I

Transportation

Motor Vehicles

(LFB Budget Summary Document: Page 597)

LFB Summary Items for Which Issue Papers Have Been Prepared

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To: Joint Committee on Finance

From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Extended License Renewal Cycle (DOT -- Motor Vehicles)

[LFB Summary: Page 597, #1]

CURRENT LAW

The Department of Transportation issues licenses to operate various types of motor vehicles on public highways and roads within the state. Once issued, these licenses must be renewed after a certain period of time, generally four years, but sometimes less. The Department also issues photo identification cards that must be renewed every four years.

GOVERNOR

Extend the renewal cycle from four years to six years for the following licenses and cards issued by DOT: (a) renewal regular Class D operator's licenses (for noncommercial vehicles); (b) renewal regular Class A, B and C operator's licenses, including all endorsements (for commercial vehicles); (c) renewal Class M operator's licenses (for motorcycles); and (d) original and renewal identification cards. Prorate the fees for these licenses accordingly. Delete $307,500 SEG and 9.85 SEG positions in 1997-98 and $777,600 SEG and 19.70 SEG positions in 1998-99 to reflect a reduced workload due to the transition to a six-year renewal cycle. Estimate transportation fund revenue increases of $1,594,300 in 1997-98 and $3,188,300 in 1998-99 to reflect additional revenue due to prorating license fees.

Permit DOT to issue licenses and cards for renewal periods of less than six years, during the transition period from issuing four-year licenses and cards to six-year licenses and cards, for the purpose of gaining a uniform rate of renewals. Specify that during this period, applications for renewal may be processed by mail without taking a photograph or administering the required

eyesight examination. Specify that any fees for renewal would be prorated according to the term of the license or card. Prohibit DOT from issuing licenses and cards under the transition period provisions after December 31, 2001.

Specify that these provisions would take effect on January 1, 1998.

DISCUSSION POINTS

1. The bill would extend the renewal cycle for Class D, Class M and commercial driver's licenses from four to six years. Original licenses issued to new drivers and to persons moving into the state would not change.

2. During the transition from a four-year cycle to a six-year cycle, DOT would allow some persons to renew their licenses through the mail for a shorter period of time, either two or four years. People chosen to renew through the mail would be given a sticker to affix to the license, extending its expiration date. Only drivers deemed to have good driving records would be chosen to renew by mail. The purpose of the transition period is to establish an even workload from year to year. After the transition, all renewals would be six years and none would be done through the mail.

3. DOT's workload would drop, resulting in the estimated elimination of 19.70 positions and savings of $1,085,100 over the biennium. These savings would accrue even though the actual renewal caseload would not drop. The savings come entirely from renewing one-third of the caseload through the mail. In 2002, the actual renewal caseload would drop, resulting in additional savings.

4. The increased revenues under the bill would occur due to collecting six year's worth of fees from some people, rather than four year's worth. This increase would be temporary, since the higher fees would eventually be offset by lower renewal volumes. Based on reestimated renewal volumes, DOT now believes extending the cycle to six years will generate $1,596,100 in 1997-98 and $3,193,200 in 1998-99, which is a slight increase from the bill.

5. The only requirement to renew Class D, Class M or commercial driver's licenses is to pass a vision test. Extending the license renewal cycle would increase the time that lapses before a driver's vision is checked again, but DOT reports that few people fail to pass the vision test. In 1988, which was the last time these statistics were collected, less than 5% of renewals had a corrective lenses restriction added or were referred to a vision specialist.

6. Although few people fail to pass the vision test, this may be because some people have their vision checked (and get new corrective lenses if necessary) just prior to renewing their driver's license. Extending the cycle may delay the time between vision checks for some people.

7. Most vision and health problems that may affect driving are identified outside of the license renewal process. Medical professionals, family members or law enforcement officers may report these problems to DOT, which reviews each case to determine if it is safe for the individual to drive. The Division of Motor Vehicle's medical review section typically reviews over 35,000 cases per year.

8. A commercial driver's license allows an individual to operate most types of commercial vehicles. To operate some vehicles, however, an applicant must obtain special endorsements that require the applicant to pass knowledge and skills tests. Most endorsements do not require any additional testing upon renewal, but two types, school bus and hazardous materials endorsements, have additional renewal requirements. To renew a school bus endorsement, a person must pass both knowledge and skills tests. Renewal hazardous materials endorsements require a knowledge test.

9. Extending the renewal cycle would increase the time that lapses before people with these endorsements would be required to take the tests. The Department does not feel this would be a problem for several reasons: (a) employers who have hazardous materials drivers must meet certain federal requirements that ensure that their drivers are safe and know the applicable laws; (b) school bus drivers must file medical reports every two years and annually after age 70; and (c) parents, law enforcement personnel and school bus companies monitor drivers very closely. Upon request, DOT may require a driver to take the tests and remove the school bus endorsement if he or she fails.

10. Most states currently have a four-year driver's license renewal cycle, but several have longer terms. Ten states have a five-year cycle and two have a six-year cycle, while Arizona has a twelve-year cycle. Michigan and California have four-year licenses, but drivers with good records are allowed to renew by mail under certain circumstances.

11. Since few people are screened out in the renewal process, an eight-year renewal cycle may also be an option. This would result in savings of $537,700 and 15.7 positions in 1997-98 and $1,240,200 and 31.3 positions in 1998-99 and additional revenue of $2,471,600 in 1997-98 and $4,945,700 in 1998-99 due to prorating the fees. The additional revenue would be sustained for four years following implementation, until the volume of renewals dropped.

12. Although extending the license period to six or eight years does not increase the average annual cost for a license, it would increase the up front cost of the license.

ALTERNATIVES TO BASE

1. Approve the Governor's recommendation to extend the renewal cycle for Class D and M operator's licenses, commercial driver's licenses and identification cards to six years and prorate the license fees accordingly. Delete $307,500 SEG and 9.85 SEG positions in 1997-

98 and $777,600 SEG and 19.70 SEG positions in 1998-99. Reestimate increased transportation fund revenue at $1,596,100 in 1997-98 and $3,193,200 in 1998-99. Include temporary transition provisions and establish a January 1, 1998, effective date for these changes.

Alternative 1	SEG
1997-99 REVENUE (Change to Base)	$4,789,300
[Change to Bill	*$6,700]*
1997-99 FUNDING (Change to Base)	- $1,085,100
[Change to Bill	*$0]*
1998-99 POSITIONS (Change to Base)	- 19.70
[Change to Bill	*0.00]*

2. Extend the renewal cycle for Class D and M operator's licenses, commercial driver's licenses and identification cards to eight years and prorate the license fees accordingly. Delete $537,700 SEG and 15.7 SEG positions in 1997-98 and $1,240,200 SEG and 31.3 SEG positions in 1998-99 to reflect this change. Estimate transportation fund revenue increases at $2,471,600 in 1997-98 and $4,945,700 in 1998-99. Include temporary transition provisions and establish a January 1, 1998, effective date for these changes. [Note: In addition to the revenue change shown below, this alternative would increase the revenue produced from the proposed increases in the per year operator's license and identification card fees by $147,900 in 1997-98 and $296,800 in 1998-99.]

Alternative 2	SEG
1997-99 REVENUE (Change to Base)	$7,417,300
[Change to Bill	*$2,634,700]*
1997-99 FUNDING (Change to Base)	- $1,777,900
[Change to Bill	*- $692,800]*
1998-99 POSITIONS (Change to Base)	- 31.30
[Change to Bill	*- 11.60]*

3. Take no action. [Note: In addition to the revenue change shown below, this alternative would reduce the revenue produced from the proposed increases in the per year operator's license and identification card fees by $265,200 in 1997-98 and $530,800 in 1998-99.]

Alternative 3	SEG
1997-99 REVENUE (Change to Base)	$0
[Change to Bill	*- $4,782,600]*
1997-99 FUNDING (Change to Base)	$0
[Change to Bill	*$1,085,100]*
1998-99 POSITIONS (Change to Base)	0.00
[Change to Bill	*19.70]*

Prepared by: Jon Dyck

MO# AM #2

2 JENSEN	Y	N	A
1 OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A
BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A

AYE 10 NO 6 ABS ____

To: Joint Committee on Finance

From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Operator's License and Identification Card Fee Increases (DOT -- Motor Vehicles)

[LFB Summary: Page 598, #2 (part)]

CURRENT LAW

The Department of Transportation issues licenses for the operation of motor vehicles on public highways within the state. DOT also issues photo identification cards for persons without an operator's license. DOT charges a fee for the issuance of these licenses and cards.

GOVERNOR

The Governor proposes raising the fees for operator's licenses and identification cards, as shown in the following table.

	Current Fee		Proposed Fee		Revenue[1]	
	Total	Per Year	Total	Per Year	1997-98	1998-99
Operator's Licenses						
Class D						
Original	$15	$7.50 or $5[2]	$18	$9 or $6[2]	$170,700	$341,400
Renewal	10	2.50	18	3	793,900	1,814,700
Class A, B & C/Endorsements						
Original	$32	$8	$48	$8	$0	$0
Renewal	32	8	48	8	0	0
Class M/Endorsements						
Original	$4	$1 to $2[3]	$9	$1.50 to $4.50[3]	$17,100	$34,200
Renewal	4	1	6	1	0	0
Instructional permit	20	N.A.	22	N.A.	22,200	44,400
Identification Cards						
Original	$4	$1	$9	$1.50	$73,200	$146,400
Renewal	4	1	9	1.50	29,100	58,100
Duplicate	3	N.A.	6	N.A.	35,100	70,200
TOTAL					$1,141,300	$2,509,400

[1] Revenue estimates represent only the increment that would result from increases in the fee per year, and are, therefore, net of revenue that would result from going to six-year cycles with prorated fees.

