

Fiscal Estimate Narratives

DOT 6/9/2005

LRB Number	05-2202/1	Introduction Number	SB-209	Estimate Type	Original
Subject					
Special plates on a blaze orange background related to hunting and fishing					

Assumptions Used in Arriving at Fiscal Estimate

This bill creates a new fund-raising license plate for persons who wish to support hunting and fishing for sport and recreation. The bill provides for a \$15 annual contribution amount in addition to regular registration fees.

The bill provides that the first \$27,600 in contributions is retained in the Transportation Fund, and makes a one-time appropriation to DMV of \$27,600, to pay the start-up expenditures.

The bill removes this plate from the mandatory 7-year redesign and reissuance cycle; specifies that this plate must be colored bright orange background with black plate number (this color combination duplicates the color combination of semi-trailer plates which are permanent, and the duplication could cause confusion among drivers and law enforcement). The bill also delays the effective date for 3 months after publication.

This plate would be the third of three fund-raising plates appealing to generally the same market. The Endangered Resources plate sold about 13,000 in its first year; Ducks Unlimited sold only 985 plates – and both were heavily advertised. DMV estimates that perhaps 500 of the proposed plates might be sold the first year. Subsequently, sales would decline to perhaps 20 – 25 per year.

One-time cost and revenue:

Total one-time cost is \$35,600. One-time appropriation is \$27,600. This leaves a cost of \$8,000, which DMV cannot absorb within its current budget. While the Transportation Fund would receive increased revenue of \$7,500 in the first year, this amount is not appropriated into DMV's appropriation, instead remaining in the balance of the Transportation Fund.

The costs are as follows:

1. Before any plates can be issued, DMV would incur a cost of \$27,600, for data processing modifications and plate design. The bill makes a one-time appropriation to DMV of \$27,600, which offsets this cost. The bill directs that the first \$27,600 in contributions be retained in the Transportation Fund. It may require several years for contribution revenue to equal \$27,600.
2. In the first year, DMV would incur a cost of \$8,000 to process and issue 500 plates. The Transportation Fund would receive increased revenue of \$7,500 from issuance fees. While this revenue is intended to partially offset DMV costs, it is not appropriated into the DMV appropriation, instead remaining in the balance of the Transportation Fund. DMV cannot absorb this cost within its current budget.

Ongoing annual cost and revenue:

After the first year of plate sales, DMV would be able to absorb the ongoing cost of about \$320 - \$400 per year. The Transportation Fund would experience a revenue increase of \$300 - \$375 per year.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Subject			
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I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
Total one-time cost is \$35,600. One-time appropriation is \$27,600. This leaves a cost of \$8,000, which DMV cannot absorb within its current budget. While the Transportation Fund would receive increased revenue of \$7,500 in the first year, this amount is not appropriated into DMV's appropriation, instead remaining in the balance of the Transportation Fund.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$	
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$	\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues		\$	\$
NET ANNUALIZED FISCAL IMPACT			
		State	Local
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$	\$
Agency/Prepared By		Authorized Signature	Date
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