

### Fiscal Estimate - 2007 Session

Original       Updated       Corrected       Supplemental

<b>LRB Number</b> 07-1514/1	<b>Introduction Number</b> SB-503	
<b>Description</b> Regulating substitutes for ozone-depleting refrigerants used in mobile air conditioners		
<b>Fiscal Effect</b>		
<b>State:</b>		
<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"/> Decrease Existing Appropriations <input checked="" type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Create New Appropriations		
<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		
<b>Local:</b>		
<input 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		
<b>Fund Sources Affected</b>		
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.115(1)(hm), 20.115(1)(a)		
<b>Affected Ch. 20 Appropriations</b>		
<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
DATCP/ Michelle Reinen (608) 224-5160	Barb Knapp (608) 224-4746	3/5/2008

## Fiscal Estimate Narratives

DATCP 3/5/2008

LRB Number	07-1514/1	Introduction Number	SB-503	Estimate Type	Original
<b>Description</b> Regulating substitutes for ozone-depleting refrigerants used in mobile air conditioners					

### Assumptions Used in Arriving at Fiscal Estimate

Under current law the Department registers businesses that repair systems that contain either ozone depleting refrigerants or substitutes for refrigerants.

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. It 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 is certified by the Department.

A certified technician is required to follow a specific process for removing any refrigerant. The technician must pump any refrigerant removed from the mobile air conditioner into storage tanks, recycle the stored refrigerant, or transfer it to another person for recycling. Venting the substance to the atmosphere is prohibited. Federal regulations have similar provisions prohibiting venting and requiring removal and recycling.

Should this bill pass it is assumed that a significant number of businesses will (legally) vent substitute refrigerants to the atmosphere during repair and sublet repairs of ozone depleting systems to the few remaining certified technicians. These businesses would not be required to be registered by the Department. The Department can assume a 90% decrease in registration fees. The Department registers 3,460 businesses working in mobile air conditioning, collecting licensing fees of \$415,200 annually to support the program. Based on these assumptions the Department estimates decreased revenues of \$364,000 per year.

However, the Department will continue to have the responsibility to regulate the sale, installation and recovery of ozone-depleting refrigerants (but not substitutes) and projects that the reduction in the number of registered businesses will be accompanied by an increase in inspections and investigations. This would require that the shortfall in program revenue (PR) funding would need to be replaced with \$364,000 in general purpose revenue (GPR) funding.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

LRB Number <b>07-1514/1</b>		Introduction Number <b>SB-503</b>	
<b>Description</b> Regulating substitutes for ozone-depleting refrigerants used in mobile air conditioners			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
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			
<b>TOTAL State Costs by Category</b>	<b>\$364,000</b>		<b>\$-364,000</b>
<b>B. State Costs by Source of Funds</b>			
GPR	364,000		
FED			
PRO/PRS			-364,000
SEG/SEG-S			
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>			
	Increased Rev		Decreased Rev
GPR Taxes	\$		\$
GPR Earned			
FED			
PRO/PRS			-364,000
SEG/SEG-S			
<b>TOTAL State Revenues</b>	<b>\$</b>		<b>\$-364,000</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
	State		Local
NET CHANGE IN COSTS	\$0		\$
NET CHANGE IN REVENUE	\$-364,000		\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
DATCP/ Michelle Reinen (608) 224-5160		Barb Knapp (608) 224-4746	3/5/2008