[2] The fees per year for original licenses depend upon the type of original license. Some original licenses are valid for three years after the date of the applicant's next birthday, while others are valid for two years after the applicant's next birthday. The bill would not change these periods.

[3] The fee per year is based on an initial issuance of an original motorcycle endorsement. Under certain circumstances, however, the number of years an original motorcycle endorsement is valid may vary.

Specify that the fee increases would take effect on January 1, 1998.

DISCUSSION POINTS

1. The bill would both extend the license renewal cycle from four to six years, prorating the fees accordingly, and raise the fees for certain licenses on top of the prorated increase. The increases in fees and revenues discussed in this paper refer only to the increase in the per year amounts and not the increase due to extending the renewal cycle.

2. The bill would raise the per year fees for Class D licenses (for noncommercial autos and light trucks), for Class M licenses (for motorcycles), for motorcycle instructional permits and for identification cards. The per year fees for licenses to operate Class A, B or C vehicles (commercial driver's licenses) would not increase.

3. Based on a reestimate of license volumes, DOT now expects the additional transportation fund revenue from the fee increases to be $1,259,500 in 1997-98 and $2,522,300 in 1998-99, which is a slight increase from the bill.

4. The last time the fees for Class D and M licenses were raised was September 1, 1991. Commercial driver's licenses were established on January 1, 1991, and the fees have not been changed. The fees for identification cards were last changed on January 1, 1982, when the fee went from $2 to $4 for original and renewal cards, and the fee for duplicates went from $1 to $3. The 1991 changes to Class D and M licenses are shown below:

		Prior Fee	Current Fee
Class D	Original	$9	$15
	Renewal	9	10
Class M	Original & Renewal	2	4

5. Thirty-five states have fees for renewal Class D licenses (or their equivalent) that are higher than Wisconsin's fee. The remainder have fees equal to or below Wisconsin's. The bill would establish the fee at $3 per year, which is slightly below the national median of $3.75 per year. Renewal license fees range as high as $9 per year. The median for motorcycle licenses is slightly over $3 per year and the median for commercial driver's licenses is $8 per year. The following table shows the current average annual cost of renewal Class D, Class M and Class A (large trucks) licenses for several of the surrounding states.

1996 Average Annual Class D & M Renewal Fees

	Class D	Class M	Class A
Illinois	$2.50	$2.50	$10.00
Indiana	1.50	0.75	6.25
Iowa	4.00	2.00	8.00
Michigan	3.00	1.00	5.00
Minnesota	4.63	3.25	9.38
Wisconsin	2.50	1.00	8.00

6. It may be useful to compare the revenues generated from license fees with the costs associated with administering services for drivers. This would include the cost of issuing the licenses, the costs to maintain the driver database and the costs of medical review, accident reporting, revocation and suspension and other related services. This comparison could also include the State Patrol, since its primary function is to regulate the actions of drivers.

7. The annual budget related to driver services provided by DMV is between $27.4 million and $33.5 million and the State Patrol's annual budget is approximately $40 million (these figures exclude "overhead" services provided by DOT's administrative divisions). The total revenue from driver license fees, including fees for occupational licenses, reinstatement of revoked or suspended licenses and driver record abstracts is about $34 million.

8. Although a fee increase large enough to support all driver-related services may be difficult to support, a more modest increase may be warranted. One option would be to choose fees for license renewals that are at or near the median of all the states. The fees for renewal Class D licenses and original and renewal Class M licenses would still be below the median, even with the increases under the bill. The following table shows the current fee and an alternative fee near the median (on an annualized basis). The additional revenue generated by an increase from the current level to the median is shown in the final two columns (for a six-year license). At these levels, renewal Class D licenses would be $24 for a six-year license while original and renewal motorcycle licenses would be $18.

	Annualized Fee		Revenue	
	Current	Median	1997-98	1998-99
Class D Renewal	$2.50	$4.00	$2,722,000	$5,444,000
Class M Renewal	1.00	3.00	460,800	921,600
Class M Original	1.00*	3.00*	70,500	142,300

*The term of an original Class M is assumed to be four years, since this is typical. If an original Class M license is issued alone (not applied to a regular Class D), the license is good for two years from the applicant's next birthday, even though the fee is the same.

9. If increases to the median level were enacted, revenues from driver license fees and other driver-related fees would be $36 million in 1997-98 and $41 million in 1998-99.

10. The motorcycle license and instructional permit fee increases in the bill are supported by motorcycle groups because funding increases for motorcycle safety programs are also part of the bill Additional increases would not be tied to particular programs, but would support general transportation programs. Since most motorcyclists would pay any increased Class D renewal fee, excluding the Class M endorsements from an additional increase may be warranted.

ALTERNATIVES TO BASE

1. Approve the Governor's recommendation to increase fees for original and renewal Class D licenses, original Class M licenses, motorcycle instructional permits and original, renewal and duplicate identification cards. Reestimate additional transportation fund revenues at $1,259,500 in 1997-98 and $2,522,300 in 1998-99.

Alternative 1	SEG
1997-99 REVENUE (Change to Base)	$3,781,800
[Change to Bill	*$131,100]*

2. Raise the fees for original Class D licenses, motorcycle instructional permits and original, renewal and duplicate identification cards as recommended by the Governor, but increase the per year fee for renewal Class D licenses to $4.00 ($24 for a six-year license) and the per year fee for original and renewal Class M licenses to $3.00 ($18 for a six-year license). Estimate increased transportation fund revenues at $3,587,800 in 1997-98 and $7,179,900 in 1998-99.

Alternative 2	SEG
1997-99 REVENUE (Change to Base)	$10,767,700
[Change to Bill	*$7,117,000]*

3. Raise the fees for original Class D licenses, original Class M licenses, motorcycle instructional permits and original, renewal and duplicate identification cards as recommended by the Governor, but increase the per year fee for renewal Class D licenses to $4.00 ($24 for a six-year license). Estimate increased transportation fund revenues at $3,074,100 in 1997-98 and $6,151,600 in 1998-99.

Alternative 3	SEG
1997-99 REVENUE (Change to Base)	$9,225,700
[Change to Bill	*$5,575,000]*

4. Take no action.

Alternative 3	SEG
1997-99 REVENUE (Change to Base)	$0
[Change to Bill	*- $3,650,700]*

Prepared by: Jon Dyck

MO# Alt #1

JENSEN	Y	N	A
ZOURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A

BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A

AYE 14 NO 2 ABS ____

Transportation -- Motor Vehicles (Paper #861)

Representative Kaufert

TRANSPORTATION

Increase Renewal Fee for Class A, B and C Licenses

Motion:

Move to raise the per year fee for renewal of class A, B and C licenses to $10 ($60 for six years). Estimate increased transportation fund revenues at $370,600 in 1997-98 and $741,200 in 1998-99.

Note:

[Change to Base: $1,111,800 SEG-REV]
[Change to Bill: $1,111,800 SEG-REV]

MO# 3015

2 JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
/KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A
BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A

AYE 6 NO 10 ABS ____

Motion #3015

Representative Harsdorf

TRANSPORTATION

Increase Renewal Fee for Class M Licenses

Motion:

Move to raise the per year fee for renewal of class M licenses to $1.50 ($9 for a six-year license). Estimate increased transportation fund revenues at $115,200 in 1997-98 and $230,400 in 1998-99.

Note:

[Change to Base: $345,600 SEG-REV]
[Change to Bill: $345,000 SEG-REV]

MO# 1595

JENSEN	Y	N	A
OURADA	Y	N	A
/HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
ZKAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A
BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A

AYE 3 NO 13 ABS ____

Motion #1595

To: Joint Committee on Finance

From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Digitized Driver's License Technology (DOT -- Motor Vehicles)

[LFB Summary: Page 600, #6]

CURRENT LAW

Current law specifies the contents of an operator's license and requires that a color photograph of the person be included on the front side of the document. "Photograph" is defined as an unretouched image recorded by a camera and reproduced on a photosensitive surface, or a digitized image. For persons under the legal drinking age at the time the license is issued, the license document must include a distinctive background color, designated by DOT, that clearly identifies to the public that the person had not attained the legal drinking age at the time the license was issued.

GOVERNOR

Provide $370,100 SEG and delete 0.56 SEG positions in 1997-98 and provide $419,000 SEG and delete 1.48 SEG positions in 1998-99 related to implementing a digitized driver's license technology that would include the addition of a magnetic stripe and an ultra-violet ink mark to indicate authenticity and the ability to confirm identities using a stored database of photographs and signatures. Decrease estimated transportation fund revenues by $23,200 in 1997-98 and $62,000 in 1998-99 to reflect anticipated reductions in the number of duplicate driver's licenses and identification cards issued.

Delete the requirement that operator's licenses and identification cards for persons under the legal drinking age at the time of issuance have a distinctive background color and, instead, require that they have a distinctive appearance, as specified by DOT. This change would be

necessary to avoid a distorted image that results from background color with the digitized technology.

