

Fiscal Estimate Narratives

DOT 10/14/2013

LRB Number	13-2827/3	Introduction Number	AB-0389	Estimate Type	Original
Description Maximum speed limit on freeways and expressways					

Assumptions Used in Arriving at Fiscal Estimate

(LRB 2827/3) AB 389, would increase the maximum allowable speed limit on freeways and expressways from 65 miles per hour (mph) to 70 mph. The higher limit would not be effective until the Department posts the limit on official signs, however, the Department is directed to post the higher speed limit on specified freeways or expressways within one month of the bill's effective date. The Department is directed to post signs on all other freeways and expressways within six months of the effective date of this bill.

The bill would limit the Department's authority to modify the statutory speed limit of 70 miles per hour on freeways and expressways. The Joint Committee on Finance would either implicitly or expressly approve the proposed speed limits.

For the purposes of this fiscal estimate, it is assumed the Department would increase the posted speed limit to 70 mph on approximately 1100 miles of freeways and expressways as specified in AB 389. There are 576 "65 mph Speed" signs on these highways that would need to be changed.

There are two component costs to replace a freeway speed limit sign:

(1) The fabrication cost. The cost of producing each freeway speed limit sign (48" x 60") is \$135.00. It may take up to 28 days to produce the sign.

(2) The change out process cost. Typical labor charges and fleet mileage costs for county highway department personnel and vehicles are \$100.00 per sign. To meet the one-month time frame established by AB 398, The Department would need to contract with outside vendors. The cost estimate for a contractor to install the signs (installation labor and mobilization) would be \$235.00 per sign.

It is assumed that sign posts will not have to be replaced. Therefore, no costs are estimated for holes to be dug or for new sign posts.

Cost to change one "65 mph speed limit" Interstate Highway sign by a contractor:

$$135 + 235 = \$370/\text{sign}$$

Total cost to change 576 specified freeway and expressway "65 mph speed limit" signs:

$$576 \times \$370 = \$213,120.$$

To determine the safety of 70 mph on freeways and expressways, the Department will incur the cost of a traffic engineering analysis. For the purpose of this estimate, the Department estimates it will cost an additional \$250,000 to complete a study.

Long-Range Fiscal Implications

None.

Fiscal Estimate Worksheet - 2013 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description Maximum speed limit on freeways and expressways			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
Cost to change one "65 mph speed limit" Interstate Highway sign: \$135 + \$235 = \$370/sign Total cost to change all 576 "65 mph speed limit": 576 x \$370 = \$213,120 At the time of the conversion of US 41 to an Interstate Highway, 88 additional "65 mph speed limit" signs would need to be changed: 88 x \$235 = \$20,680			
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, 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	\$	\$
	NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By		Authorized Signature	Date
DOT/ Mae Knowles (608) 266-8370		Stephanie LaSage (608) 267-3703	10/14/2013