

Fiscal Estimate Narratives

DOT 10/26/2007

LRB Number	07-3104/1	Introduction Number	AB-0518	Estimate Type	Original
Description The design of special distinguishing registration plates for groups that are military in nature					

Assumptions Used in Arriving at Fiscal Estimate

PROVISIONS OF THE BILL

Current law requires DMV to redesign and reissue virtually all special group plates, on a ten-year cycle beginning with the cycle July 1, 2000 – June 30, 2010. This includes all military group plates.

This bill exempts military group plates from the required redesign and reissuance. In addition, this bill mandates that the design of military group plates be the design that DMV was issuing prior to December 4, 2006.

Finally, this bill allows any holder of a military group plate who was issued a plate of the new look (December 4, 2006, and subsequent), who wishes to have a plate with the old look (before December 4, 2006), to obtain replacement plates in the old look. The person would be required to pay the replacement plate fee of \$5 per plate (or \$10 for a set of 2 plates).

The bill has a two-month delayed effective date.

FISCAL IMPACT

ONE-TIME COST

Replacement plates: The bill allows any holder of a military group plate who was issued a plate of the new look (December 4, 2006, and subsequent), who wishes to have a plate with the old look (before December 4, 2006), to obtain replacement plates in the old look. The person would be required to pay the replacement plate fee of \$5 per plate (or \$10 for a set of 2 plates). The \$10 fee is deposited into the Transportation Fund, but is not appropriated to DMV's appropriation for expenditure.

While some people may dislike the new plate design, some people may like the design. Thus, DMV does not know how many would care to obtain replacement plates. For purposes of estimating fiscal impact, this estimate assumes that half the eligible plate holders would choose to obtain replacement plates.

Replacement plates require about 17.7 Minutes Per Unit (MPU) for processing and mail handling. If a large number of replacement plates were ordered in a short period of time, DMV would need to hire LTEs to accomplish the work. In addition, DMV would incur the one-time unbudgeted cost of plates, postage, and stickers for replacement plates, in its appropriation.

Inventory in stock: DMV is currently reissuing military group plates, and will be completed June 30, 2008. DMV has reissued more than half of the 18,000 military group plates. DMV currently has sufficient inventory of sheeting and decals to complete reissuance and also to issue new plates for two years. Depending on the actual effective date, DMV would incur more or less cost to discard unused sheeting and decals.

If the bill were effective after July 1, 2008: There would be about 18,000 plate holders who would be able to obtain replacement plates if they desired. If half the 18,000 eligible persons were to request a replacement plate, about 9,000 replacement plates would be issued. If 9,000 replacement plates were ordered, DMV would require 2698 LTE work hours for a total of \$41,200. Plates, postage, and stickers for 9,000 plates would be \$71,900. DMV would have two years' worth of stock that must be discarded, for a cost of \$35,000.

The total one-time cost would be \$148,100. The bill does not fund this cost, and DMV cannot absorb the cost within its current budget.

If the bill were effective January 1, 2008: About 11,000 plate holders would be eligible (since 7,000 plates expiring between January 1, 2008 and June 30, 2008 would not have been reissued). If half these eligible persons were to request replacement plates, about 5,500 replacement plates would be issued. If 5,500 replacement plates were ordered, DMV would require 1649 LTE work hours for a total of \$25,200. Plates, postage, and stickers for 5,500 plates would be \$44,700. DMV would have stock for 7,000 plates that are to

be reissued between January 1, 2008 and June 30, 2008, plus two years' worth of stock that must be discarded, for a cost of \$72,600.

The total one-time cost would be \$142,500. The bill does not fund this cost, and DMV cannot absorb the cost within its current budget.

ONE-TIME REVENUE

An applicant for replacement special group plates pays a fee of \$5 per plate, or \$10 for a set of two plates. This fee is deposited in the unappropriated balance of the Transportation Fund.

If 9,000 replacement plates were ordered, the Transportation Fund would receive a one-time revenue increase of \$90,000. If 5,500 replacement plates were ordered, the Transportation Fund would receive a one-time revenue increase of \$55,000. These funds are not appropriated to any appropriation.

ON-GOING ANNUAL FISCAL IMPACT

No on-going annual fiscal impact results from this bill.

Long-Range Fiscal Implications

Since the early 1990's, DMV has been moving to a standard-look special group plate, principally because the law enforcement community has said this would assist in identifying Wisconsin license plates. The standard template is: white background, black or blue plate number, "Wisconsin" in red on the top and the group name in red on the bottom of the plate, and a logo depicting the group on the left of the plate number.

DMV has been issuing the standard plate look as each new special plate has been implemented. Plate designs previously established, including that of military group plates, were continued until the special plate type is reissued (a metal plate instead of a sticker is sent to a registrant at renewal time). This year, DMV is reissuing virtually all special group plates, including military group plates.

This bill would make all military group plates a different template from all other special plates. If all military group plates were exempted from the standard look, then many if not all other special groups would request the same exemption. No longer would there be any standard look for special group plates.

DMV understands that this would make it more difficult to readily recognize a Wisconsin license plate. In addition, if each plate type had different sheeting, the cost of each special plate type would dramatically increase.

Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 07-3104/1		Introduction Number AB-0518	
Description The design of special distinguishing registration plates for groups that are military in nature			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): One-time cost to DMV of \$142,500 to \$148,100, depending upon actual effective date. The bill does not fund this cost, and DMV cannot absorb this cost within its current budget. One-time revenue increase to the Transportation Fund of \$55,000 to \$90,000, depending upon actual effective date. These funds are not appropriated to any appropriation.			
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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