

Fiscal Estimate Narratives

DOT 1/30/2008

LRB Number 07-3204/1	Introduction Number AB-0680	Estimate Type Original
Description Registration fees for certain motor vehicles issued special registration plates		

Assumptions Used in Arriving at Fiscal Estimate

PROVISIONS OF THE BILL

Under current law, a person who has an immediate family member die in combat, may apply for a Gold Star special plate. "Immediate family member" is defined to include several familial relationships. The Gold Star plate does not require an issuance fee. However, the regular registration fee for the vehicle type registered is required.

A Gold Star plate may be obtained for an automobile; a motor home; a dual purpose motor home or dual purpose farm truck with a gross weight up to 8,000 lbs; a light truck with a gross weight up to 8,000 lbs; or a farm truck with a gross weight up to 12,000 lbs.

This bill creates a special registration category for a Gold Star plate owned by a spouse or parent of person who died in combat. The special fee is: the initial registration is the same as the current amount for that particular vehicle type; but there is no renewal fee. Thus, the registrant pays one year of fee (except, for a light farm truck, a biennial fee), and then receives annual or biennial renewals after that, for no fee.

The bill also requires that, for any eligible person who has a Gold Star plate at the time the bill becomes effective, that person may at the time of plate renewal, convert to the new registration category, by paying one more registration fee and then, after that, the plate would be renewed for no fee.

FISCAL IMPACT

ONE-TIME FISCAL IMPACT

Because new special registration category applies only to some persons who are eligible for Gold Star plates, DMV must create a new plate type for this special registration category, while leaving the current Gold Star plate type as is. DMV will incur \$16,200 for 19 days data processing work. The bill does not fund this cost and DMV cannot absorb the cost within its current budget.

Significant programming changes are required. The system must allow for initial registration fee and then no-fee renewal. For those spouses and parents who currently hold Gold Star plates, the system must allow one renewal that is charged the registration fee, and then must flag these to convert to the free registration category. Renewal and financial sub-systems must also be modified. Testing of all changes is needed, to be sure that all systems work properly.

ANNUAL, ONGOING FISCAL IMPACT

This bill would reduce registration revenue to the Transportation Fund, as a result of no-fee renewal. Based on the numbers of Wisconsin residents who died in each of the major recent military actions, DMV assumes there may be 950 parents and 1650 spouses, with 3450 vehicles that would be registered under this special registration category.

DMV assumes that the 3450 vehicles would be distributed in the same manner as current Gold Star plates are distributed. The annual revenue loss is calculated, using current registration fees.

Auto: 78%, or 2691 vehicles, with loss of \$201,825
4500 lb light truck: 7%, or 241 vehicles, with loss of \$18,075
6000 lb light truck: 13%, or 449 vehicles, with loss of \$37,716
8000 lb light truck: 1%, or 35 vehicles, with loss of \$3,710
12,000 lb light farm truck: 1%, or 34 vehicles, with loss of \$765

Total annual revenue loss is estimated at \$262,100.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): DMV will incur \$16,200 for 19 days data processing work. The bill does not fund this cost and DMV cannot absorb the cost within its current budget.			
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			-262,100
TOTAL State Revenues	\$		\$-262,100
NET ANNUALIZED FISCAL IMPACT			
		State	Local
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$-262,100	\$
Agency/Prepared By		Authorized Signature	
DOT/ Carson Frazier (608) 266-7857		Julie Johnson (608) 267-3703	
		Date	
		1/30/2008	