

Fiscal Estimate Narratives

DOT 6/19/2017

LRB Number	17-2403/1	Introduction Number	AB-0361	Estimate Type	Original
Description requiring a local referendum to impose a wheel tax					

Assumptions Used in Arriving at Fiscal Estimate

Under the proposal, if a referendum does not renew an existing wheel tax, the tax could no longer be collected as soon as that election is certified. This negates the 90-day period DMV is allowed under current Administrative Rule to discontinue the collection of a wheel tax.

As an example, if a wheel tax failed a referendum effective May 31st, DMV renewal notices for June and July would have already been mailed and would include fees for a wheel tax that was no longer lawfully demanded. All of these incorrect registration renewal notices will likely result in a customer contact to DMV, a request for refund, or both. Each time a wheel tax is rescinded, two months' worth of registration renewal notices would have incorrect wheel tax charges. The exact number of contacts to DMV will be directly determined by the size of the community that rescinds a wheel tax.

Fiscal Estimate:

Customer contact time: 5 minutes

Transportation Customer Representative Senior wage plus fringe benefits: \$22.80/hour

Sample wheel taxes in effect:

Milwaukee City vehicles subject to wheel tax: 324,900

Two months of vehicle renewals: 54,150

Sheboygan City vehicles subject to wheel tax: 37,042

Two months of vehicle renewals: 6,174

For illustrative purposes, if a Milwaukee City referendum would fail to maintain their wheel tax, this would create 4,513 hours worth of administrative work for the department or 2.62 Full Time Equivalent (FTE) employees. The cost would be \$102,885 to the department. If Sheboygan City were to rescind their wheel tax via referendum, this would create 514 hours worth of administrative work or 0.3 FTE. The cost would be \$11,730 to the department.

Long-Range Fiscal Implications

Ongoing administrative costs would be created each time a wheel tax is rescinded under this proposal. The administrative costs to DMV would be directly determined by the size of the community that rescinds the wheel tax.