

Report From Agency

**PROPOSED ORDER OF THE STATE OF WISCONSIN
DEPARTMENT OF TRANSPORTATION
ADOPTING RULES**

CR 08-113

The Wisconsin Department of Transportation proposes an order to renumber TRANS 126.01(2); to amend TRANS 126.02(2), (3)(d), (4), (6) and (8), 126.04(title), (a), (b), (c), (2) and (3)(title); and to create TRANS 126.01(2)(b) and (c), and 126.04(2m), relating to municipal or county vehicle registration fee.

**REPORT OF THE DEPARTMENT OF TRANSPORTATION
ON THE FINAL RULE DRAFT**

This report is submitted to the chief clerks of the Senate and Assembly for referral to the appropriate standing committees. The report consists of the following parts:

Part 1--Analysis prepared by the Department of Transportation.

Part 2--Rule text in final draft form.

Part 3--Recommendations of the Legislative Council.

Part 4--Analysis prepared pursuant to the provisions of s. 227.19(3), Stats.

Submitted by:

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PART 1
Analysis Prepared by the Wisconsin Department of Transportation

Statutes interpreted: ss. 341.35, Stats.

Statutory authority: ss. 227.11, 341.35(4), (6), (6m), and (8), Stats.

Explanation of agency authority: The Wisconsin Department of Transportation is authorized to administer and collect a municipal or county vehicle registration fee when a municipality or county elects to impose such a fee by ordinance and notifies the Department of such an election, pursuant to s. 341.35, Stats. The Department's Division of Motor Vehicles collects a municipality or county vehicle registration fee at the same time it collects the state vehicle registration fee.

Related statute or rule: Section 349.03(2), Stats., provide that [n]o local authority may enact or enforce any traffic regulation...requiring local registration of vehicles, except as authorized by s. 341.35, Stats.

Plain language analysis: Chapter Trans 126 governs the Department's administration of the municipality or county vehicle registration fee. This proposed amendment increases from 60 days to 90 days the notice that municipalities and counties must give the Department, prior to the first day of the month in which an ordinance to enact, amend, or repeal the municipal or county vehicle registration fee is effective. In recent years, statutory changes have required vehicle registration renewal notice mailings to be advanced. As a result, 60-day notice from the municipality or county is insufficient time for the Department to place updated information on renewal notices before mailing the notices to customers.

This proposed amendment also clarifies operational questions. The rule states how the Department determines where a vehicle is customarily kept, and how the Department determines which vehicles receive the municipal or county registration fee calculation upon initial implementation. The proposed amendment also updates the mailing address for the Division of Motor Vehicles, and clarifies references to the municipal or county vehicle registration fee and the administrative fee per vehicle application.

This proposed amendment also removes obsolete language.

Summary of, and preliminary comparison with, existing or proposed federal regulation: No federal regulations relate to this rule.

Comparison with Rules in the Following States:

Michigan: Michigan does not have a local vehicle registration fee that is similar to Wisconsin's municipal or county vehicle registration fee, collected by the state DMV on behalf of the local governments, along with the state vehicle registration fee.

Minnesota: Minnesota counties may assess a “wheelage tax,” similar to Wisconsin’s municipal or county vehicle registration fee, collected by the state DMV on behalf of the local governments, along with state vehicle registration fee.

Illinois: Illinois does not have a local vehicle registration fee that is similar to Wisconsin’s municipal or county vehicle registration fee, collected by the state DMV on behalf of the local governments, along with the state vehicle registration fee.

Iowa: Iowa does not have a local vehicle registration fee that is similar to Wisconsin’s municipal or county vehicle registration fee, collected by the state DMV on behalf of the local governments, along with the state vehicle registration fee.

