

Fiscal Estimate - 2005 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 05-0018/1	Introduction Number SB-125
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Subject
 Require special plates for endangered resources to display raptor design

Fiscal Effect

State:

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

Local:

<input type="checkbox"/> No Local Government Costs	<input type="checkbox"/> Increase Revenue	5. Types of Local Government Units Affected <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
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<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 20.370(1)(fs)	

Agency/Prepared By DNR/ Joe Polasek (608) 266-2794	Authorized Signature Joe Polasek (608) 266-2794	Date 4/14/2005
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Fiscal Estimate Narratives

DNR 4/14/2005

LRB Number	05-0018/1	Introduction Number	SB-125	Estimate Type	Original
Subject					
Require special plates for endangered resources to display raptor design					

Assumptions Used in Arriving at Fiscal Estimate

BILL SUMMARY: The Department currently receives revenue for the Endangered Resources program through the sale of special license plates with a symbol of a grey wolf representing an endangered species. This bill would require that beginning on July 1, 2007, the symbol on the Endangered Resources special license plate be changed to a raptor identified by the Department as an endangered species.

FISCAL EFFECT: The Department estimates the bill would result in a revenue loss of about \$235,000 annually to the Endangered Resources program. There would be one-time costs of between \$4,900 and \$8,900.

Revenue from the sale of special endangered resources license plates with the symbol of a grey wolf for the last 3 fiscal years has been \$626,219 in FY 2002, \$607,215 in FY 2003, and \$584,861 in FY 2004. For this fiscal estimate, the current annual revenue is assumed to be \$600,000 annually. The wolf license plate has been the best selling special plate in Wisconsin by a significant margin. Market research conducted in 1997 to identify the reasons citizens purchase the Endangered Resources plate clearly documented that the primary reason for purchase is the wolf design. More than 82% of survey respondents said it was somewhat to extremely important that there was a picture of the wolf on the plate. Only 8.4% said it was somewhat or not at all important. To the question "Would you buy an Endangered Resources license plate if there were a picture of a DIFFERENT plant or animal, other than a wolf, on the plate?", 41% of respondents said yes, 33% said no, and 25% said they were unsure.

Based on these statistics, the Department estimates the potential for a decline of between 33% to 45% in current revenue should the Endangered Resources Program be required to change its plate design from the wolf to a raptor. Based on current revenue of \$600,000, this would be a decline in revenue of \$200,000 to \$270,000 annually. For purposes of this fiscal estimate, a mid-range number of \$235,000 is used to represent the estimated decrease in revenue.

One-time costs: There are one-time costs associated with the development of a new design for a license plate. It is assumed that the cost of a contract for a graphic artist would range between \$1,000 to \$5,000 and 80 hours of staff time at a cost of \$2,900 would be required to coordinate design creation and production and revision of printed and web-based promotional materials. An additional \$1,000 would be required for new printed materials. Providing the 80 hours of staff time would require reallocation of staff time from other high priority work. Total one-time costs would range from \$4,900 - \$8,900 under these assumptions.

Long-Range Fiscal Implications

There are fifteen FTE in the Endangered Resources Program funded by Segregated Revenue and approximately 50% of that is license plate revenue. A decline in plate revenue of 33% to 50% would result in insufficient funds to cover salary and fringe for 3-5 FTE as well as critical operational costs.

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

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Subject			
Require special plates for endangered resources to display raptor design			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
Graphic artist contract of \$1000 to \$5000, \$2900 (80 hrs.) of reallocated staff time to coordinate design creation and production and revision of printed and web-based promotional materials and \$1,000 for new printed materials. Total one-time costs of \$4,900 - \$8,900.			
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		-235,000
	TOTAL State Revenues	\$	-\$235,000
NET ANNUALIZED FISCAL IMPACT			
		State	Local
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$-235,000	\$
Agency/Prepared By		Authorized Signature	Date
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