

Fiscal Estimate - 2017 Session

Original
 Updated
 Corrected
 Supplemental

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|---|--|
| LRB Number 17-4896/1 | Introduction Number SB-625 |
| Description requiring a local referendum to impose a wheel tax | |
| Fiscal Effect | |
| State: <input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate <div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations </div> <div style="width: 30%;"> <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues </div> <div style="width: 30%;"> <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <div style="display: flex; justify-content: space-around; font-size: small;"> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No </div> <input type="checkbox"/> Decrease Costs </div> </div> | |
| Local: <input type="checkbox"/> No Local Government Costs <input checked="" type="checkbox"/> Indeterminate <div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> 1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory </div> <div style="width: 30%;"> 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory </div> <div style="width: 30%;"> 5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts </div> </div> | |
| Fund Sources Affected Affected Ch. 20 Appropriations <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input checked="" type="checkbox"/> SEGS 20.395(5)(cq) | |
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| Date 1/19/2018 | |

Fiscal Estimate Narratives

DOT 1/19/2018

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| LRB Number | 17-4896/1 | Introduction Number | SB-625 | Estimate Type | Original |
| Description requiring a local referendum to impose a wheel tax | | | | | |

Assumptions Used in Arriving at Fiscal Estimate

Under the proposal, if a referendum does not renew an existing wheel tax, the tax could no longer be collected as soon as that election is certified. This negates the 90-day period DMV is allowed under current Administrative Rule to discontinue the collection of a wheel tax.

As an example, if a wheel tax failed a referendum effective May 31st, DMV renewal notices for June and July would have already been mailed and would include fees for a wheel tax that was no longer lawfully demanded. All of these incorrect registration renewal notices will likely result in a customer contact to DMV, a request for refund, or both. Each time a wheel tax is rescinded, two months' worth of registration renewal notices would have incorrect wheel tax charges. The exact number of contacts to DMV will be directly determined by the size of the community that rescinds a wheel tax.

Fiscal Estimate:

Customer contact time: 5 minutes

Transportation Customer Representative Senior wage plus fringe benefits: \$22.80/hour

Sample wheel taxes in effect:

Milwaukee City vehicles subject to wheel tax: 324,900

Two months of vehicle renewals: 54,150

Sheboygan City vehicles subject to wheel tax: 37,042

Two months of vehicle renewals: 6,174

For illustrative purposes, if a Milwaukee City referendum would fail to maintain their wheel tax, this would create 4,513 hours worth of administrative work for the department or 2.62 Full Time Equivalent (FTE) employees. The cost would be \$102,885 to the department. If Sheboygan City were to rescind their wheel tax via referendum, this would create 514 hours worth of administrative work or 0.3 FTE. The cost would be \$11,730 to the department.

Long-Range Fiscal Implications

Ongoing administrative costs would be created each time a wheel tax is rescinded under this proposal. The administrative costs to DMV would be directly determined by the size of the community that rescinds the wheel tax.