Summary of factual data and analytical methodologies used and how the related findings support the regulatory approach chosen: s. 341.08(4m), Stats., requires that the Department mail vehicle registration renewal notices to customers at least 30 days before registration expiration. As provided by s. 341.28(7)(a), Stats., automobile registration expiration may be any day of the month. The Department mails registration renewal notices for all registrations expiring during a month at one time. The Department must make, and test, any changes to text or billing on the renewal notice prior to selecting registration records for printing and mailing. As a result, the 60-day notice from municipalities or counties is insufficient, and this amendment increases the time to 90 days.

The Department has received numerous questions from municipalities and counties considering enacting a municipal or county vehicle registration fee, regarding operational issues. This amendment clarifies these points, for the benefit of those governments considering enacting such an ordinance. In particular, the amendment clarifies how the Department determines which county or municipality the vehicle is kept in; how the Department determines which vehicles are subject to the municipal or county registration fee calculation upon initial implementation; updates the mailing address for the Division of Motor Vehicles; and clarifies references to the municipal or county vehicle registration fee and the administrative fee per vehicle application.

Analysis and supporting documentation used to determine effect on small businesses: This proposed rule applies to municipalities and counties that enact, amend or repeal a municipal or county registration fee. Although a municipality or county action to enact, amend or repeal a municipal or county registration fee may affect small businesses, this rule has no effect on small businesses.

Effect on small business: This proposed rule has no effect on small businesses. The Department’s Regulatory Review Coordinator may be contacted by e-mail at ralph.sanders@dot.state.wi.us, or by calling (414) 438-4585.

Fiscal effect: The Department estimates that there will be no fiscal impact on the liabilities or revenues of any county, city, village, town, school district, vocational, technical and adult education district, sewerage district, or federally-recognized tribes or bands. Although a municipality or county action to enact, amend or repeal a municipal or county

registration fee would affect the revenues of the municipality or county, this rule has no fiscal effect.

Anticipated costs incurred by private sector: The Department estimates that there will be no fiscal impact on state or private sector revenues or liabilities.

Agency contact person and copies of proposed rule: Copies of the proposed rule may be obtained, without cost, by writing to Carson Frazier, Department of Transportation, Bureau of Vehicle Services, Room 253, P. O. Box 7911, Madison, WI 53707-7911. You may also contact Ms. Frazier by phone at (608) 266-7857 or via e-mail: carson.frazier@dot.state.wi.us.

PART 2
TEXT OF PROPOSED RULE

SECTION 1. Trans 126.01(2) is renumbered Trans 126.01.(2)(a).

SECTION 2. Trans 126.01(2)(b) and (c) are created to read:

Trans 126.01(2)(b) As provided in s. 341.35(1), Stats., vehicles subject to the municipal or county vehicle registration fee are automobiles or motor trucks registered under s. 341.25(1)(c) at a gross weight of not more than 8,000 pounds.

(c) For purposes of determining where a vehicle is customarily kept, the municipality or county of domicile as indicated by the vehicle owner and contained in the department's title database shall be used. In the absence of an indicated municipality or county of domicile, the owner or lessee's post office address shall be used to determine municipality or county of domicile.

SECTION 3. Trans 126.02(2), (3)(d), (4), (6) and (8) are amended to read:

Trans 126.02(2) NOTIFICATION TO BE MAILED TO DEPARTMENT. The notification of enactment, amendment, or repeal from the municipality or county shall be sent to:

Administrator
Division of Motor Vehicles
Wisconsin Department of Transportation
4802 Sheboygan Avenue
Room 255
P.O. Box 7911
Madison, Wisconsin ~~53702~~ 53707-7911

(3)(d) The amount of the municipal or county vehicle registration fee.

(4) ENACTMENT NOTIFICATION REQUIREMENTS. ~~The first municipality which provides notification of enactment as described in subs. (1), (2), and (3) shall notify the department at least 120 days prior to the first day of the month in which the ordinance is effective. The department shall implement the program within 120 days after receiving the first notification of enactment. Any subsequent notification of enactment received by the department will not be implemented prior to the program implementation date. After the program implementation date a~~ A municipality or county shall provide the notification of enactment as described in subs. (1), (2) and (3) at least ~~60~~ 90 days prior to the first day of the month in which the ordinance is effective.

