

Fiscal Estimate - 2011 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 11-0385/5	Introduction Number AB-0278
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Description
 Relating to: a sales and use tax exemption for extended-range electric vehicles; a property tax exemption for tangible personal property used to recharge electric vehicles; the motor vehicle emission inspection and maintenance program and payments to the Wisconsin Economic Development Corporation related to extended-range electric vehicles; a property and sales and use tax exemption for certain machinery and tangible personal property used to conduct research; and making an appropriation

Fiscal Effect

State:

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Increase Existing Appropriations		<input checked="" type="checkbox"/> Decrease Costs
<input checked="" type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		

Local:

<input checked="" type="checkbox"/> No Local Government Costs	5. Types of Local Government Units Affected	
<input type="checkbox"/> Indeterminate	1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
	4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

Fund Sources Affected	Affected Ch. 20 Appropriations
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS	20.395(5)(cq); 20.395(5)(cr); 20.395(5)(hq); 20.395(5)(hx)

Agency/Prepared By DOT/ Reed McGinn (608) 266-7857	Authorized Signature Stephanie LaSage (608) 267-3703	Date 10/14/2011
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Fiscal Estimate Narratives

DOT 10/14/2011

LRB Number	11-0385/5	Introduction Number	AB-0278	Estimate Type	Original
Description Relating to: a sales and use tax exemption for extended-range electric vehicles; a property tax exemption for tangible personal property used to recharge electric vehicles; the motor vehicle emission inspection and maintenance program and payments to the Wisconsin Economic Development Corporation related to extended-range electric vehicles; a property and sales and use tax exemption for certain machinery and tangible personal property used to conduct research; and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

PROVISIONS OF THE BILL

This bill makes several changes. The Department of Transportation fiscal estimate addresses only those changes that involve Department of Transportation responsibilities.

This bill terminates the motor vehicle emission inspection and maintenance(I/M)program on June 30, 2013, if termination of the program on that date is consistent with the requirements under federal law or if this state receives a waiver of the requirements under federal law or approval from the applicable federal agency to terminate the program. If any of these conditions are satisfied so that termination may occur, DOT may not thereafter enter into, or renew or extend, any contract to perform testing and inspections under the program for a period that extends beyond June 30, 2013. The bill also eliminates the requirement that DOT's testing and inspection contracts must be for at least three years.

Under the bill, beginning on July 1, 2013, DOT must pay to the Wisconsin Economic Development Corporation (WEDC) amounts appropriated for these payments if the I/M program is terminated on June 30, 2013. These payments must be used for purposes related to the research, production, promotion, and use of extended-range electric vehicles primarily in the nonattainment counties. The bill does not provide funding for these payments in the 2011-13 fiscal biennium.

FISCAL IMPACT

The bill amends appropriation 20.395(5)(cq), removing reference to the inspection maintenance program.

The bill creates appropriation 20.395(5)(cr), vehicle inspection and maintenance; payments; state funds. Specifies if the inspection maintenance program is terminated on June 30, 2011, DOT must pay the Wisconsin Economic Development Corporation (WEDC) the amounts appropriated for these payments.

The bill amends appropriation 20.395(5)(hq), transferring amounts for providing contracts for the operation of inspection stations to the WEDC if the inspection maintenance program is terminated on June 30, 2013. This appropriation is budgeted in the amount of \$3,193,300 in state fiscal year 2013. The contract with the vendor SysTech is in the amount of \$2,598,000 annually beginning fiscal year 2013.

The bill amends appropriation 20.395(5)(hx), motor vehicle and inspection - federal funds. It directs that if the inspection maintenance program is terminated on June 30, 2013, no moneys may be encumbered from this appropriation account after June 30, 2013. The federal government currently provides no funds for the I/M program.

The Department would be required to re-program its computers to end the testing notice sent with registration renewals to vehicles kept in counties in which the I/M program operates. The Department would incur incidental expenses informing the public that the I/M program is terminated.

No local government cost.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2011 Session

Detailed Estimate of Annual Fiscal Effect

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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	\$		\$-488,200
(FTE Position Changes)			(-7.0 FTE)
State Operations - Other Costs			-3,298,100
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$		\$-3,786,300
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S (Transportation)			-3,786,300
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			
TOTAL State Revenues	\$		\$
NET ANNUALIZED FISCAL IMPACT			
	<u>State</u>		<u>Local</u>
NET CHANGE IN COSTS	\$-3,786,300		\$
NET CHANGE IN REVENUE	\$		\$
Agency/Prepared By		Authorized Signature	Date
DOT/ Reed McGinn (608) 266-7857		Stephanie LaSage (608) 267-3703	10/14/2011