DISCUSSION POINTS

1. The bill would provide $370,100 and delete 0.56 positions in 1997-98 and provide $419,000 and delete 1.48 positions in 1998-99 related to implementation of the digitized driver's license technology based on preliminary cost estimates. In addition, the bill would decrease estimated revenues by $23,200 in 1997-98 and $62,000 in 1998-99 to reflect workload and revenue reductions associated with an anticipated decline in the number of duplicate driver's licenses and identification cards issued.

2. Based on the actual terms of a signed contract with a vendor, it is now estimated that $330,000 in 1997-98 and $502,500 in 1998-99 would be necessary to implement the digitized driver's license technology. Further, based on information provided by other states that have implemented this technology, DOT no longer anticipates reduced workload related to the number of duplicate driver's licenses and identification cards issued in the early stages of implementation. Correspondingly, DOT no longer estimates a reduction in revenues for duplicate licenses and cards.

3. DOT indicates that, if funding is not appropriated for the implementation of the digitized driver license technology, DOT would attempt to fund the contract either within existing resources or by reducing resources for other functions or programs within DMV. If base funding is not available, DOT indicates that it may need to submit a request to the Joint Committee on Finance under s. 13.10 of the statutes.

ALTERNATIVES TO BASE

1. Adopt the Governor's recommendation, as modified to reflect the actual contract, and provide $330,000 SEG in 1997-98 and $502,500 SEG in 1998-99 related to implementing a digitized driver's license technology.

Alternative 1	SEG
1997-99 REVENUE (Change to Base)	$0
[Change to Bill	*$85,200]*
1997-99 FUNDING (Change to Base)	$832,500
[Change to Bill	*$43,400]*
1998-99 POSITIONS (Change to Base)	0.00
[Change to Bill	*1.48]*

2. Take no action.

Alternative 2	SEG
1997-99 REVENUE (Change to Base)	$0
[Change to Bill	*$85,200]*
1997-99 FUNDING (Change to Base)	$0
[Change to Bill	*- $789,100]*
1998-99 POSITIONS (Change to Base)	0.00
[Change to Bill	*1.48]*

Prepared by: Cheryl McIlquham

MO# AH #1

JENSEN	Y	N	A
/ OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A
BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A

AYE 16 NO 0 ABS ____

To: Joint Committee on Finance

From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Increased License Plate Costs (DOT -- Motor Vehicles)

[LFB Summary: Page 600, #7]

CURRENT LAW

DOT's 1996-97 base budget for purchasing license plates is $2,626,400 SEG.

GOVERNOR

Provide $484,500 SEG in 1997-98 and $587,100 SEG in 1998-99 for license plates.

DISCUSSION POINTS

1. DOT's 1996-97 base budget for purchasing license plates is $2,626,400. DOT currently estimates, however, that actual expenditures for license plates will total $2,820,000 in 1996-97. Therefore, a portion (approximately $194,000 annually) of the proposed increase would be used to fund base level expenditures. The remaining portion of the funding provided under the bill reflects: (a) a 3% increase over the biennium in the cost per plate for most plates; (b) a projected increase in the number of plates to be issued in the 1997-99 biennium; and (c) disabled person hangtag purchases not included in DOT's 1996-97 base expenditures.

2. Under the bill, it is projected that the number of auto plates to be issued would total 505,000 in 1997-98 and 507,500 in 1998-99. These projections are based on historical trends and represent a 1.8% increase over the biennium.

3. Data recently obtained for calendar year 1996 shows that, compared to calendar year 1995, the number of auto plates issued increased by approximately 11% from 498,300 to 554,800. As a result, DOT now projects additional auto plate issuances of 49,800 in 1997-98 and 47,300 in 1998-99, compared to the number projected under the bill. DOT believes that the recent increase is related to a trend toward a greater number of vehicles being leased. With leased vehicles, the registration remains with the lessor. Consequently, plates may be issued several times for the same vehicle if the lessor desires new plates upon leasing the vehicle a second time or if the lessee purchases the vehicle upon termination of the lease.

4. Additional funding of $151,900 in 1997-98 and $146,600 in 1998-99 would be necessary to fully fund DOT's recently reestimated plate costs.

5. DOT indicates that, if there is not funding sufficient to fully fund plate costs in the 1997-99 biennium, funding would have to be reallocated from other functions within the Division of Motor Vehicles to cover any shortfall that may occur.

ALTERNATIVES TO BASE

1. Adopt the Governor's recommendation and provide $484,500 SEG in 1997-98 and $587,100 SEG in 1998-99 for license plate costs.

Alternative 1	SEG
1997-99 FUNDING (Change to Base)	$1,071,600
[Change to Bill	*$0]*

2. Provide $636,400 SEG in 1997-98 and $733,700 SEG in 1998-99 to reflect a reestimate of the number of plates to be issued in the 1997-99 biennium.

Alternative 2	SEG
1997-99 FUNDING (Change to Base)	$1,370,100
[Change to Bill	*$298,500]*

3. Take no action.

Alternative 3	SEG
1997-99 FUNDING (Change to Base)	$0
[Change to Bill	*- $1,071,600]*

MO# AH #7

JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A
BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A

AYE 16 NO 0 ABS ____

Prepared by: Cheryl McIlquham

To: Joint Committee on Finance

From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Single License Plate (DOT -- Motor Vehicles)

CURRENT LAW

Current law requires DOT to issue two license plates to an individual upon registration of an automobile, truck, bus, motor home or dual purpose motor home and one plate for other vehicles. Whenever two license (registration) plates are issued for a vehicle, one plate must be attached to the front and one to the rear of the vehicle.

GOVERNOR

Continue current law.

DISCUSSION POINTS

1. The proposal to issue a single license plate for all vehicles has been before the Legislature in previous biennial budget sessions. In the 1977-79 and 1979-81 sessions, the Legislature rejected the Governor's recommendation to issue a single plate. In the 1981-83 session, the Legislature approved the proposal, but the Governor vetoed it. In the 1983-85 and 1985-87 sessions, the Legislature once again rejected the single plate proposal.

2. DOT's November 8, 1996, 3.5% state operations base reduction budget submission to DOA included an option to implement a single license plate, with associated funding reductions of $684,200 SEG in 1997-98 and $695,400 SEG in 1998-99. These amounts reflect reduced costs for plates and postage.

3. Based on a reestimate of the reductions for postage to reflect the actual proportion of plates mailed, DOT now estimates funding reductions of $626,800 in 1997-98 and $653,900 in 1998-99 associated with implementing a single license plate.

4. Under the Department's submission, the single plate would be attached to the rear of the vehicle and motorists would have the option to display commercially manufactured plates on the front of their vehicle. DOT could establish exceptions to attaching the single plate to the rear of the vehicle by administrative rule. In order to allow the majority of the current two plate stock to be exhausted and ample time to order and receive single plates, issuance of a single plate could begin several months after the effective date of the budget.

5. According to the American Automobile Association's 1996 Digest of Motor Laws, the following 19 states currently issue only one license plate for automobiles.

Alabama	Georgia	Michigan	Pennsylvania
Arizona	Indiana	Mississippi	South Carolina
Arkansas	Kansas	New Mexico	Tennessee
Delaware	Kentucky	North Carolina	West Virginia
Florida	Louisiana	Oklahoma	

6. Historically, the major objection to the single license plate proposal has been expressed by law enforcement officials. They contend that the front license plate has value because it allows identification of oncoming and parked vehicles.

7. In December, 1994, DOT informally surveyed the 19 states with single plates. DOT indicates that these states did not report significant negative consequences due to single plates, although some officials commented that they would prefer two plates.

8. DOT is required to purchase license plates from Badger State Industries (BSI). BSI reports that, currently, 40 persons are employed in the production of license plates and that implementation of a single license plate would reduce the number of persons needed for plate production by 14. In addition, BSI revenues would decline by $579,200 in 1997-98 and $590,400 in 1998-99, associated with reduced license plate purchases by DOT.

9. The main reason to switch to a single plate is the cost savings.

ALTERNATIVES TO BASE

1. Delete $626,800 SEG in 1997-98 and $653,900 SEG in 1998-99 and require DOT to implement a single license plate requirement for automobiles, trucks, buses, motor homes and dual purpose motor homes. Require the single plate to be attached to the rear of the vehicle, established in administrative rule by DOT. Specify that DOT may issue and vehicle owners may

display a single license plate beginning on the first day of the second month after the effective date of the act. Reduce program revenue to the Department of Corrections (Badger State Industries) by $579,200 in 1997-98 and $590,400 in 1998-99.

Alternative 1	PR	SEG
1997-99 REVENUE (Change to Base)	- $1,169,600	
[Change to Bill	*- $1,169,600]*	
1997-99 FUNDING (Change to Base)		- $1,280,700
[Change to Bill		*- $1,280,700]*

2. Take no action.

Prepared by: Cheryl McIlquham

MO# Alt #1

JENSEN	Y	N	A
2 OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A
BURKE	Y	N	A
1 DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A

AYE 9 NO 7 ABS

To: Joint Committee on Finance

From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Enhanced Driver Education (DOT -- Motor Vehicles)

[LFB Summary: Page 603, #12]

CURRENT LAW

DOT may not issue an operator's license to a person under age 18 unless that person has satisfactorily completed a course in driver education approved by DOT, the Department of Public Instruction, the Technical College System Board or an substantially equivalent course approved by another state (if the person has attained the age of 16). The minimum standards for a driver education course are set forth in administrative rule and include: (a) at least 30 hours of classroom instruction; (b) at least six hours of observation instruction in a vehicle; and (c) at least six hours of actual vehicle operation.

