

Fiscal Estimate Narratives

DOT 5/5/2003

LRB Number	03-0961/1	Introduction Number	AB-282	Estimate Type	Original
Subject					
Antique year of manufacture registration plates on collector vehicles					

Assumptions Used in Arriving at Fiscal Estimate

"Collector" registration is available for a motor vehicle which has not been altered or modified from original manufacturer specifications, and is 20 or more years old. AB 282 makes two changes relating to collector vehicle registration.

First, AB 282 creates collector registration as an annual expiring registration. Currently, collector registration is non-expiring. Under the bill, the fee would remain as today: a one-time fee of twice the regular annual fee for the type of vehicle, plus a one-time processing fee of \$50. Renewal would be annual but with no fee.

One consequence of annual expiration is that certain collector vehicles in the 7-county Southeast Wisconsin emission inspection area need to undergo an emission test every two years. Currently, since these vehicles have non-expiring registration, there is no effective way to enforce emission testing, and therefore collector vehicles are only tested upon initial registration. If these vehicles are renewed annually, then they will need to be tested biennially in conjunction with registration renewal.

Second, AB 282 allows a vehicle registered with a collector plate to display a "historical" plate that represents the vehicle's model year, if the actual collector plate which was issued for that vehicle is carried in the vehicle and is available for inspection by law enforcement or anyone else. The historical plate must also not duplicate a plate number of any vehicle currently registered.

The bill requires the vehicle owner to notify DMV of the historical plate number, at least 10 days before the owner wishes to display the historical plate. DMV must store the historical plate number in the vehicle's record, with a link that ties to the collector plate number for that vehicle.

ONE-TIME COSTS

TOTAL ONE-TIME COST TO DMV \$137,600.

DATA PROCESSING MODIFICATIONS: A total of \$100,900 is needed to make changes to DMV's vehicle registration system. Of this amount, \$69,600 represents 89 staff days for programming to implement annual expiration of collector plates, and \$31,300 represents 40 staff days for programming to implement historical plates tied to collector plate number. Programming includes, for example, conversion of collector plates to annual expiration and staggering the expiration dates throughout the year; rules to select collector vehicles for renewal and print the proper message on the renewal notice; rules to select vehicles for emission testing and enter test result into the vehicle record; creation of a "dummy" plate type for historical plate number and link to the real collector plate number; and modification of the DMV inquiry systems.

ONE-TIME COST RELATED TO ANNUAL RENEWAL: In the first year, all collector vehicle owners will be sent a long-form renewal statement instead of a postcard, to explain the significant change in registration law. Cost: \$18,500. Because registrations will be staggered to expire throughout the year, a month sticker as well as a year sticker will be sent the first year. Cost: \$7,700. Because of the significant change, the collector vehicle application form will need immediately to be reprinted. Cost: \$900.

ONE-TIME COST RELATED TO HISTORICAL PLATE DISPLAY: In the first year, many current collectors -- perhaps 5% of the total current registrations or 5,900 -- will want to display historical plates. DMV processing would require staff time similar to a title transaction, and will result in 806 added staff hours. Cost: \$9,600 LTE salary and fringe benefits.

All one-time costs are incurred in DMV's appropriation 20.395(5)(cq). The bill does not increase the appropriation to cover the cost, and DMV cannot absorb the cost within the current appropriation.

ONGOING ANNUAL COSTS

All ongoing annual costs result from the component of the bill that creates annual expiring registration for collector plates.

RENEWAL: As of January 2003, about 117,000 vehicles have collector plates. Mailing renewal notices to all registrants, and mailing renewal documents and stickers, will cost about \$90,400 annually. It is assumed that renewal processing will be done by DMV central office, field offices, and third parties in the same proportion as are renewals of all other vehicles. About 10.8% of renewals are processed by DMV field offices, and about 6.1% by DMV central office. Based on DMV staffing estimates, renewal processing for the 117,000 registrations annually will require .8 FTE permanent positions for \$26,700 annually in salary and fringe benefit cost. These costs are incurred in DMV's appropriation 20.395(5)(cq). The bill does not increase the appropriation to cover the cost, and DMV cannot absorb the cost within the current appropriation.

VEHICLE EMISSION TESTING: In January 2003 about 35,000 collector vehicles are kept in the 7 southeast Wisconsin counties where emission testing is required. DMV estimates that about 22,400 of those vehicles may be model year 1968 and newer, making them subject to biennial testing. Since emission tests are done every two years, the annual test volume would increase by 11,200. The current contract with the vendor allows increase of test volume of up to 3% above the estimated test volume, with no change to the contract payment amount, and the current test volume is actually below the estimated test volume. An added 11,200 tests annually would fall within that tolerance level. Thus, no increased contractor payment cost would be anticipated as a result of this bill.

ONGOING ANNUAL REVENUE

REGISTRATION REVENUE: No registration revenue since annual registration renewal is no-fee.

COUNTER SERVICE FEE REVENUE: It is estimated that 12,636 (10.8%) of collector plate renewals will be done in-person at DMV Customer Service Centers. A renewal transaction requires a counter service fee of \$3. Thus, the Transportation Fund would receive a revenue increase of \$37,900 annually.

Long-Range Fiscal Implications

1. Interest earnings: DMV uses the state working bank "lockbox" to process registration renewals. Under this bill, the lockbox charge for processing collector plate renewals would be \$5,500 annually. This charge is not paid by DMV's appropriation, but rather is deducted by the working bank from interest earnings to the Transportation Fund. Under this bill, the Transportation Fund would receive \$5,500 less annually in usable funds. This amount is not a decrease to revenue but, as it represents less usable funds, the fiscal estimate makes note of it.

2. Collector plate volume: The collector vehicle registration category continues to grow. The number of collector vehicles has increased by about 5% per year during the past few years. This fiscal estimate uses the January 2003 number of collector vehicle registrations to estimate annual cost. However, in the future, as the number of collector vehicles increases, DMV's cost will also increase.

Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 03-0961/1		Introduction Number AB-282	
Subject			
Antique year of manufacture registration plates on collector vehicles			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
One-time cost to DMV of \$137,600, for data processing modifications and other first- year costs. All one-time costs are incurred in appropriation 20.395(5)(cq). The bill does not increase the appropriation to cover the cost, and DMV cannot absorb the cost within the current appropriation.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$26,700	
(FTE Position Changes)		(0.8 FTE)	
State Operations - Other Costs		90,400	
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$117,100	\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S		117,100	
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		37,900	
TOTAL State Revenues		\$37,900	\$
NET ANNUALIZED FISCAL IMPACT			
		State	Local
NET CHANGE IN COSTS		\$117,100	\$
NET CHANGE IN REVENUE		\$37,900	\$
Agency/Prepared By		Authorized Signature	Date
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