

Fiscal Estimate - 2003 Session

☒ Original ☐ Updated ☐ Corrected ☐ Supplemental

LRB Number 03-4090/1		Introduction Number AB-897	
Subject Relating to: regulating the manufactured housing industry and manufactured home installations; promoting rehabilitation and recycling of manufactured housing; granting rule-making authority; providing a penalty; and making appropriations			
Fiscal Effect State: <div style="display: flex; flex-wrap: wrap;"><div style="width: 33%;"><input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input checked="" type="checkbox"/> Increase Existing Appropriations <input checked="" type="checkbox"/> Decrease Existing Appropriations <input checked="" type="checkbox"/> Create New Appropriations</div><div style="width: 33%;"><input checked="" type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues</div><div style="width: 33%;"><input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <div style="display: flex; justify-content: space-between;"><input type="checkbox"/> Yes <input type="checkbox"/> No</div><input type="checkbox"/> Decrease Costs</div></div> Local: <div style="display: flex; flex-wrap: wrap;"><div style="width: 33%;"><input checked="" type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate <div style="display: flex; justify-content: space-between;"><div>1. <input type="checkbox"/> Increase Costs <div style="display: flex; justify-content: space-between;"><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</div></div><div>2. <input type="checkbox"/> Decrease Costs <div style="display: flex; justify-content: space-between;"><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</div></div></div><div style="width: 33%;"><div style="display: flex; justify-content: space-between;"><div>3. <input type="checkbox"/> Increase Revenue <div style="display: flex; justify-content: space-between;"><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</div></div><div>4. <input type="checkbox"/> Decrease Revenue <div style="display: flex; justify-content: space-between;"><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</div></div></div><div style="width: 33%;">5. Types of Local Government Units Affected <div style="display: flex; flex-wrap: wrap;"><div style="width: 33%;"><input type="checkbox"/> Towns <input type="checkbox"/> Counties <input type="checkbox"/> School Districts</div><div style="width: 33%;"><input type="checkbox"/> Village <input type="checkbox"/> Others <input type="checkbox"/> WTCS Districts</div><div style="width: 33%;"><input type="checkbox"/> Cities</div></div></div></div></div></div>			
Fund Sources Affected <div style="display: flex; justify-content: space-between;"><input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS</div>		Affected Ch. 20 Appropriations	
Agency/Prepared By COMM/ Debra Bresser (608) 266-8603		Authorized Signature Louie Cornelius (608) 266-8629	Date 2/26/2004

Fiscal Estimate Narratives

COMM 2/26/2004

LRB Number	03-4090/1	Introduction Number	AB-897	Estimate Type	Original
Subject					
Relating to: regulating the manufactured housing industry and manufactured home installations; promoting rehabilitation and recycling of manufactured housing; granting rule-making authority; providing a penalty; and making appropriations					

Assumptions Used in Arriving at Fiscal Estimate

AB 897 makes several changes regarding manufactured home regulations, primarily regarding the regulation of manufacturers of manufactured homes, regulation of manufactured home installation and associated fees, and manufactured home titling fees. AB 897 also creates a manufactured home rehabilitation and recycling grant program and associated fee.

Regulation of Manufacturers of Manufactured Homes

Current statutes contain several requirements relative to the manufacturer of manufactured homes that are removed by AB 897. These requirements include the review of typical construction plans submitted by manufacturers of manufactured homes, issuance of labels for display on manufactured homes that indicates that the home meets requirements, etc. These activities are conducted by Commerce under a cooperative agreement with HUD and are contained in Federal manufactured home regulations. AB 897 deleted these requirements from Wisconsin statutes because federal law preempts them; therefore, they are not needed in Wisconsin law.

Regulation of Manufactured Home Installation and Associated Fees

There are currently very limited requirements regarding the installation of manufactured homes. AB 897 would require that the installation of manufactured homes be performed or supervised by individuals certified by the Department and that each installation be inspected by third-party inspectors. New Federal regulations require that states implement these installation requirements. The Department estimates that 50 installers would be licensed, and that 3,000 manufactured homes would fall under the jurisdiction of this requirement. The Department anticipates that the implementation of this program would parallel the Uniform Dwelling Code program, which also contains inspection requirements and in which inspections in many areas are conducted by private, 3rd party inspectors. The Department anticipates that most of the approximately 100 3rd party UDC inspection agencies licensed by the Department will also become certified to conduct inspections of manufactured home installations. The Department estimates that the workload associated with a manufactured home installation program would be absorbed within current resources and revenue increases, which must parallel costs, would be minimal.