Persons under age 18 who are enrolled in an approved driver education course must pass a knowledge exam in order to receive an instruction permit. In addition, persons under age 18 who have received a certificate of completion of an approved driver education course must pass a driving skills test to obtain a probationary driver license. The knowledge exam may be administered by DOT or in conjunction with a high school driver education course. The driving skills test, however, must be administered by DOT. DOT requires a fee of $10 for administering a driving skills test.

GOVERNOR

Delete $56,000 SEG and 1.6 SEG positions in 1997-98 and $157,600 SEG and 4.5 SEG positions in 1998-99 and reduce estimated transportation fund revenues by $52,500 in 1997-98 and $140,000 in 1998-99 to reflect proposed changes to the licensing of certain persons under

age 18. The funding and revenue reductions are associated with an anticipated decrease in the number of driving skills tests ($10 fee) administered by DOT.

Allow DOT to waive, by administrative rule, the driving skills test of a person under age 18 who is applying for an original license to operate Class D vehicles (all noncommercial vehicles except Type 1 motorcycles) if the person has satisfied other current law provisions relating to the issuance of licenses and has done all of the following: (a) successfully completed an enhanced driver education course approved by DOT; (b) received certification from the instructor indicating that the person has satisfied the driving skills requirements of the enhanced course; (c) completed a specified number of hours of operation of Class D vehicles in traffic situations while accompanied by a qualified instructor or a person, occupying the seat beside the applicant, who is 25 years of age or older with at least two years of driving experience and a valid license; and (d) received certification, on a form prescribed by DOT, from a parent, stepparent or other adult sponsor (as defined by DOT by administrative rule), that the person completed these hours of operation.

Direct DOT to evaluate the effectiveness of waiving the driving skills tests for these persons by July 1, 2000, and annually thereafter. Require DOT to promulgate administrative rules establishing procedures for randomly selecting individuals who were waived from the driving skills test and then requiring them to take the driving skills test. With regard to a person for whom the driving skills test was waived, if DOT has good cause to believe that the person's license was suspended or revoked while on probationary status and that the person is seeking reinstatement of the license, the person may be required to submit to the knowledge and driving skills tests otherwise required by DOT under current law. Specify that these provisions would take effect on January 1, 1998.

DISCUSSION POINTS

1. The bill would allow DOT to waive the driving skills test of a person under age 18 who is applying for an original Class D driver license if the person has satisfied other current law provisions relating to the issuance of licenses and has successfully completed an enhanced driver education course. The two primary components of the enhanced course would include:

a. Demonstrated Standard Driving Skills Requirements. The person would be required to receive certification from a driver education instructor indicating that the person has satisfied certain driving skills requirements. DOT indicates that it would establish standards for behind-the-wheel training that specify the driving skills or maneuvers that must be satisfactorily demonstrated by the student and certified by the instructor. Current law requires a minimum of six hours of behind-the-wheel instruction, but does not specify uniform standards or certification that the student has accomplished certain skills.

b. Increased Number of Hours of Supervised Driving. A prescribed number of additional hours of driving experience would be required. The student must be accompanied by a qualified instructor or a person 25 years of age or older with at least two years of driving experience and a valid license. A parent, stepparent or other adult sponsor (as defined by DOT by administrative rule), would be required to certify, on a form prescribed by DOT, that the person completed the prescribed hours of operation. Current law does not require a person to have a specific number of hours of actual driving experience beyond the six hours of behind-the-wheel instruction required as part of the driver education course.

2. Under current law, persons 15 years and 6 months old who are enrolled in a driver education course may apply for an instruction permit. Prior to obtaining such a permit, the person must pass a knowledge exam that tests the applicant's ability to recognize highway signs and knowledge of traffic laws. The knowledge exams are offered at all DMV service centers and are also given at many local high schools in conjunction with their driver education programs. The bill would not modify provisions related to knowledge exams and obtaining instruction permits.

3. Upon completion of an enhanced driver education course, the student would be required to show proof of certification from an instructor and the adult sponsor that the student has completed the required enhanced program and the specified additional hours of driving experience. Such certification would be submitted to officials at a DMV service center, who could then waive the DOT-administered driving skills test otherwise required prior to receiving a probationary driver's license.

4. Under the proposed enhanced course, because a student would not be required to take a DOT-administered driving skills test if the student meets the requirements of an enhanced driver education course, some would argue that the objectivity provided by the DOT examiner would be lost and that less objective standards would be applied in the certification process.

5. Compared to current driver education programs that may be based on only the minimum standards required by law, DOT argues that the benefits of the enhanced course would include:

- more experienced beginning drivers, as students would be required to demonstrate a certain level of driving skills and would have more hours of driving experience with a parent or other adult sponsor prior to obtaining a probationary operator's license;

- greater involvement by parents and other adult sponsors in the training of young drivers; and

- more consistency across schools with regard to the behind-the-wheel standards of driver education courses (for those schools offering the enhanced course).

6. DOT also points to administrative and operational efficiencies for DMV as a benefit of the proposed program. The bill includes reductions of $56,000 and 1.6 positions in 1997-98 and $157,600 and 4.5 positions in 1998-99 to reflect reduced workload related to administering driving skills tests. These funding reductions would basically be offset by the revenue reductions in the current biennium. Should participation in enhanced driver education courses increase in future biennia, DOT could further reduce resources dedicated to administering driving skills tests. This could, however, continue to be offset by further revenue reductions related to additional reductions in the $10 fee DOT would otherwise collect for these tests.

7. Some have expressed concern that the proposal would not necessarily result in more hours of driving experience and greater parental/adult sponsor involvement in some cases because there would be no mechanism by which to verify the information provided by those required to certify these activities.

8. The bill would direct DOT to evaluate the effectiveness of waiving the driving skills tests for participants by July 1, 2000, and annually thereafter. DOT would accomplish this by randomly selecting individuals who were waived from the driving skills test and requiring them to take the test, according to a procedure established by DOT through administrative rules.

9. DOT would also be allowed to require a driving skills test for drivers originally waived from this requirement if they have their probationary license suspended or revoked and are seeking reinstatement. DOT argues that this provides an incentive for persons waived to drive safely and offers another safeguard before these drivers obtain their regular license.

10. The Committee could include a December 31, 2001, sunset requirement on DOT's authority to operate an enhanced driver education program. This would allow the Legislature to review DOT's July 1, 2000, evaluation of the program during the 2001-03 biennial budget session.

11. Under the bill, participation in administering an enhanced driver education course would be voluntary for public, private, technical and commercial schools that administer driver education courses. DOT estimates that, of approximately 70,000 students enrolled in driver education courses annually, 5,250 (15%, assuming the January 1, 1998, effective date) in 1997-98 and 14,000 (20%) in 1998-99 would participate in the enhanced driver education course. Based on these estimates, the bill includes revenue reductions of $52,500 in 1997-98 and $140,000 in 1998-99 to reflect a corresponding reduction in the $10 fee DOT would otherwise collect for administering driving skills tests to these persons.

12. The Governor's initial 1995-97 biennial transportation budget recommendations, 1995 Assembly Bill 402, included a proposal to implement an enhanced driver education program. This provision was removed by the Joint Committee on Finance, restored by the Assembly and ultimately deleted when the Legislature failed to adopt a transportation budget in the Spring, 1995, session. An enhanced driver education proposal was not included in 1995

Assembly Bill 557, the 1995-97 biennial budget bill for DOT that was considered in the Fall, 1995, session.

ALTERNATIVES TO BASE

1. Adopt the Governor's recommendation to allow DOT to waive the driving skills test of a person under age 18 who is applying for an original license to operate Class D vehicles if the person has met certain requirements, as determined by DOT. Delete $56,000 SEG and 1.6 SEG positions in 1997-98 and $157,600 SEG and 4.5 SEG positions in 1998-99 and reduce estimated transportation fund revenues by $52,500 in 1997-98 and $140,000 in 1998-99.

Alternative 1	SEG
1997-99 REVENUE (Change to Base)	- $192,500
[Change to Bill	*$0]*
1997-99 FUNDING (Change to Base)	- $213,600
[Change to Bill	*$0]*
1998-99 POSITIONS (Change to Base)	- 4.50
[Change to Bill	*0.00]*

2. Adopt the Governor's recommendation, but specify that these provisions would not apply after December 31, 2001.

Alternative 2	SEG
1997-99 REVENUE (Change to Base)	- $192,500
[Change to Bill	*$0]*
1997-99 FUNDING (Change to Base)	- $213,600
[Change to Bill	*$0]*
1998-99 POSITIONS (Change to Base)	- 4.50
[Change to Bill	*0.00]*

3. Take no action.

Alternative 3	SEG
1997-99 REVENUE (Change to Base)	$0
[Change to Bill	*$192,500]*
1997-99 FUNDING (Change to Base)	$0
[Change to Bill	*$213,600]*
1998-99 POSITIONS (Change to Base)	0.00
[Change to Bill	*4.50]*

MO# _____

JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A
BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A

AYE 5 NO 11 ABS ____

Prepared by: Cheryl McIlquham

To: Joint Committee on Finance

From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Third-Party Skills Testing for Class D Operator's Licenses (DOT -- Motor Vehicles)

[LFB Summary: Page 603, #13]

CURRENT LAW

Current law allows DOT to contract with a person, including a state agency or department, a political subdivision, another state or a private employer of commercial motor vehicle drivers to administer the commercial motor vehicles skills test required by federal regulations and the driving skills test for an endorsement to operate a school bus. DOT is prohibited from entering into such testing contracts with a private driver training school or other private institution. Current law further requires that a contract with a third-party tester include provisions that:

a. Require all tests and examinations conducted by the third-party tester be the same as those given by DOT;

b. Allow DOT or the Federal Highway Administration to conduct random examinations, inspections and audits of the third-party tester without any prior notice;

c. Annually, require DOT to conduct an on-site inspection of the third-party tester to determine compliance with the contract, DOT and federal standards for testing applicants for commercial driver licenses and DOT standards for testing applicants for school bus endorsements;

d. Require examiners of third-party testers to meet the same qualifications and training standards as DOT's license examiners, to the extent established by DOT; and

e. Require DOT to take prompt and appropriate remedial action against the third-party tester if the tester fails to comply with DOT or federal standards for testing applicants.

