

Fiscal Estimate — 2009 Session

<input checked="" type="checkbox"/> Original <input type="checkbox"/> Updated <input type="checkbox"/> Corrected <input type="checkbox"/> Supplemental	LRB Number Bill Number	Amendment Number if Applicable Administrative Rule Number ch. NR 485 (AM-13-10)
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Subject

Proposed rules affecting NR 484 and 485, pertaining to the vehicle inspection and maintenance program.

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

- | | |
|--|---|
| <input type="checkbox"/> Increase Existing Appropriation | <input type="checkbox"/> Increase Existing Revenues |
| <input type="checkbox"/> Decrease Existing Appropriation | <input type="checkbox"/> Decrease Existing Revenues |
| <input type="checkbox"/> Create New Appropriation | |

- Increase Costs — May be possible to absorb within agency's budget.
 Yes No
- Decrease Costs

Local: No Local Government Costs

1. Increase Costs
 Permissive Mandatory
2. Decrease Costs
 Permissive Mandatory

3. Increase Revenues
 Permissive Mandatory
4. Decrease Revenues
 Permissive Mandatory

5. Types of Local Governmental Units Affected:
 Towns Villages Cities
 Counties Others
 School Districts WTCS Districts

Fund Sources Affected

- GPR FED PRO PRS SEG SEG-S

Affected Chapter 20 Appropriations

None

Assumptions Used in Arriving at Fiscal Estimate

Rule Summary:

Wisconsin's vehicle inspection and maintenance (I/M) program started in 1984 and is currently operating in the seven counties of Kenosha, Milwaukee, Ozaukee, Racine, Sheboygan, Washington and Waukesha. Vehicles failing a reinspection are currently eligible for a waiver of compliance if the cost of repairs to the vehicle exceeds the limits in s. NR 485.045, Wis. Adm. Code, and if other conditions specified in ch. Trans 131, Wis. Adm. Code, are met.

Under s. NR 485.045, Wis. Adm. Code, the repair cost limit is currently \$787 (adjusted annually for inflation) in the six program counties other than Sheboygan. In Sheboygan County the limit is fixed at \$200. Sheboygan County has a lower limit since its nonattainment classification established in 1992 was at a lower level than that for the other six counties. Presently, however, Sheboygan County has the highest ozone levels in the seven-county I/M program area.

The DNR is proposing to expand the coverage of the inflation-adjusted repair cost limit to all counties subject to the I/M program, thereby raising the lower limit for Sheboygan County. This proposal is equitable to the residents of all seven counties and is a change from the I/M program's previous practice from July, 2001, through June, 2009, of not allowing any repair cost waivers at all for the model year 1996 and newer cars and light trucks.

The DNR is also proposing to repeal emission limitations in s. NR 485.04, Wis. Adm. Code, for tests that are obsolete due to changes in motor vehicle technology. These tests are no longer conducted and this change has no fiscal effect.

The affected entities are the owners of non-exempt vehicles registered in Sheboygan County and the vehicle repair facilities that repair those vehicles in response to a failed I/M inspection. If the revisions are not adopted, the I/M-related repairs for the vehicles in Sheboygan County would be less costly and less effective than those for the vehicles in the other I/M counties.

Long-Range Fiscal Implications

None

Prepared By:	Telephone No.	Agency
Joseph Polasek	266-2794	Department of Natural Resources
Authorized Signature	Telephone No.	Date (mm/dd/ccyy)
/S/	266-2794	03/19/10

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Page 2 Assumptions Narrative Continued

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Assumptions Used in Arriving at Fiscal Estimate – Continued

Fiscal Estimate:

The only fiscal effect of the proposed rule is that the I/M-related repairs may be more expensive for some vehicles in Sheboygan County than what they would be under the current rule. The proposed rule would not affect repair costs for vehicles in the other six I/M program counties. The DNR estimates that under the proposed rule, the average cost to repair a failed vehicle during 2011 would be \$416 throughout the seven-county program area. The DNR further estimates that under the current rule the average cost to repair a failed vehicle during 2011 would be only \$200 for vehicles in Sheboygan County and the same \$416 value for vehicles in the other six I/M program counties. Thus, the proposed rule is estimated to increase the average repair cost per failed vehicle in Sheboygan County by \$216. Since about seven percent of the vehicles fail the initial inspection and since vehicles are inspected every other year, the estimated annual average additional repair cost per inspected vehicle in Sheboygan County is: $\$216 * 0.07 * 0.5 = \7.56 .

The DNR estimates that the number of state and local government vehicles registered in Sheboygan County which are subject to inspection is 565 (115 for state government and 450 for local governments). Thus the total increased costs are $\$7.56 * 115 = \870 for state government and $\$7.56 * 450 = \3400 for local governments.

The proposed rule would have some fiscal effect on the private sector. The affected entities would be those having vehicles registered in Sheboygan County which are subject to inspection. The estimated fiscal effect is an average increase in annual repair costs of \$7.56 per inspected vehicle. Thus, the estimated fiscal effect for an entity having 100 vehicles registered in Sheboygan County and subject to inspection is \$756 per year.

Improved fuel efficiency resulting from the more thorough repairs may offset some of these increased costs.

Fiscal Estimate Worksheet — 2009 Session
 Detailed Estimate of Annual Fiscal Effect

Original Updated
 Corrected Supplemental

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Subject

Proposed rules affecting NR 484 and 485, pertaining to the vehicle inspection and maintenance program.

One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):

Annualized Costs:		Annualized Fiscal Impact on State Funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations — Salaries and Fringes		\$	\$ -
(FTE Position Changes)		(FTE)	(- FTE)
State Operations — Other Costs		870	-
Local Assistance			-
Aids to Individuals or Organizations			-
Total State Costs by Category		\$ 870	\$ -
B. State Costs by Source of Funds		Increased Costs	Decreased Costs
GPR		\$ 870	\$ -
FED			-
PRO/PRS			-
SEG/SEG-S			-
State Revenues	Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)	Increased Revenue	Decreased Revenue
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	\$ 870	\$ 3,400
Net Change in Revenues	\$	\$

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