



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2015 Biennium

Bill # HB0632

Title: Generally revise psc duties related to motor carriers

Primary Sponsor: Moore, David (Doc)

Status: As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2014</u> <u>Difference</u>	<u>FY 2015</u> <u>Difference</u>	<u>FY 2016</u> <u>Difference</u>	<u>FY 2017</u> <u>Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$93,741	\$86,608	\$87,908	\$89,226
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$27,000	\$27,000	\$13,500	\$13,500
Net Impact-General Fund Balance:	\$0	\$0	\$0	\$0

Description of fiscal impact: If HB 632 becomes law, the Public Service Commission (PSC) expects the number of persons who apply for and obtain PSC certificates to operate as passenger and household goods motor carriers will increase because the entry requirements will be reduced from the current “public convenience and necessity” tests to a simpler showing of “carrier fitness.” The PSC will require additional resources to supervise and regulate the increased number of regulated motor carriers.

FISCAL ANALYSIS

Assumptions:

1. While the PSC reasonably assumes that the number of regulated motor carriers will increase as a result of HB 632 over the next four years, it is unknown what the size of the increase will be. For purposes of this fiscal note, the PSC estimates the number of regulated motor carriers of passengers and household goods will increase by 30% in the 2015 biennium as a result of HB 632.
2. There are currently 180 PSC-regulated motor carriers. An additional 54 carriers will be regulated by the PSC if there is a 30% increase as a result of HB 632.

3. The PSC’s supervision and regulation of motor carriers includes administering and enforcing insurance requirements, processing applications for motor carrier certificates, establishing initial tariffs for rate-regulated passenger and household goods carriers and processing their subsequent applications for tariff changes, issuing vehicle registration receipts, processing annual reports, complaint investigation, and compliance monitoring and enforcement. The PSC estimates that supervising and regulating 54 additional motor carriers will require the addition of 1.00 FTE field enforcement officer (\$59,649 salary and benefits each year) and 0.40 FTE compliance specialist (\$23,859 salary and benefits each year), \$2,000 for field enforcement officer travel, per diem, and mileage, \$5,800 for office packages and computers in FY 2014, and \$1,100 for phones and office supplies in each year of the FY 2015 biennium. There is a 1.5% inflation factor applied to personal services and operating expenses in FY 2016 and FY 2017.
4. HB 632 will require the PSC to amend 25 pages of administrative rules at an estimated cost of \$1,250 (25 total pages x \$50 per page) in FY 2014. The cost of mailing the rulemaking notice to 180 motor carriers would be \$82.80.
5. The increase in PSC costs due to HB 632 will partially be offset in the 2015 biennium by the new fees that HB 632 requires successful applicants to pay to the PSC prior to issuance of their certificates (\$1,000 x 54 = \$54,000). The PSC assumes the revenue collected from certificate issuance fees will decrease by half in the 2017 biennium due to a decrease in the number of new applications for certificates (\$1,000 x 27 = \$27,000).
6. The PSC assumes that, after an initial period of new applications for motor carrier certificates in the 2015 biennium, that activity will decrease somewhat and some carriers will exit the business in FY 2016 and FY 2017, resulting in no net change to the estimated number of 54 additional regulated carriers in the 2017 biennium.

	<u>Difference</u>	<u>Difference</u>	<u>Difference</u>	<u>Difference</u>
<u>Fiscal Impact:</u>				
FTE	1.40	1.40	1.40	1.40
<u>Expenditures:</u>				
Personal Services	\$83,508	\$83,508	\$84,761	\$86,032
Operating Expenses	\$4,433	\$3,100	\$3,147	\$3,194
Equipment	\$5,800	\$0	\$0	\$0
TOTAL Expenditures	<u>\$93,741</u>	<u>\$86,608</u>	<u>\$87,908</u>	<u>\$89,226</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$93,741	\$86,608	\$87,908	\$89,226
TOTAL Funding of Exp.	<u>\$93,741</u>	<u>\$86,608</u>	<u>\$87,908</u>	<u>\$89,226</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$27,000	\$27,000	\$13,500	\$13,500
TOTAL Revenues	<u>\$27,000</u>	<u>\$27,000</u>	<u>\$13,500</u>	<u>\$13,500</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	(\$66,741)	(\$59,608)	(\$74,408)	(\$75,726)

Technical Notes:

1. Section 16, page 11, of HB 632, includes the date of June 30, 2012. It appears from the context of the bill that the date should be June 30, 2013.

Sponsor's Initials

Date

Budget Director's Initials

Date