



## Fiscal Estimate Narratives

DOT 3/1/2004

LRB Number	03-3185/1	Introduction Number	AB-865	Estimate Type	Original
<b>Subject</b>					
Exempting farm trucks and dual purpose farm trucks towing livestock from motor carrier enforcement					

### Assumptions Used in Arriving at Fiscal Estimate

2003 AB 865 proposes to exempt from some Wisconsin administrative rules and state laws regarding driver qualifications, vehicle equipment, hours of service, safe commercial motor vehicle (CMV) operations, times and locations of vehicle operation and vehicle inspections for "transportation of livestock by a farm truck or dual purpose farm truck combined with any semitrailer or farm trailer when such transportation is provided by a private motor carrier..." "Private motor carrier" is defined in s. 194.01(11), Wis. Stats., as "any person except a common or contract motor carrier engaged in the transportation of property by motor vehicle other than an automobile or trailer used therewith, upon the public highways."

Though "livestock" is not defined in Wisconsin statutes, s. 29.181(1b)(a), Wis. Stats., defines "agricultural purpose" as "...beekeeping, dairying, egg production, feedlots, grazing arboriculture, horticulture, floriculture, plant nurseries and green houses, raising of livestock, raising of poultry, aquaculture, fur farming or growing vegetables..." Thus, for purposes of AB 865, the Department of Transportation (DOT) considers "livestock" to include, but not limited to, cattle, horses, pigs, sheep, goats, llamas, bison, rabbits and any other non-poultry and non-fish animals.

Specifically, AB 865:

- 1) amends s. 110.075(6), Wis. Stats., to exempt private trucks that transport livestock from DOT administrative rules written to comply with federal motor carrier safety regulations stated in 49 CFR 393 and 396;
- 2) creates s. 194.05(4), Wis. Stats., to exempt private trucks that transport livestock from state motor carrier commerce regulations;
- 3) renumbers and amends s. 194.38(1)(e), Wis. Stats., to clarify that federal regulations the length and weight of motor vehicles will be complied with;
- 4) creates s. 194.38(2), Wis. Stats., to exempt private trucks that transport livestock from DOT administrative rules written to comply with federal motor carrier safety regulations stated in 49 CFR 391, 392, 395, and 397; and
- 5) amends s. 194.43, Wis. Stats., to exempt private trucks that transport livestock from state regulation of private motor carriers, including designation of highways on which vehicles may be operated, designation of time during which vehicles may be operated, display of evidence that such a vehicle is not a common or contract carrier, and rules and regulations for safe operation.

The proposed exemptions for private motor carriers that transport livestock would create serious and substantial revenue loss of federal funds from both the Motor Carrier Safety Assistance Program (MCSAP) administered by the DOT / Division of State Patrol on behalf of all motor carriers in Wisconsin and from general highway funds apportioned annually to Wisconsin. MCSAP tasks include: fixed and portable motor carrier inspections, mobile size and weight enforcement, post-crash inspections and crash reconstructions, traffic enforcement, compliance reviews, motor carrier and motorist education, and new entrant reviews.

Specifically:

- 1) 49 CFR 350.201 identifies the conditions for any state to qualify for federal funds under the Motor Carrier Safety Assistance Program (MCSAP). This is a program that provides financial assistance to states to reduce the number and severity of crashes and hazardous material incidents involving commercial motor vehicles (CMVs). The goal of MCSAP is to reduce CMV-involved crashes, fatalities and injuries through consistent, uniform, and effective DMV safety programs. Section 350.201(a) states that Wisconsin's laws must be compatible with federal motor carrier regulations in order to receive MCSAP funds. Wisconsin's failure to be in compliance most probably would result in immediate cessation of MCSAP funds in excess of \$4,000,000 in federal funds with total program funds of over \$5,000,000 (80/20 funding formula) and 46 full-time State Patrol positions - the entire MCSAP program. By eliminating Wisconsin's adoption of federal regulations regarding motor carriers via DOT

administrative rules, Wisconsin would no longer be eligible for MCSAP funds.

2) The fiscal impact on Wisconsin due to any possible increases in crashes, injuries and fatalities occurring because of the lack of MCSAP efforts is impossible to estimate. However, the DOT suggests that the MCSAP efforts in enforcing motor carrier regulations in terms of safety and commerce has resulted in the reduction of large truck crashes and large truck crash injuries in Wisconsin. In addition to lives saved, enforcement of these regulations has reduced state and local costs to consumers because of reduced insurance payouts, both in terms of property and personal injury.

3) 48 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.

### **Long-Range Fiscal Implications**

Possible continued loss of a portion of Wisconsin's federal highway funds and loss of MCSAP funds.

## Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

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<b>Subject</b>			
Exempting farm trucks and dual purpose farm trucks towing livestock from motor carrier enforcement			
<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		\$	
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
<b>TOTAL State Costs by Category</b>		<b>\$</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
GPR			
FED			
PRO/PRS			
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		-4,000,000	
PRO/PRS			
SEG/SEG-S			
<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$-4,000,000</b>	
<b>NET ANNUALIZED FISCAL IMPACT</b>			
	State	Local	
NET CHANGE IN COSTS	\$	\$	
NET CHANGE IN REVENUE	\$-4,000,000	\$	
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
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