

Fiscal Estimate Narratives
COMM 2/21/2005

LRB Number 05-0241/3	Introduction Number AB-39	Estimate Type Original
Subject Regulation of manufactured housing		

Assumptions Used in Arriving at Fiscal Estimate

AB 39 impacts the activities conducted by the Department of Commerce regarding manufactured homes. Specifically, AB 39 changes what fees are collected for the titling of manufactured homes, and where those fees are deposited. AB 39 also creates requirements regarding the installation of manufactured homes, the credentialing of manufactured home installers, and a grant program for the rehabilitation/recycling of manufactured homes. AB 39 deletes manufactured home design and construction requirements.

Commerce is responsible for the titling of manufactured homes, and collects fees for that activity. Currently, the fee consists of a titling fee and a supplemental title fee per s. 101.9208 (1), Stats. The revenue generated from these fees is deposited to the Transportation Fund per s. 101.9208 (2), Stats. In addition, the supplemental title fee is matched by funds from the general fund per s. 20.855 (4) (f), Stats. These match funds are deposited into the Environmental Improvement Fund per s. 25.46 (19), Stats. Commerce previously collected the Environmental Impact Fee, which was deposited to the environmental fund. This fee sunseted on December 31, 2003.

AB 39 would eliminate the depositing of titling fees indicated in s. 101.9208 (1), Stats., to the Transportation Fund (annual est. revenue: \$175,000), reinstitute the Environmental Impact Fee (annual est. revenue: \$90,000), and delete the Supplemental Title Fee match requirement to the General Fund (est. annual amount: \$75,000). AB 39 also eliminates the amount of the fees indicated by statute and authorizes Commerce to set the fees by administrative rule. Commerce anticipates setting the fees to more closely match the costs of administering the titling program. Annual costs of the titling program are \$93,600. These costs are currently contained in s. 20.143 (sa), Stats., Administration of mobile homes, a SEG funded appropriation. AB 39 would eliminate this appropriation and move the costs to s. 20.143 (j), Stats., Safety and Building Operations, a PRO funded appropriation

AB 39 would require the inspection of manufactured home installations by 3rd party inspectors. The Department would administer this requirement by implementing a building permit seal system, as is currently in place for site constructed homes. An estimated 3,000 annual installations would need to be inspected for which the Department would collect an estimated \$75,000 in seal fee revenue. The consultation and processing workload associated with the installation program requirements would be absorbed by current staff.

AB 39 would require the certification of manufactured home installers. The Department estimates that the number of such installers would be less than 50. Therefore, the workload would be absorbed within current resources and minimal additional revenue would result.

AB 39 would create a grant program for the rehabilitation/recycling of manufactured homes. AB 39 creates an appropriation and provides \$70,000 in spending authority for the program. The legislation also creates a manufactured housing rehabilitation and recycling fee, to be paid upon application for a title, and requires that the Department contract with a qualified tax-exempt organization for the administration of the program. The Department estimates that \$7,000 would be provided to such an organization, with the remaining \$63,000 to be provided as grants to persons engaged in the disposal of abandoned manufactured homes and to municipalities.

AB 39 eliminates several requirements regarding the design and construction of manufactured home regulation. These requirements are already superseded by federal regulations. Therefore, the elimination of the requirements has no impact on the resources of the Department.

The Department anticipates that its manufactured home activities would be incorporated into its UDC program. Therefore, local units of government would be impacted by AB 39 if they administer a UDC

program, and the impact would be minimal.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 05-0241/3		Introduction Number AB-39	
Subject			
Regulation of manufactured housing			
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	\$68,100		-68,100
(FTE Position Changes)	(1.6 FTE)		(-1.6 FTE)
State Operations - Other Costs	32,500		-100,500
Local Assistance	20,000		
Aids to Individuals or Organizations	43,000		
TOTAL State Costs by Category	\$163,600		\$-168,600
B. State Costs by Source of Funds			
GPR			-75,000
FED			
PRO/PRS	163,600		
SEG/SEG-S			-93,600
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	335,000		
SEG/SEG-S			-250,000
TOTAL State Revenues	\$335,000		\$-250,000
NET ANNUALIZED FISCAL IMPACT			
		State	Local
NET CHANGE IN COSTS		\$-5,000	\$0
NET CHANGE IN REVENUE		\$85,000	\$0
Agency/Prepared By		Authorized Signature	Date
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