

Fiscal Estimate Narratives

DOT 1/4/2008

LRB Number	07s0122/1	Introduction Number	ASA1- AB371	Estimate Type	Supplemental
Description Highway specific information signs and creating income and franchise tax credits for certain electric motor vehicles and for motor vehicles that use biodiesel or gasoline and ethanol mixtures as fuel					

Assumptions Used in Arriving at Fiscal Estimate

Substitute Amendment 1 to Assembly Bill 371 requires the DOT to create annually a list of vehicles assembled in Wisconsin that are E85 (85% ethanol), hybrid-electric (gas/electric), neighborhood electric, plug-in hybrid electric, or capable of using biodiesel. It also exempts businesses that sell E85 gasoline from the administrative \$40 permit fee paid to the DOT for participating in the Specific Information Sign (SIS) program. Overall, there are a few incidental costs to implement these requirements and the revenue loss to the department from permit fees is \$800 at the present time.

The Department will identify vehicles eligible for tax credits by identifying qualified motor vehicle manufacturers in this state, and by having them certify which of their models are eligible. The Department believes there is only a small number of automobile manufacturers in this state. The Department will approve the list, likely in consultation with the Department of Natural Resources. The process must be repeated annually until December 31, 2009, unless the Joint Committee on Finance extends the time limit to January 1, 2011. The Department believes the bill will require no more than 10 hours of staff time annually.

The SIS program provides motorists with directional information for motorist services through signs placed along state highway right-of-way. These business signs may only include the following service categories: gas, food, lodging, camping, and attractions.

The program is managed entirely by a private contractor who is responsible for marketing, selling, installation, maintenance and operations. The contractor charges each participating business an annual rental fee for each sign. From this revenue, the contractor pays the department the annual permit fee of \$40 for each sign.

Currently, there are 64 stations across Wisconsin that sell E85. Out these 64 stations, 5 businesses participate in the SIS program and, therefore, would qualify for the permit fee exemption. Each one has four signs and at \$40 per sign the total amount of lost revenue for the department would be \$800 annually. In addition, the current contract with the private contractor runs through 2011 with two one year extensions possible. Therefore, businesses selling E85 gasoline would most likely still pay the same rental rate, including permit fees, and not realize the \$40 per sign savings.

Lastly, the amendment does conform to federal rules. The Manual on Uniform Traffic Control Devices (MUTCD) states that a portion of a GAS logo panel may be used to display the legends for alternative fuels. In addition, s. 86.195(3)(a) Wis. Stats. mirrors federal law by stating that stations shall have: vehicles services such as gas, oil, and water; restrooms; continuous operations of either 16 hours a day or 12 hours a day, 7 days a week; and a public telephone.

Long-Range Fiscal Implications

The lost revenue of \$800 annually is based upon the current number of businesses selling E85 gasoline. However, this figure would increase if the number of E85 vehicles increases and more businesses start selling E85.

Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 07s0122/1		Introduction Number ASA1-AB371	
Description Highway specific information signs and creating income and franchise tax credits for certain electric motor vehicles and for motor vehicles that use biodiesel or gasoline and ethanol mixtures as fuel			
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	\$		\$
(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			-800
TOTAL State Revenues	\$		-\$800
NET ANNUALIZED FISCAL IMPACT			
	State	Local	
NET CHANGE IN COSTS	\$		\$
NET CHANGE IN REVENUE	\$-800		\$
Agency/Prepared By		Authorized Signature	Date
DOT/ Karl Kuecker (608) 266-1876		Julie Johnson (608) 267-3703	1/4/2008