Such action may include immediate termination of testing by the third-party tester and recovery of damages.

Current law requires driver license examination and reexamination standards to be established by DOT in administrative rule, with consideration of any federal standards or requirements which may apply.

Under current law, driving skills tests for authorization to operate Class D motor vehicles (all noncommercial motor vehicles except Type 1 motorcycles) must be administered by DOT.

GOVERNOR

Delete $52,500 SEG and 1.5 SEG positions in 1998-99 and allow DOT to contract with third-party examiners to administer the driving skills test required for the authorization to operate Class D vehicles. Extend the following provisions that currently apply to third-party testing for commercial motor vehicle operator licenses and school bus endorsements to third-party testing for Class D licenses: (a) private driver training schools or other private institutions may not conduct third-party tests; (b) DOT must conduct on-site inspections of third-party testers at least once per year to ensure compliance with contracts and with DOT standards; (c) third-party examiners must meet the same qualifications and training standards as DOT's license examiners; and (d) DOT must take prompt and appropriate remedial action against a third-party tester that fails to comply with the Department's standards. Decrease estimated transportation fund revenues by $54,900 in 1998-99 to reflect these changes. The funding and revenue reductions are associated with an estimated decrease in the number of driving skills tests ($10 fee) administered by DOT.

DISCUSSION POINTS

1. The administration indicates that allowing third-party examiners to administer Class D driving skills tests would have two primary benefits:

a. It would increase efficiency within the Division of Motor Vehicles (DMV) and allow the reallocation of resources to implement other program changes; and

b. It would serve as a mechanism by which DOT could continue to service customers in a timely manner while meeting the projected increase in the driver population -- primarily 16- and 17-year olds -- requiring Class D driving skills tests.

2. Based on 1990 census data and projections provided by the Department of Administration, the number of persons in the 15 to 19 age category is projected to increase by

nearly 10% between 1995 and 2000. If these increases are proportionate to each age, the number of 16- and 17-year olds would increase by approximately 14,000 statewide over this time period.

3. In 1996, DOT administered 110,300 Class D driving skills tests to new drivers. Although this figure would include some number of new drivers that are not in the 16- and 17-year age category, DOT indicates that the majority of the 110,300 tests were administered to this age group. DOT further reports that, currently, it is not unusual for a person to have to wait for four to six weeks to receive a driving skills test at a DMV customer service center. Therefore, it is anticipated that the projected population increase could cause this waiting period to increase even further in future years.

4. DOT estimates that, currently, 55% to 60% of all commercial driver license (CDL) driving skills tests are conducted by third-party examiners. DOT explains that one major reason for this relatively high rate is that school bus companies often need to employ persons quickly so the majority of school bus driver candidates take the test with a third-party examiner (often the bus company itself). It is not expected that the participation rate for Class D third-party testing would be as high.

5. Under the bill, estimated revenues are projected to decrease by $54,900 in 1998-99 to reflect revenue reductions associated with a loss of fees ($10 per test) from an estimated decrease of 5,490 driving skills tests administered by DOT. This estimate assumes that third-party testing would not begin until the second year of the biennium because of the time needed to promulgate administrative rules and negotiate contracts. Based on 1996 figures, this estimate would equate to approximately 5% of DOT's Class D driving skills test population shifting to third-party examiners.

6. Under current CDL third-party rules and policy, third-party examiners are allowed to charge a fee in excess of the fee charged by DOT for conducting driving skills tests. DOT determines the maximum fee allowed, however. DOT indicates that this would also be true under the Class D third-party testing program.

7. To encourage quality testing practices, DOT indicates that it would monitor the pass-fail rates of Class D third-party examiners just as it does under the current CDL third-party examiner program. DOT measures the pass-fail ratios of third-party examiners against that of DOT examiners. If DOT determines that a third-party examiner's ratio is unreasonable given the nature of the program, DOT has the authority to take remedial action.

8. Under current law, DOT is prohibited from contracting with private driver training schools to conduct CDL skills tests. Under the bill, this provision would also apply to the Class D third-party examiner program. The rationale given by DOT for prohibiting training schools from also conducting driving skills tests is that, because private training schools operate for profit, they may have a financial incentive to apply more relaxed testing standards to demonstrate a relatively higher rate of passing students in order to attract business.

9. The bill would not prohibit DOT from contracting with individuals employed by public schools as driver education instructors to administer the driving skills test. As with private driver training schools, it could be argued that allowing public school driver education instructors to become third-party examiners would be a conflict of interest in that their role in the public schools may be used to attract business as a third-party examiner.

10. It could be argued that third-party examiners who are employers have an incentive to apply strict testing standards when examining employes because the employer may be held liable for incidents resulting from an employe's poor driving skills. With regard to the testing standards applied by third-party examiners for members of the general public who seek a Class D operator's license, a similar incentive may not exist.

ALTERNATIVES TO BASE

1. Adopt the Governor's recommendation to allow DOT to contract with third-party examiners to administer the driving skills test required for the authorization to operate Class D vehicles. Extend current law provisions related to private driver training schools, inspections, examiner qualifications and remedial action that apply to third-part testing for commercial motor vehicle operator licenses and school bus endorsements to third-party testing for Class D licenses. Delete $52,500 SEG and 1.5 SEG positions and decrease estimated transportation fund revenues by $54,900 in 1998-99.

Alternative 1	SEG
1997-99 REVENUE (Change to Base)	- $54,900
[Change to Bill	*$0]*
1997-99 FUNDING (Change to Base)	- $52,500
[Change to Bill	*$0]*
1998-99 POSITIONS (Change to Base	- 1.50
[Change to Bill	*0.00]*

2. Adopt the Governor's recommendation. In addition, prohibit DOT from contracting with individuals who are employed by a public school as a driver education instructor to administer driving skills tests for authorization to operate Class D vehicles.

Alternative 2	SEG
1997-99 REVENUE (Change to Base)	- $54,900
[Change to Bill	*$0]*
1997-99 FUNDING (Change to Base)	- $52,500
[Change to Bill	*$0]*
1998-99 POSITIONS (Change to Base)	- 1.50
[Change to Bill	*0.00]*

3. Take no action.

Alternative 3	SEG
1997-99 REVENUE (Change to Base)	$0
[Change to Bill	*$54,900]*
1997-99 FUNDING (Change to Base)	$0
[Change to Bill	*$52,500]*
1998-99 POSITIONS (Change to Base)	0.00
[Change to Bill	*1.50]*

Prepared by: Cheryl McIlquham

MO#_____

JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A
BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A

AYE _____ NO _____ ABS _____

To: Joint Committee on Finance

From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Special License Plate Issuance Fees (DOT -- Motor Vehicles)

[LFB Summary: Page 604, #14]

CURRENT LAW

Under current law, members of authorized special groups may obtain special license plates whose colors and design indicate that the vehicle is owned by a member of the applicable special group. A fee, in addition to the regular registration fee, is assessed for the issuance or reissuance of most special plates. Currently, this fee is $15 for UW System plates and the sesquicentennial plate, $10 for military and civilian plates, $5 for vehicle collector plates and $0 for endangered resources and Somalia War veteran plates.

GOVERNOR

Increase estimated transportation fund revenues by $57,800 annually to reflect the following changes in the issuance/reissuance fees for certain special license plates:

Plate Type	Current Fee	Proposed Fee
Amateur Radio	$10	$15
Endangered Resources	0	15
Ex-POW[1]	10	15
Fire Fighter/Rescue Squad/EMT	10	15
Military Group[2][3]	10	15
National Guard[2]	10	15
Vehicle Collector	5	15

[1]The fee applies only to sets of plates for additional vehicles and reissuance of plates to surviving spouses. Current law provisions that provide for free issuance or reissuance of the first set of plates would remain.
[2]Includes reissuance to surviving spouses.
[3]Includes the Somalia War Veteran plate for which there currently is no issuance/reissuance fee.

DISCUSSION POINTS

1. The bill would make the issuance/reissuance fee identical for all special plates. A fee that is consistent across all categories of special plates would reduce the complexity within the fee structure and customer confusion that may occur regarding the different fees.

2. DOT estimates that each set of special plates costs $15.65 to produce, process and mail. The proposed increase would allow DOT to recoup the actual costs associated with the issuance or reissuance of all categories of special plates.

3. The bill includes estimated revenue increases of $57,800 annually based on the following projections regarding the number of these special plates to be issued each year.