Manufactured Home Titling Fees, and Dealer and Salesperson License Fees

Currently, titling, and dealer and salesperson license fee amounts are indicated by statute. AB 897 removes the amounts indicated by statute and grants the Department the authority to set the fees by administrative rule. The Department doesn't anticipate increases in fees/revenue resulting from this change.

Currently, s. 101.9208 (2), Stats., indicates that several titling fees collected by the Department be deposited to the Transportation Fund. The Department's spending and position authority to administer manufactured home titling is contained in s. 20.143 (3) (sa), Stats. AB 897 indicates that these titling fees would now be deposited to s. 20.143 (3) (j), Stats., Safety and Buildings Operations, a program revenue appropriation. AB 897 deletes s. 20.143 (3) (sa), Stats.; spending and position authority to administer titling would be contained in s. 20.143 (3) (j), Stats. AB 897 would result in a net loss of \$80,000 in revenue to the Transportation Fund (amount of titling fee currently deposited to the Transportation Fund - s. 20.143 (3) (sa) spending authority).

Currently, s. 20.855 (4) (f), Stats., requires general fund match of the amount of supplemental title fees collected per s. 101.9208 (1)(d), Stats. This match is then deposited to the Environmental Improvement Fund per s. 20.855 (4) (f), Stats. AB 897 removes this match requirement, therefore decreasing GPR expenditures

and the amount deposited to the Environmental Improvement Fund by an estimated \$65,000 annually.

Manufactured Housing Rehabilitation and Recycling Grant Program

AB 897 would require the implementation of a manufactured housing rehabilitation and recycling grant program. Specifically, the bill creates a manufactured home rehabilitation and recycling fee to be collected as part of the titling fee and deposited to s. 20.143 (1) (jp), Stats, Manufactured housing rehabilitation and recycling; program revenue. Section 62 of the bill requires the department to promulgate rules regarding a manufactured housing rehabilitation and recycling program; to make grants to individuals engaged in the disposal of abandoned manufactured homes and to municipalities, for the purpose of supporting environmentally sound disposal practices; to contract with non-profits with expertise on this topic for the administration of the grant program. AB 897 provides \$70,000 in annual spending authority for the grant program. The Department estimates that \$15,000 would be provided for administrative costs, and \$55,000 in grants would be provided. Workload associated with the promulgation of rules would be absorbed within current resources.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect



Original



Updated



Corrected



Supplemental

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Subject			
Relating to: regulating the manufactured housing industry and manufactured home installations; promoting rehabilitation and recycling of manufactured housing; granting rule-making authority; providing a penalty; and making appropriations			
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	\$65,800	-65,800	
(FTE Position Changes)	(1.6 FTE)	(-1.6 FTE)	
State Operations - Other Costs	95,500	-25,500	
Local Assistance	0	0	
Aids to Individuals or Organizations	0	0	
TOTAL State Costs by Category	\$161,300	\$-91,300	
B. State Costs by Source of Funds			
GPR	0	0	
FED	0	0	
PRO/PRS (PRO)	161,300	0	
SEG/SEG-S	0	-91,300	
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	\$0	\$0	
GPR Earned	0	0	
FED	0	0	
PRO/PRS (PRO)	70,000	0	
SEG/SEG-S (SEG)	0	0	
TOTAL State Revenues	\$70,000	\$0	
NET ANNUALIZED FISCAL IMPACT			
	<u>State</u>	<u>Local</u>	
NET CHANGE IN COSTS	\$70,000	\$	
NET CHANGE IN REVENUE	\$70,000	\$	
Agency/Prepared By		Authorized Signature	Date
COMM/ Debra Bresser (608) 266-8603		Louie Cornelius (608) 266-8629	2/26/2004