

Fiscal Estimate - 2019 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 19-4675/1	Introduction Number AB-0860
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Description
 registration and operations of certain special interest or reconstructed, replica, or street modified vehicles

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate

<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations	<input checked="" type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Decrease Costs
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Local:

No Local Government Costs
 Indeterminate

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	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	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
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Fund Sources Affected	Affected Ch. 20 Appropriations
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS	20.395(5)(cq)

Agency/Prepared By DOT/ Reed McGinn (608) 266-7857	Authorized Signature Joan Meier (608) 267-6978	Date 2/25/2020
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Fiscal Estimate Narratives

DOT 2/25/2020

LRB Number	19-4675/1	Introduction Number	AB-0860	Estimate Type	Original
Description registration and operations of certain special interest or reconstructed, replica, or street modified vehicles					

Assumptions Used in Arriving at Fiscal Estimate

Under this proposal, computer programming would be required to make the following modifications to DMV's registration and titling system:

- a) Fees for collector and hobbyist will increase from twice the registration fees to three times the registration fee for the initial issuance of the plate.
- b) The time of year that cannot be operated is between December 15th thru February 15th. The owner will be allowed to have a five day temporary plate issued only once during this time.
- c) The vehicle must be 30 model years old or older. Any vehicles that are currently registered as collector or hobbyist will be grandfathered in. There will need to be a way to override plates that are grandfathered in but have fallen off system and need to be re-issued.
- d) System flag to prevent issuance of a temporary operation permit if the vehicle has received the one five day temporary plate in the allotted time frame for that year.
- e) Create a web application to allow the owners to apply for this five day temporary plate online, pay for it and print it off.

The total development effort involved is estimated to require three months at a total estimated cost of \$46,750.00.

Registration fee increase:

Under the proposal, the vehicle age eligibility requirement for new applications increases from 20 years to 30 years. This proposal will decrease the number of vehicles eligible for the non-expiring collector and hobbyist registration and increase the fee for those that do apply from two times the annual cost to three times the annual cost.

Assumptions used for this fiscal estimate:

- Potential collector and hobbyist vehicles would continue to register and operate under standard registration fees until the vehicle reaches 30 years old.
- The average standard annual registration fee for automobiles and trucks registered as collector vehicles is \$95. This average includes the weighted average of vehicles registered as autos and as light trucks between 4,500 and 8,000 pounds.

In 2019, there were 5,777 vehicles that obtained new collector/hobbyist registration that were less than 30 years old. For the purposes of this estimate, DMV assumes this is representative of potential collector/hobbyist registration for each successive year.

Under the proposal, these vehicles would not be eligible for collector/hobbyist registration and would be required to retain standard annual registration until the vehicles reach 30 years old. The average age of these vehicles is approximately 24 years old. For the purposes of this estimate, DMV assumes this would be representative of the average collector/hobbyist vehicle age that, under the proposal, would not be eligible for non-expiring registration for six more years.

Under current law, these vehicles would be immediately eligible for collector/hobbyist registration for a fee of twice the standard registration fee. Under the proposal, the first two years of revenue would remain neutral as DMV assumes these vehicles will retain standard annual registration and pay the amount equal to obtaining collector/hobbyist registration. For the remaining four years (until the average vehicle qualifies for

collector/hobbyist registration), the annual renewal of the standard vehicle registration fee would result in an estimated revenue increase of \$548,815 ($5,777 * \95) per year. Over the six year period, the average annual registration revenue increase is \$365,877 ($(\$548,815*4)/6$).

Year Revenue Change

1 0

2 0

3 \$548,815

4 \$548,815

5 \$548,815

6 \$548,815

Annual Average \$365,877

In 2019, there were 8,461 vehicles that obtained new collector/hobbyist registration that were more than 30 years old. For the purposes of this estimate, DMV assumes this is representative of potential collector/hobbyist registration for each successive year. Under the proposal, these vehicles would remain eligible for collector/hobbyist registration and be subject to the increased application fee. The fee increases from two times the standard registration fee to three times, an average one-time fee increase of \$95. This would result in a net annual revenue increase of \$803,795 ($8,461 * \95).

The total estimated annual revenue increase is \$1,169,672 ($\$365,877 + \$803,795$).

Long-Range Fiscal Implications

See above.

Fiscal Estimate Worksheet - 2019 Session

Detailed Estimate of Annual Fiscal Effect

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I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):		
The total IT development effort involved is an estimated one-time cost of \$46,750.00.		
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, ets.)		
	Increased Rev	Decreased Rev
GPR Taxes	\$	\$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S (20.395(5)(cq))	1,169,672	
TOTAL State Revenues	\$1,169,672	\$
NET ANNUALIZED FISCAL IMPACT		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$	\$
NET CHANGE IN REVENUE	\$1,169,672	\$
Agency/Prepared By	Authorized Signature	Date
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