Plate Type	Number of Plates Issued/Reissued	Proposed Fee Increase	Revenue
Amateur Radio	342	$5	$1,700
Endangered Resources	3,000	15	45,000
Ex-POW	15	5	100
Fire Fighter/Rescue Squad/EMT	463	5	2,300
Military Group[1]	1,027	5	5,100
National Guard	29	5	200
Vehicle Collector	334	10	3,400
Total	5,210		$57,800

[1] The proposed fee increase for the Somalia War Veteran plate is $15.

4. The fee is paid only upon the initial issuance of plates and when DOT reissues, or replaces, a group of plates. DOT has reissued only one special plate in years past and currently does not plan to reissue any other category of special plates in future years. Under these circumstances, a person with special plates pays the fee only once. (Under current law, if a person needs to replace a special plate because it becomes illegible or is lost or destroyed, a fee of $5.00 per plate is assessed by DOT.)

5. The differing fee structures may be the result of the Legislature's intent to treat persons who obtain certain categories of special plates differently. Thus, modifying the current fee structure could be inconsistent with the Legislature's original intent. In the 1995-97 biennial budget, the Governor also recommended increasing the issuance/reissuance fee for these special plates to $15. The Committee concurred with the Governor's recommendation, except that the issuance/reissuance fee was not included for the endangered resources special plate. In the end, the Legislature deleted the Governor's recommendation in its entirety.

6. The lack of an issuance fee for the endangered resources plate may stem from concerns that charging an issuance fee could reduce the plate's effectiveness as a fund raising tool for endangered resources programs. As the Legislature considers this budget and future "fund raising" plate proposals, it may be appropriate to consider whether the transportation fund should sudsidize these other programs by issuing plates free of charge.

7. Rather than raising all issuance/reissuance fees, one alternative would be to increase the current issuance/reissuance fee for endangered resources, vehicle collector and Somalia War veteran special plates to $10. This would make the issuance/reissuance fee for all categories of special plates, except UW System and sesquicentennial plates, consistent at $10. Estimated transportation fund revenues could be increased by $31,700 annually under this alternative.

ALTERNATIVES TO BASE

1. Adopt the Governor's recommendation to increase the issuance/reissuance fees for certain special license plates and increase estimated transportation fund revenues by $57,800 annually.

Alternative 1	SEG
1997-99 REVENUE (Change to Base)	$115,600
[Change to Bill	*$0]*

2. Increase the issuance/reissuance fees for endangered resources, vehicle collector and Somalia War veteran special plates to $10 and increase estimated transportation fund revenues by $31,700 annually.

Alternative 2	SEG
1997-99 REVENUE (Change to Base)	$63,400
[Change to Bill	*- $52,200]*

3. Take no action.

Alternative 3	SEG
1997-99 REVENUE (Change to Base)	$0
[Change to Bill	*- $115,600]*

Prepared by: Cheryl McIlquham

MO# AH#1

2 JENSEN	~~Y~~	N	A
OURADA	Y	~~N~~	A
HARSDORF	~~Y~~	N	A
ALBERS	~~Y~~	N	A
/ GARD	~~Y~~	N	A
KAUFERT	~~Y~~	N	A
LINTON	Y	~~N~~	A
COGGS	Y	~~N~~	A
BURKE	Y	~~N~~	A
DECKER	Y	~~N~~	A
GEORGE	Y	~~N~~	A
JAUCH	Y	~~N~~	A
WINEKE	Y	~~N~~	A
SHIBILSKI	Y	~~N~~	A
COWLES	Y	~~N~~	A
PANZER	Y	~~N~~	A

AYE 5 NO 11 ABS ____

TRANSPORTATION

Special License Plate for Antique Motorcycles

Motion:

Move to require the Department of Transportation (DOT) to issue a special license plate to any person who is a resident of this state and the owner or subsequent transferee of a motorcycle which has a model year of 1945 or earlier and which has not been altered or modified from the original manufacturer's specifications and who applies for registration of such motorcycle as an antique motorcycle.

Upon payment of a $5 fee by the applicant, require DOT to furnish registration plates of a distinctive design, in lieu of the usual registration plates, which must show in addition to the registration number that the motorcycle is an antique. Provide that the registration would be valid while the motorcycle is owned by the applicant without payment of any additional fee. Provide that the motorcycle can only be used for special occasions, such as display and parade purposes, or for necessary testing, maintenance and storage purposes.

Allow a person who registers an antique motorcycle to furnish and display on the motorcycle a historical plate from, or representing, the model year of the motorcycle if the registration and plate issued by DOT are simultaneously carried with the motorcycle and are available for inspection.

Specify that, unless inconsistent with antique motorcycle provisions, the provisions applicable to other motorcycles would also apply to antique motorcycles.

Provide that these provisions would become effective January 1, 1998.

Note:

Under current law, DOT issues special license plates for antique motor vehicles that have a model year of 1945 or earlier. The registration period for such these vehicles is non-expiring. A one-time $5 fee is required upon application for the antique special license plate.

This motion would establish a special license plate for antique motorcycles and would apply current law provisions for antique motor vehicles to the extent practicable.

VOTE OVER →

MO# 3007

JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A

BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
2 JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A

AYE 16 NO 0 ABS

TRANSPORTATION

"Children First" Special License Plate

Motion:

Move to require the Department of Transportation to issue a "Children First" special license plate for persons interested in expressing support for the prevention of child abuse and neglect. Provide that these special plates would be available for automobiles, station wagons or motor homes, for motor trucks, dual purpose motor homes or dual purpose farm trucks registered at a gross weight of up to 8,000 pounds and for farm trucks with a gross weight of up to 12,000 pounds.

Require DOT to specify the design for the Children First special plate, but that the DOT must consult the Child Abuse and Neglect Prevention Board before specifying the design for the special license plate. Further, the DOT may not specify the word or words or the symbol for the special license plates unless the word or words or the symbol is approved in writing by the Board.

Require DOT to charge a $15 fee for the issuance/reissuance of this special plate. In addition, require DOT to charge an additional $20 fee on an annual basis for this special group license plate. Provide that funds received from the $20 fee in excess of the initial costs of data processing for the "Children First plate" or $35,000, whichever is less, be deposited in the children's trust fund. Modify the current appropriation from the children's trust fund to limit grants made from the trust fund to the amounts in the schedule. Provide that the $20 annual fee would be a tax deductible charitable contribution to the extent permitted under current law.

Require DOT to issue a replacement of the special plate upon satisfactory proof of the loss or destruction of a Children First special plate and payment of a $6.00 fee for each replacement plate.

Specify that these provisions would take effect January 1, 1999.

Note:

Under current law, members of authorized special groups may obtain special license plates whose colors and design indicate that the vehicle is owned by a member of the applicable special group. A fee, in addition to the regular registration fee, is assessed for the issuance or reissuance

of most special plates. Currently, this fee is $15 for UW System plates and the sesquicentennial plate, $10 for military and civilian plates, $5 for vehicle collector plates and $0 for endangered resources and Somalia War veteran plates.

This motion would create a "Children First" special license plate that would require an annual $20 fee that would be deposited in the children's trust fund. This motion would not increase expenditure authority from the trust fund. Rather, by specifying that grants from the trust fund are limited the amounts in the schedule, funds deposited from the sale of the new license plates would accumulate in the trust fund.

MO# 3008

JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A
BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A

AYE 16 NO 0 ABS ____

To: Joint Committee on Finance

From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Registration and Titling Exemption for Certain Mobile Homes and Consolidation of Registration Categories for Camping Trailers and Mobile Homes (DOT -- Motor Vehicles)

[LFB Summary: Page 605, #16 and #17]

CURRENT LAW

Current law requires mobile homes to be registered with the DOT for the prescribed fee. Further, the owner of a vehicle subject to registration in Wisconsin, whether or not such vehicle is operated on any highway of the state, must apply for a certificate of title for that vehicle. DOT requires a fee of $12.50 for filing an application for the first certificate of title or for a certificate of title after a transfer. Of this amount, $5.00 is retained by DOT and $7.50 is transferred to the Department of Natural Resources nonpoint source pollution account of the environmental fund.

Under current law, the annual registration fee for camping trailers over 3,000 pounds and mobile homes is $12 for those 25 feet or less in length and $18 for those more than 25 feet in length.

GOVERNOR

Delete $69,800 SEG in 1997-98 and $69,700 SEG and 1.57 SEG positions in 1998-99 and decrease estimated transportation fund revenues by $198,900 annually to reflect proposed changes to the registration and titling of mobile homes. Exempt a mobile home over 45 feet in length from vehicle registration provisions and eliminate the requirement that it be titled, unless it has been titled prior to the effective date of the bill. Specify that a person who purchases a mobile

home that is exempt from registration, and for which a certificate of title has been issued prior to the effective date of the bill, must apply for a certificate of title under current provisions related to the transfer of titles. The revenue reduction reflects the loss of current registration ($18) and titling ($5 DOT share) fees for these mobile homes.

Establish the annual registration fee for camping trailers over 3,000 pounds and mobile homes 45 feet or less in length at $15. Increase estimated transportation fund revenues by $23,000 annually to reflect this change.

DISCUSSION POINTS

1. Under the bill, DOT would no longer issue certificates of title for mobile homes longer than 45 feet. According to the DOT, since mobile homes are large manufactured housing structures that are primarily stationary, it seems inappropriate for them to be included as vehicles that are titled by DOT. In addition, eliminating titling and registration would produce estimated reductions in operating costs for the Division of Motor Vehicles (DMV) of $139,500 over the biennium.