(6) AMENDMENT NOTIFICATION REQUIREMENTS. A municipality or county which amends a municipal or county vehicle registration fee ordinance shall notify the department of the amendment at least ~~60~~ 90 days prior to the first day of the month in which the amendment is effective.

(8) REPEAL NOTIFICATION REQUIREMENTS. A municipality or county which repeals a municipal or county vehicle registration fee ordinance shall notify the department of the repeal at least ~~60~~ 90 days prior to the first day of the month in which the repeal is effective.

SECTION 4. Trans 126.04(title), (1)(a), (b), (c) and (2) are amended to read:

Trans 126.04 (title) Computation of administrative costs and collection and distribution of monies collected.

(1)(a) The administrative costs shall be computed and recovered as a an administrative fee per vehicle application.

(b) The administrative fee per vehicle application shall be based on the direct costs of operation, including employe salaries and fringe benefits, office space, office supplies and equipment, postage, computer charges, printing and forms, and other necessary or indirect expenses.

(c) The department shall review the administrative fee per vehicle application ~~fee~~ annually and any over or under recovery shall become a component in the next fiscal year administrative fee.

(2)(title) NOTICE OF CHANGES IN THE ADMINISTRATIVE FEE PER VEHICLE APPLICATION. The department shall notify any participating municipality or county of changes in the administrative fee per vehicle application at least 30 days prior to the effective date of the change.

SECTION 5. Trans 126.04(2m) is created to read:

Trans 126.04(2m) APPLICATION OF MUNICIPAL OR COUNTY VEHICLE REGISTRATION FEE. The department shall apply a municipal or county registration fee to a vehicle covered by this chapter when the registration of the vehicle is made for the first time after the effective date of the applicable enacted municipal or county vehicle registration fee ordinance and for each renewal of the registration for the vehicle due on or after the effective date of the ordinance.

SECTION 6. Trans 126.04(3)(title) is amended to read:

Trans 126.04(3)(title) DISTRIBUTION OF PAYMENT MONIES TO
MUNICIPALITY OR COUNTY.

(END OF RULE TEXT)

Effective Date. This rule shall take effect on the first day of the month following publication in the Wisconsin Administrative Register as provided in s. 227.22(2)(intro.), Stats.

Signed at Madison, Wisconsin, this ____ day of
February, 2008.

FRANK J. BUSALACCHI
Secretary
Wisconsin Department of Transportation

PART 4
CR 08-113

ANALYSIS OF FINAL DRAFT OF TRANS 126

(a) **Basis and Purpose of Rule.** This proposed amendment increases from 60 days to 90 days the notice that municipalities and counties must give the Department, prior to the first day of the month in which an ordinance to enact, amend, or repeal the municipal or county vehicle registration fee is effective. In recent years, statutory changes have required vehicle registration renewal notice mailings to be advanced. As a result, 60-day notice from the municipality or county is insufficient time for the Department to place updated information on renewal notices before mailing the notices to customers.

This proposed amendment also clarifies operational questions and removes obsolete language.

(b) **Modifications as a Result of Testimony at Public Hearing.** The public hearing was held in Madison on January 28, 2009. No modifications were made to the proposed rule as a result of testimony at the hearing.

(c) **List of Persons who Appeared or Registered at Public Hearing.** None.

(d) **Summary of Public Comments and Agency Response to those Comments:** The written comment period was held open until close of business the day of the hearing. No comments were received.

(e) **Explanation of any Changes Made to the Plain Language Analysis or Fiscal Estimate:** No changes made.

(f) **Response to Legislative Council Recommendations.** The Legislative Council report contained only one comment that has been incorporated into the proposed rule.

(g) **Final Regulatory Flexibility Analysis.** This proposed rule has no effect on small businesses.