Wisconsin Department of Administration
Division of Executive Budget and Finance

Fiscal Estimate - 2005 Session

☒ Original ☐ Updated ☐ Corrected ☐ Supplemental

LRB Number **05-2356/1**	Introduction Number **AB-342**

Subject

Exempting private motor carriers that are farm trucks and dual purpose farm trucks transporting livestock from motor carrier enforcement

Fiscal Effect

State:

☐ No State Fiscal Effect
☐ Indeterminate

☐ Increase Existing Appropriations
☐ Decrease Existing Appropriations
☐ Create New Appropriations

☐ Increase Existing Revenues
☒ Decrease Existing Revenues

☐ Increase Costs - May be possible to absorb within agency's budget ☐ Yes ☐ No
☐ Decrease Costs

Local:

☐ No Local Government Costs
☐ Indeterminate

1. ☐ Increase Costs
 ☐ Permissive ☐ Mandatory
2. ☐ Decrease Costs
 ☐ Permissive ☐ Mandatory
3. ☐ Increase Revenue
 ☐ Permissive ☐ Mandatory
4. ☐ Decrease Revenue
 ☐ Permissive ☐ Mandatory
5. Types of Local Government Units Affected
 ☐ Towns ☐ Village ☐ Cities
 ☐ Counties ☐ Others
 ☐ School Districts ☐ WTCS Districts

Fund Sources Affected

☐ GPR ☒ FED ☐ PRO ☐ PRS ☐ SEG ☐ SEGS

Affected Ch. 20 Appropriations

20.395(5)(dx)

Agency/Prepared By	Authorized Signature	Date
DOT/ Charles Teasdale (608) 266-0305	Carol Buckmaster (608) 267-6979	5/4/2005

Fiscal Estimate Narratives

DOT 5/4/2005

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Assumptions Used in Arriving at Fiscal Estimate

The requirement to obtain a USDOT number is a federal requirement that is applicable to intra-state carriers through its adoption in Administrative Code Chapter Trans 327. A state exemption as proposed by SB342 would have a significant impact on the federal funding (MCSAP) Wisconsin currently receives. More specifically, the Federal Motor Carrier Safety Administration has indicated that the proposed bill has the following impact:

1. The Bill would exempt operations which are specifically covered in Trans 327 and currently in compliance with the Federal Motor Carrier Safety Regulations (FMCSR).

2. The Bill would be in direct violation of 49 CFR 350.341. This section is very specific about exempting vehicles in intra-state commerce that have a Gross Vehicle Weight Rating (GVWR) or combination GVWR over 26,001 pounds. This section also specifies a state may not grant exemptions to intra-state carriers based upon type of transportation being performed (e.g.., for-hire, private, etc).

3. Section 350.343 provides for exemptions from the FMCSR but those requests are considered only if the ten (10) factors of 350.343 (a) through (j) are followed prior to any state laws/regulations being changed.

4. Section 350.335 (a) states that if a States intrastate regulation are in compliance with the FMCSR, within tolerance guidelines, and that State changes its laws/regulations which results in incompatibility with the FMCSR, the State will not be eligible for any Basic MCSAP or incentive funds. The funds that would be lost to the State of Wisconsin are approximately 4-5 million per year.

A State that currently has compatible CMV safety laws and regulations pertaining to interstate commerce (i.e., rules identical to the FMCSRs and HMRs) and intrastate commerce (i.e., rules identical to or within the tolerance guidelines for the FMCSRs and identical to the HMRs) but enacts a law or regulation which results in an incompatible rule will not be eligible for Basic Program Funds nor Incentive Funds.

A State that fails to adopt any new regulation or amendment to the FMCSRs or HMRs within three years of its effective date will be deemed to have incompatible regulations and will not be eligible for Basic Program nor Incentive Funds.

Those States with incompatible laws or regulations pertaining to intrastate commerce and receiving 50 percent of their basic formula allocation on April 20, 2000 will continue at that level of funding until those incompatibilities are removed, provided no further incompatibilities are created.

Upon a finding by the FMCSA, based upon its own initiative or upon a petition of any person, including any State, that your State law, regulation or enforcement practice pertaining to CMV safety, in either interstate or intrastate commerce, is incompatible with the FMCSRs or HMRs, the FMCSA may initiate a proceeding under Sec. 350.215 for withdrawal of eligibility for all Basic Program and Incentive Funds.

Any decision regarding the compatibility of your State law or regulation with the HMRs that requires an interpretation will be referred to the Research and Special Programs Administration of the DOT for such interpretation before proceeding under Sec. 350.215.

Long-Range Fiscal Implications

In addition to the 4-5 million MCSAP dollars lost per year, incompatibility with federal regualtions would also put all federal highway funds at risk. More specifically, 49 CFR 384.307 (Federal Motor Carrier Safety Administration (FMCSA) regulations) requires that each state's commercial driver license (CDL) program meet the general federal requirements for 'substantial compliance'. If the FMCSA determines that the minimum standards for substantial compliance have not been met, Wisconsin could be sanctioned an amount of 5% of federal highway funds for the first year of substantial non-compliance and a 10% reduction of federal highway funds for each subsequent year of substantial non-compliance.

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Fiscal Estimate Worksheet - 2005 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	$	
(FTE Position Changes)		
State Operations - Other Costs		
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	**$**	**$**
B. State Costs by Source of Funds		
GPR		
FED		
PRO/PRS		
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		-4,000,000
PRO/PRS		
SEG/SEG-S		
TOTAL State Revenues	**$**	**$-4,000,000**

NET ANNUALIZED FISCAL IMPACT

	State	Local
NET CHANGE IN COSTS	$	$
NET CHANGE IN REVENUE	$-4,000,000	$

Agency/Prepared By	**Authorized Signature**	**Date**
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