

Fiscal Estimate - 2017 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 17-1911/1	Introduction Number SB-093
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Description
 state liability for damages caused by an insufficiency or want of repair of a state highway

Fiscal Effect

State:

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Decrease Costs
<input checked="" type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Increase Existing Appropriations	<input type="checkbox"/> Create New Appropriations	
<input type="checkbox"/> Decrease Existing Appropriations		

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"/> 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
<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	

Fund Sources Affected	Affected Ch. 20 Appropriations
<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	

Agency/Prepared By DOT/ Cody White (608) 266-8370	Authorized Signature Amy Bayer (608) 264-8423	Date 5/12/2017
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Fiscal Estimate Narratives

DOT 5/12/2017

LRB Number	17-1911/1	Introduction Number	SB-093	Estimate Type	Original
Description state liability for damages caused by an insufficiency or want of repair of a state highway					

Assumptions Used in Arriving at Fiscal Estimate

While it is difficult to forecast the fiscal impact of this bill, WisDOT is able to identify potential fiscal impacts.

Based on recent reports of the number of damage claims the counties are receiving today, the state could receive over 9,000 claims per year. This is assuming five (5) damage claims every two (2) weeks in each county. Each of these claims would need to be investigated and processed. Assuming that each claim would take a minimum of two hours to investigate and process, the investigating agency would need an additional 8.65 FTE ($9000 * 2 / 2080$) or \$650,000 to implement this bill on the staffing side.

According to AAA the average damage to vehicles caused by potholes is \$300 per occurrence, although the bill requires reimbursement for all actual losses. Again, assuming 9,000 claims per year as stated above, the state could have to reimburse up to \$2,700,000 per year for claims.

The department assumes it would receive initial claims for payment, and that some percentage of denied claims would result in lawsuits filed against the state.

The bill does not specify whether damage payments would be paid from the transportation fund or the general fund, or which appropriation would be used to pay claims.

In total, the fiscal impact of SB93 on the state could be up to \$3,350,000. The department assumes the number of claims would increase were such claims made payable but that rate of increase is unknowable.

Long-Range Fiscal Implications

\$3,350,000 annual ongoing costs, possibly increasing over time.

Fiscal Estimate Worksheet - 2017 Session

Detailed Estimate of Annual Fiscal Effect

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Description state liability for damages caused by an insufficiency or want of repair of a state highway		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): None		
II. Annualized Costs:	Annualized Fiscal Impact on funds from:	
	Increased Costs Decreased Costs	
A. State Costs by Category		
State Operations - Salaries and Fringes	\$650,000	\$
(FTE Position Changes)	(8.6 FTE)	
State Operations - Other Costs	2,700,000	
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$3,350,000	\$
B. State Costs by Source of Funds		
GPR		
FED		
PRO/PRS		
SEG/SEG-S	3,350,000	
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		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$3,350,000	\$
NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By	Authorized Signature	Date
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