)(hq), 20.395(5)(hx)		
Agency/Prepared By DOT/ Carson Frazier (608) 266-7857	Authorized Signature Julie Johnson (608) 267-3703	Date 2/25/2010

Fiscal Estimate Narratives

DOT 2/25/2010

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Assumptions Used in Arriving at Fiscal Estimate

PROVISIONS OF THE BILL

This bill makes several changes. The Department of Transportation fiscal estimate addresses only those changes that involve Department of Transportation responsibilities.

The bill eliminates the motor vehicle emission inspection and maintenance (I/M) program. The I/M program is federally mandated. Southeast Wisconsin is in nonattainment for ozone, and Wisconsin operates an I/M program as required under Wisconsin's federally-approved state implementation plan required in the federal Clean Air Act. Eliminating emissions testing and repair will require offsetting pollutant reduction through other means.

The bill repeals ss.110.20, 110.21, 110.215 Wis. Stats., which authorize the motor vehicle emission inspection and maintenance (I/M) program. The bill repeals ss.285.30 and 285.39(3)(a), which establish certain DNR responsibilities for the I/M program. The bill repeals references throughout the statutes to those repealed provisions. The bill repeals the two I/M contract funding appropriations 20.395(5)(hq) and 20.395(5)(hx). The bill amends DMV's appropriation 20.395(5)(cq) to eliminate reference to inspection and maintenance and authority to spend funds for administering the motor vehicle emission inspection and maintenance program under s.110.20. These provisions are effective July 1, 2011.

In the meantime, effective the day after publication, the bill prohibits the Department of Transportation from entering into any new contract or renewing or extending any existing contract, for I/M program, after the effective date (the day after publication of the bill).

Effective the day after publication, the bill creates an appropriation in the Department of Commerce for extended-range electric vehicle grants, and a miscellaneous appropriation and authority for transfer of funds from the Transportation to the General Fund. The amount in the schedule is established for Fiscal Years 2010 and 2011 as zero dollars. Presumably, since the bill eliminates the I/M program at the end of the 2009-2011 biennium, the dollar amounts in the schedule would be set in the 2011-2013 Biennial Budget. It is assumed that sales tax revenues for batteries for long-range electric vehicles beginning 1/1/26, that are deposited in the transportation fund will remain there.

FISCAL IMPACT

The bill repeals appropriation 20.395(5)(hq), state funds for I/M contractor cost, which is budgeted in the amount of \$3,548,100 annually in FY 2010 and in FY 2011.

The bill also repeals 20.395(5)(hx), which is federal funds for I/M contractor cost. This appropriation has no dollars in the statutory Chapter 20 schedule.

The bill amends DMV's appropriation 20.395(5)(cq), repealing DMV authority to administer the I/M program. This would eliminate 7.0 FTE positions and salary and fringe benefit cost of \$518,900 annually, and other state operations cost of \$52,400 annually.

No local government cost.

Long-Range Fiscal Implications

Sales taxes on vehicles, parts and accessories first apply 12/31/20, except that batteries for extended-range electric vehicles are first subject to sales tax on December 31, 2025. All sales tax proceeds related to long-range electric vehicles are to be deposited in the transportation fund.

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):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$	\$-518,900	
(FTE Position Changes)		(-7.0 FTE)	
State Operations - Other Costs		-3,600,500	
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$	\$-4,119,400	
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S (Transportation)		-4,119,400	
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	\$-4,119,400		\$
NET CHANGE IN REVENUE		\$	\$
Agency/Prepared By			
DOT/ Carson Frazier (608) 266-7857		Authorized Signature	
		Julie Johnson (608) 267-3703	
		Date	
		2/25/2010	