2. The Wisconsin Manufactured Housing Association (WMHA) has expressed concerns with the proposal to eliminate titling of mobile homes. The WMHA states that, although it generally supports ending the issuance of "automobile titles for residential manufactured homes," the bill does not provide an adequate substitute for financial lenders to secure liens. WMHA believes that, without such a mechanism, financial lenders will "withdraw from the manufactured housing market...[and that] any downturn in manufactured housing availability will drastically affect housing choices in the state, particularly for moderate income families."

3. It has been suggested that filing financial statements under the Uniform Commercial Code may provide a reliable substitute for titling. However, based on comments received by WMHA from financial lenders, including one company that conducts business in Wisconsin (as well as most other midwestern states) and deals solely in mobile home/manufactured housing transactions, the following concerns regarding the use of financing statements in place of titling have been expressed:

- A title is evidence of ownership and can be used as a means to perfect a lien, whereas a financing statement can be used only for the latter.

- Many mobile/manufactured homes that become fixtures to real property are not actually covered by a lender's mortgage because the buyer elected to extend a lien on the home only. Therefore, it cannot be assumed that financial lenders are protected by mortgage instruments.

- Financing statements are not designed for long-term debt and must be renewed every five years. Loans for manufactured homes generally have terms of 15 to 30 years.

- Lack of an efficient and fully computerized administrative system for filing, accessing and releasing financing statements with the county or the state Department of Financial Institutions.

4. The bill would delete $69,800 in 1997-98 and $69,700 and 1.57 positions in 1998-99 to reflect reduced workload associated with this registration and titling. Should the Committee adopt an alternative to continue this registration and titling, these reductions could not be made.

5. In addition to funding associated with workload changes, the bill includes decreases in estimated revenues of $198,900 annually to reflect a decline in fees collected for these transactions. The bill also includes provisions that would consolidate registration categories for camping trailers over 3,000 pounds and mobile homes 45 feet or less in length. Should the Committee adopt a alternative that would require DOT to continue titling of mobile homes greater than 45 feet in length, it would be necessary to modify the registration consolidation provisions of the bill to include these homes. This would establish the registration fee for mobile homes greater than 45 feet at $15. Under this alternative, compared to the base, estimated revenues would increase by $17,400 annually.

6. Current law requires, in addition to the $5 fee paid to DOT, a $7.50 nonpoint source pollution fee for each application for a first certificate of title or for a certificate of title after transfer. The bill does not reflect a reduction in segregated revenues to DNR's nonpoint source pollution account of the environmental fund associated with the proposal to eliminate titling of mobile homes. Should the Committee adopt an alternative to eliminate this titling, it would be necessary to include segregated revenue reductions to the nonpoint source pollution account of $135,000 annually.

7. DOT indicates that the provisions of the bill are intended to eliminate titling for all types of mobile homes and manufactured homes currently titled. In order to accomplish this, however, a technical modification to the provisions of the bill would be necessary to clarify that titles would no longer be issued for certain manufactured homes if the Committee elects to discontinue titling and registration for these homes.

ALTERNATIVES TO BASE

1. Adopt the Governor's recommendation, as modified to include all types of mobile homes and manufactured homes currently titled, to: (a) exempt a mobile or manufactured home over 45 feet in length from vehicle registration provisions and eliminate the requirement that it be titled, unless it has been titled prior to the effective date of the bill; (b) specify that a person who purchases a mobile home that is exempt from registration, and for which a certificate of title

has been issued prior to the effective date of the bill, must apply for a certificate of title under current provisions related to the transfer of titles; and (c) establish the annual registration fee for camping trailers over 3,000 pounds and mobile homes 45 feet or less in length at $15. Delete $69,800 SEG in 1997-98 and $69,700 SEG and 1.57 SEG positions in 1998-99 and decrease estimated transportation fund revenues by $175,900 annually. Decrease segregated revenues to the Department of Natural Resources' nonpoint source pollution account of the environmental fund by $135,000 annually.

Alternative 1	SEG
1997-99 REVENUE (Change to Base)	- $621,800
[Change to Bill	*- $270,000]*
1997-99 FUNDING (Change to Base)	- $139,500
[Change to Bill	*$0]*
1998-99 POSITIONS (Change to Base)	- 1.57
[Change to Bill	*0.00]*

2. Continue current law provisions with regard to vehicle registration and titling requirements for mobile homes over 45 feet in length. Establish the annual registration fee for camping trailers over 3,000 pounds, mobile homes and manufactured homes at $15. Increase estimated transportation fund revenues by $17,400 annually to reflect this change.

Alternative 2	SEG
1997-99 REVENUE (Change to Base)	$34,800
[Change to Bill	*$386,600]*
1997-99 FUNDING (Change to Base)	$0
[Change to Bill	*$139,500]*
1998-99 POSITIONS (Change to Base)	0.00
[Change to Bill	*1.57]*

MO# Alt #2

JENSEN	Y	N	A
LOURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A
BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A

AYE 14 NO 2 ABS ____

3. Take no action.

Alternative 3	SEG
1997-99 REVENUE (Change to Base)	$0
[Change to Bill	*$351,800]*
1997-99 FUNDING (Change to Base)	$0
[Change to Bill	*$139,500]*
1998-99 POSITIONS (Change to Base)	0.00
[Change to Bill	*1.57]*

Prepared by: Cheryl McIlquham

To: Joint Committee on Finance

From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Miscellaneous Budget Adjustments (DOT -- Motor Vehicles)

[LFB Summary: Page 606, #19]

CURRENT LAW

The 1996-97 base budget for the Division of Motor Vehicles is $69,269,200 SEG.

GOVERNOR

Delete $48,000 SEG from supplies and services in 1997-98 and provide $145,900 SEG for LTE salaries in 1998-99.

DISCUSSION POINTS

1. Under the bill, these adjustments were made in conjunction with other items in the Division of Motor Vehicles' budget to provide overall costs and savings equal to zero.

2. In the context of considering the Department's expenditures and revenues, it is not necessary for the Committee to include these adjustments that are internal to the Division of Motor Vehicles' budget.

ALTERNATIVES TO BASE

1. Adopt the Governor's recommendation to delete $48,000 SEG from supplies and services in 1997-98 and provide $145,900 SEG for LTE salaries in 1998-99.

Alternative 1	SEG
1997-99 FUNDING (Change to Base)	$97,900
[Change to Bill	*$0]*

2. Take no action.

Alternative 2	SEG
1997-99 FUNDING (Change to Base)	$0
[Change to Bill	*- $97,900]*

Prepared by: Cheryl McIlquham

MO#_____

JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A
BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A

AYE _____ NO _____ ABS _____

To: Joint Committee on Finance

From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Sale of Accident and Citation Records (DOT -- Motor Vehicles)

[LFB Summary: Page 609, #25]

CURRENT LAW

Nonstatutory provisions of 1995 Act 113 authorized DOT to enter into a contract with a person to furnish any records that contain information from files of motor vehicle accidents or uniform traffic citations and which were produced for, or developed by, DOT for purposes related to maintenance of the operating record file data base. Current law requires DOT and the person desiring to contract with DOT to make a good faith effort to negotiate the purchase price for the records to be provided. No such record may be furnished after June 30, 1997.

Act 113 further requires DOT to submit a report to each member of the Joint Committee on Finance summarizing the terms and conditions of any contract entered into. If, during the period of any contract, DOT determines that the cost of providing operators' records, uniform traffic citations and motor vehicle accident reports exceeds the total revenues received from the sale of those records, DOT must submit a report to the Committee summarizing the expenditures and revenues related to the sale of those records.

These nonstatutory provisions of Act 113 would not apply after June 30, 1997.

GOVERNOR

Establish in statute the nonstatutory provision of 1995 Act 113 that authorized DOT to enter into a contract with a person to furnish any records containing information from files of motor vehicle accidents and uniform traffic citations. Repeal the June 30, 1997, sunset date on

the authorization to contract and furnish records. Delete the requirement that DOT report to the Joint Committee on Finance on the terms of any contract and its effect on net revenues from the sale of records.

DISCUSSION POINTS

1. On May 14, 1996, DOT entered into a contract with Explore Information Services of Red Wing, Minnesota, for the periodic sale of information from the files of uniform traffic citations. As required under the provisions of Act 113, DOT submitted a letter and a copy of the contract to each member of the Committee on May 23, 1996.

2. The terms of the agreement between DOT and Explore include a formula for payment for records that contain information from files of uniform traffic citations that are provided to Explore on computer tape each month.

3. DOT indicates that, to date, revenue received from the sale of driver records has not been negatively impacted to the point where providing the records to Explore under the agreement is not cost-effective.

4. The bill would continue DOT's authority to contract for the sale of records by repealing the June 30, 1997, sunset date, but would delete the provisions that establish an oversight role by the Committee with regard to such contracts and their impact on revenues received by DOT from the sales of records. The Department's rationale for proposing elimination of the Committee's oversight role is that the terms of the contract include provisions allowing for adjustment of the payment formula and the resolution of disagreements. Specifically, the contract states:

> Explore agrees to pay the Department for the Records in accordance with the formula set forth... This agreement and the charges for the Records shall be reviewed and adjusted as necessary by the Department and Explore on a monthly basis during the first six months of the agreement and as needed thereafter. [With regard to disagreements between the parties]... Any dispute that is not resolved by means of consultation within thirty (30) days of the written request for consultation shall be decided by the Secretary or his designee (who shall not be an employee of the Division of Motor Vehicles).

