

Fiscal Estimate Narratives
DOT 3/28/02

| | | |
|------------------------------|-----------------------------------|-------------------------------|
| LRB Number 01-4223/1 | Introduction Number AB-896 | Estimate Type Original |
| Subject | | |
| Vehicles transporting houses | | |

Assumptions Used In Arriving at Fiscal Estimate

AB 896 requires DOT to issue a business license to any person who wishes to transport on a Wisconsin highway a structure, at least 14' wide or 22' long, that was taken from one foundation to be placed on another permanent foundation. The term "building" does not include certain modular housing or manufactured homes.

The bill requires DOT to "determine the ability and fitness of a person" to receive the license. The bill purports to treat building-transport business licenses similar to motor carrier authority. However, the Legislature de-regulated the motor carrier industry in the early 1980's. Since that time, the Transportation Commission, and subsequently DOT (the function was transferred to DOT in the mid-1990's) does not make any judgments on ability and fitness of motor carriers to hold authority, except for required insurance filing.

There currently exists no procedure similar to the fitness determination that AB 896 requires of DOT. Consequently, the bill requires that an entirely new data/record management system be developed within DOT information systems, as well as an entirely new processing, audit, and appeals procedure.

Volume:

AB 896 requires that a building-transport business license be issued to an individual, rather than to a company. Based on current experience with house-movers, DOT estimates that a minimum of approximately 20 Wisconsin and 10 out-of-state companies would be involved in building transport. Each company may have an average of 10 people to be licensed, for a total of about 300 applicants each year.

After the first year (when all applications will be initial applications), a mix of about half initial licenses and half renewal licenses might be expected. There will always be turnover in employees of companies, as well as entry and exit of companies themselves.

Revenue:

Assuming half initial licenses and half renewal licenses, revenue increase to the Transportation Fund would be about \$37,500 annually.

Costs:

One-time cost for data processing modifications is \$57,800. The bill does not appropriate funding to the Division of Motor Vehicles, and DMV cannot absorb this cost in its current budget.

On-going cost:

DOT would need to assess an applicant's "ability and fitness." This includes checking driver license records; evaluating individual and company safety records; assessing physical qualification from individual's Commercial Driver License; recording insurance coverage; and issuing licenses. Also, DOT must audit certain business and driver records, take withdrawal action against business licenses, and respond to appeals.

Based on experience with house-move permitting, DOT estimates that about 2.5 hours per case per year would be required. This is an increase of 0.4 FTE permanent positions.

Staff cost (salary plus fringe benefits) would be \$17,400 annually. Forms, envelopes, printing, mailing, and other materials and supplies cost about \$1,500 annually. Total annual cost resulting from this bill is \$18,900, and 0.4 FTE permanent positions.

The bill does not appropriate funding to DMV, and DMV cannot absorb this cost in its current budget.

Enforcement of the bill's provisions would be conducted as part of State Patrol's motor carrier and traffic law enforcement.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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| LRB Number 01-4223/1 | | Introduction Number AB-896 | |
| Subject | | | |
| Vehicles transporting houses | | | |
| I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): | | | |
| One-time cost to modify data processing systems of \$57,800, in Appropriation 20.395(5)(cq). The bill does not appropriate funding for this cost, and it cannot be absorbed within DMV's current budget. | | | |
| II. Annualized Costs: | | Annualized Fiscal Impact on funds from: | |
| | | Increased Costs | Decreased Costs |
| A. State Costs by Category | | | |
| State Operations - Salaries and Fringes | | \$17,400 | |
| (FTE Position Changes) | | (0.4 FTE) | |
| State Operations - Other Costs | | 1,500 | |
| Local Assistance | | | |
| Aids to Individuals or Organizations | | | |
| TOTAL State Costs by Category | | \$18,900 | \$ |
| B. State Costs by Source of Funds | | | |
| GPR | | | |
| FED | | | |
| PRO/PRS | | | |
| SEG/SEG-S | | 18,900 | |
| 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 | | | |
| PRO/PRS | | | |
| SEG/SEG-S | | 37,500 | |
| TOTAL State Revenues | | \$37,500 | \$ |
| NET ANNUALIZED FISCAL IMPACT | | | |
| | | State | Local |
| NET CHANGE IN COSTS | | \$18,900 | \$ |
| NET CHANGE IN REVENUE | | \$37,500 | \$ |
| Agency/Prepared By | | Authorized Signature | Date |
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