

Fiscal Estimate - 2017 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 17-0887/1	Introduction Number AB-0394
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Description
 special registration plates that are military in nature

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 checked="" type="checkbox"/> Indeterminate	<input checked="" type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<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 checked="" type="checkbox"/> Indeterminate		
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	5. Types of Local Government Units Affected
<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	
		<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

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	20.395(5)(cq)

Agency/Prepared By DOT/ Reed McGinn (608) 266-7857	Authorized Signature Joan Meier (608) 267-6978	Date 7/5/2017
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Fiscal Estimate Narratives

DOT 7/5/2017

LRB Number	17-0887/1	Introduction Number	AB-0394	Estimate Type	Original
Description special registration plates that are military in nature					

Assumptions Used in Arriving at Fiscal Estimate

This proposal will change the pricing structure of military plates depending on whether the applicant has been honorably discharged. This proposal will also expand the number of military plates in which no issuance fee or registration fee is paid.

There were 1,132 new Military Group plates and 156 new Veteran Motorcycle plates issued in 2016 for a total of 1,288. The Department estimates that 60% are issued to former military veterans as opposed to active duty, thus making 773 (1,288 * 60%) plate-holders eligible to have the issuance fee waived under this proposal. The fee waiver would likely increase participation. If participation increased 25%, 966 (773*1.25) applicants could qualify to have the \$15 issuance fee waived annually. Based on 2016 year data, this would result in an issuance fee revenue loss of \$14,490 (966*\$15) annually. The Department would be required to report this information annually to the Secretary of Administration to transfer an equivalent amount from the general fund to the veterans trust fund.

There are currently 1,417 Military Group plates in circulation that under this proposal would qualify for free annual registration. These plates would also be granted surviving spouse eligibility. The surviving spouse eligibility provision increases participation. The free registration also incentivizes any potential holders of a different Military Group plate to switch their vehicle to a free plate, if they are eligible for both (e.g. Marines to Purple Heart). This could increase applicants by an estimated 25%. Therefore an estimated 1,771 (1,417*1.25) plate-holders would be eligible for free registration annually. The average registration fee for these plates, including autos and various weight classes of light trucks and motorhomes, is \$78. If the registration fee is eliminated for these plates, there would be an annual revenue loss to the transportation fund of \$138,138 (1,771*\$78).

Total annual revenue loss is \$152,628 (\$14,490 + \$138,138).

The total IT system development effort involved in addressing the requirements of this bill totals \$33,050. This is a onetime cost.

Long-Range Fiscal Implications

See above.

Fiscal Estimate Worksheet - 2017 Session

Detailed Estimate of Annual Fiscal Effect

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Description special registration plates that are military in nature			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): The total IT system development effort involved in addressing the requirements of this bill totals \$33,050.			
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			-152,628
TOTAL State Revenues		\$	-\$152,628
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$-152,628	\$
Agency/Prepared By		Authorized Signature	
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		Date	
		7/5/2017	