5. The contract with Explore will terminate on June 30, 1997, but, as stated in the contract, it "may be renegotiated or extended if the Wisconsin Legislature extends WisDOT's statutory authority to enter into the relationship...". Should this authority be granted, DOT indicates that it intends to continue contracting for the sale of these records.

6. Given DOT's limited experience with Explore and the fact that DOT may enter into additional agreements, the Committee may wish to retain and establish in statute the provision that requires DOT to inform the Committee of contract terms and the impact of current and future contracts on revenues from the sale of records.

ALTERNATIVES TO BASE

1. (FAIL) Adopt the Governor's recommendation to establish in statute a nonstatutory provision of 1995 Act 113 that authorized DOT to enter into a contract with a person to furnish any records containing information from files of motor vehicle accidents and uniform traffic citations. Repeal the June 30, 1997, sunset date on the authorization to contract and furnish records. Delete the requirement that DOT report to the Joint Committee on Finance on the terms of any contract and its effect on net revenues from the sale of records.

2. (PASS) Establish in statute provisions that: (a) authorize DOT to enter into a contract with a person to furnish any records containing information from the files of motor vehicle accidents and uniform traffic citations; and (b) require DOT to report to each member of the Joint Committee on Finance on the terms of any contract and any negative effect on the net revenues from the sale of such records. In addition, repeal the June 30, 1997, sunset date on the authorization to contract and furnish records.

3. Take no action.

Prepared by: Cheryl McIlquham

MO# Alt #1

2 JENSEN	~~Y~~	N	A
/ OURADA	~~Y~~	N	A
HARSDORF	~~Y~~	N	A
ALBERS	~~Y~~	N	A
GARD	~~Y~~	N	A
KAUFERT	~~Y~~	N	A
LINTON	Y	~~N~~	A
COGGS	Y	~~N~~	A
BURKE	Y	~~N~~	A
DECKER	Y	~~N~~	A
GEORGE	Y	~~N~~	A
JAUCH	Y	~~N~~	A
WINEKE	~~Y~~	N	A
SHIBILSKI	Y	~~N~~	A
COWLES	Y	~~N~~	A
PANZER	Y	~~N~~	A

AYE 7 NO 9 ABS ____

MO# Alt #2

2 JENSEN	~~Y~~	N	A
OURADA	~~Y~~	N	A
HARSDORF	~~Y~~	N	A
ALBERS	~~Y~~	N	A
GARD	~~Y~~	N	A
KAUFERT	~~Y~~	N	A
LINTON	~~Y~~	N	A
COGGS	~~Y~~	N	A
/ BURKE	~~Y~~	N	A
DECKER	~~Y~~	N	A
GEORGE	~~Y~~	N	A
JAUCH	~~Y~~	N	A
WINEKE	~~Y~~	N	A
SHIBILSKI	~~Y~~	N	A
COWLES	~~Y~~	N	A
PANZER	~~Y~~	N	A

AYE 16 NO 0 ABS ____

Representative Jensen

TRANSPORTATION

Electronic Processing of Registrations and Titles by Financial Institutions

Motion:

Move to delete $444,700 SEG and 13.6 SEG positions in 1998-99 associated with an initiative that would allow financial institutions to electronically process original vehicle registrations and titles for vehicles for which they hold liens. Establish a $5 transaction fee for electronic processing of applications for vehicle registrations and titles by financial institutions, effective January 1, 1998.

Note:

The bill includes a reduction of $444,700 SEG and 13.6 SEG positions in 1998-99 associated with an initiative that would allow financial institutions to electronically process original vehicle registrations and titles for vehicles for which they hold liens. In addition, the bill reflects a $482,000 reduction in estimated transportation fund revenues in 1998-99 associated with decreased counter fees from registration and title applicants (current law establishes a $5 counter fee for transactions involving titles that are conducted at a DMV service center).

This motion makes the same funding and position reductions as the bill. In addition, the motion establishes a $5 transaction fee for the electronic processing of these documents by a financial institution. The revenues generated by this transaction fee would offset the decrease in counter fee revenues under the bill.

[Change to Base: -$444,700 SEG and -13.60 SEG positions]
[Change to Bill: $482,000 SEG-REV]

MO# 3012

JENSEN	Y	N	A
LOURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A
BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A

AYE 16 NO 0 ABS ____

Motion #3012

Representative Jensen

TRANSPORTATION

Motor Vehicle Emissions Limitations Exemptions

Motion:

Move to exempt a motor vehicle with a gross vehicle weight rating exceeding 8,500 pounds, as determined by the manufacturer of the vehicle, from emissions limitations.

Note:

Federal regulations assume the standards for enhanced inspection and maintenance programs would apply to all 1968 and later model year light duty vehicles and light duty trucks up to an 8,500 pounds gross vehicle weight rating. Current state law exempts motor vehicles with a gross vehicle weight rating exceeding 14,000 pounds from emissions limitations. This motion would modify current law to also exempt motor vehicles with gross vehicle weight ratings between 8,500 pounds and 14,000 pounds from emissions limitations.

If this change were implemented, the state would have to seek approval from the federal Environmental Protection Agency of an amendment to the state implementation plan that is submitted by DNR. The amendment would have to set forth an alternative mechanism for attaining the current level of reductions in ozone pollutants such as stricter vehicle emissions standards, annual emissions testing on other pollution reduction standards for stationary sources. In addition, DOT indicates that certain data processing changes would be necessary in an attempt to identify vehicles that fall within the 8,500 pound threshold.

MO# 1594

/JENSEN	Y	N	A
2 OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A
BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A

AYE 5 NO 11 ABS ____

Motion #1594

TRANSPORTATION

Permit Electronic Processing of Liens on Vehicle Titles

Motion:

Move to permit DOT to substitute electronic forms for existing forms and redefine "deliver" to include electronic transmission for the following: (a) certificates of title; (b) applications for certificates of title; (c) mileage disclosure forms that are required when ownership is transferred; (d) forms that collect information DOT requires to indicate ownership of a vehicle was transferred through an auction sale or by motor vehicle salvage pool; (e) forms that allow an applicant for certificate of title to designate, or reverse such designation, that his or her name, street address, post-office box number and 9-digit extended zip code may not be disclosed, except for certain legally authorized purposes; and (f) applications to name a secured party on the certificate of title.

Delete current law provisions that require individuals who have National Guard, fire fighter, rescue squad or emergency medical technicians license plates, including personalized plates for any of these, and who do not maintain membership in the applicable group during a year which is not a plate issuance year, to return the certificate of title to DOT for correction. Delete similar provisions that require individuals who have personalized plates, but who do not pay the necessary fee to maintain such plates in a year which is not a plate issuance year, to return the certificate of title to DOT for correction.

Establish a January 1, 1999, effective date for these provisions.

Delete $153,200 SEG and 2.3 SEG positions in 1998-99 to reflect savings due to these changes.

Note:

This motion would allow DOT to use electronic forms for several transactions related to vehicle titles that are currently done with paper forms. This includes the delivery of the title in an electronic format and the application to name a secured party on the certificate of title. Electronic titles would be used primarily with large fleet owners such as utilities or

municipalities. Electronic notification of security interest would allow financial institutions to designate that they hold a lien on the vehicle without using paper forms.

This motion is similar to an item in the bill that would both permit DOT to do these transactions electronically and require DOT to deliver titles to lienholders instead of to the vehicle owner. The motion, however, retains current law with regard to who holds the title, requiring DOT to deliver the title to the owner.

[Change to Base: -$153,200 SEG and -2.30 SEG positions]
[Change to Bill: None]

MO# 2003

JENSEN	Y	N	A
OURADA	Y	N	A
/ HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
2 KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A
BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A

AYE 16 NO 0 ABS ____

Item #11 *

TRANSPORTATION

Motor Vehicles

LFB Summary Items for Which No Issue Papers Have Been Prepared

VOTE OVER →

Item #	Title
2(part)	Motorcycle Registration Fee Increases
4	Enhanced Vehicle Inspection and Maintenance Program
5	Computer Database Redesign
8	Electronic Processing of Registrations and Titles by Financial Institutions
9	Electronic Processing of Registrations and Titles by Fleet Owners
10	Electronic Filing of Proof of Insurance
*11	Issuance of Certificates of Title
15	Increase Fees for Commercial Driving Schools and Instructors
18	Eliminate Proof of Financial Responsibility Requirement for Nonresidents
20	Eliminate Place of Birth Requirement for Operator's Licenses
21	Eliminate Vehicle Identification Number Inspections
22	Farm Semitrailer Registration
23	Driver Education License Plates

LFB Summary Items for Introduction as Separate Legislation

Item #	Title
3	Absolute Sobriety Law Age Change
24	Vehicle Registration for Lessees
26	Address Information on Registration and Certificate of Title Applications
27	Limit Municipal Liability for Negligent Operation of a Snowplow
28	Restrict the Allowable Following Distance Behind a Snowplow
29	Denial of Licenses for Failure to Pay Child Support and Tax Delinquency
30	Access to DOT Records

MO# Items as Amended

IENSEN	Y	N	A
DURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
BARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A
BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A

AYE 16 NO 0 ABS