

You will chair for the following bill.

SB 23 - Green Bay Packers License Plates

Recommendation

Support bill in its current form (i.e. with standing committee amendment).

Bill History

Introduced on 01/22/97 by Drzewiecki/Kelso; passage recommended by Senate Committee on Labor, Transportation and Financial Institutions with two amendments (SA 1 passed on a 6-1 vote and SA 2 passed on a 7-0 vote); referred to JFC on 05/20/97.

Executive Action Needed

Act on any amendments introduced today.
Adopt SA 1 and SA 2.
Recommend passage as amended.

Note

SA 1
This bill would require DOT to issue a special Green Bay Packer license plate with a portion of the revenues directed to fund Drug Abuse Resistance Education (DARE) of Wisconsin, Ltd. AA 1 directs UW to conduct a study on the effectiveness of DARE programs to be funded with a portion of the revenues designated for DARE. That study is expected to exceed the revenues generated in the first year; subsequently DARE won't get any of the money for the first year.

(Note that the National League's newest team would be a big seller—if they didn't just lose a championship game).



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

March 11, 1998

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Senate Bill 23: Green Bay Packers License Plates and Funding for DARE Wisconsin, Ltd.

Senate Bill 23 was introduced on January 22, 1997, and referred to the Committee on Labor, Transportation and Financial Institutions. On May 15, SB 23 was recommended for passage, as amended by SA 1 and SA 2, by a vote of 7-0. On May 20, the bill was referred to the Joint Committee on Finance.

SUMMARY OF BILL

Senate Bill 23 would require the Department of Transportation (DOT) to issue a special group license plate for persons interested in expressing their support for the Green Bay Packers football team. The bill would prohibit DOT from issuing the plate, however, until six months after receiving approval to use any logo, trademark, trade name or other commercial symbol designating the Green Bay Packers. The plates could be issued for the following vehicles: (a) automobiles, station wagons or motor homes; (b) trucks, dual purpose motor homes or dual purpose farm trucks that are 8,000 pounds or less; and (c) farm trucks that are 12,000 pounds or less.

The bill would require DOT to specify the design of the plate after consulting with the chief executive officer of the Green Bay Packers and an authorized representative of the National Football League. DOT would not be allowed to specify the word(s) or symbol on the plate unless the word(s) or symbol is approved in writing by the chief executive officer of the Green Bay Packers and an authorized representative of the National Football League.

Under current law, DOT is required to specify one combination of colors for special group plates or organizations, although most special plates, including plates that are military in nature, sesquicentennial plates, University of Wisconsin plates and endangered resources plates are exempted from this requirement. The only special plates not exempted from this requirement are

the firefighter, emergency medical technician and rescue squad plates. The bill would not exempt the Green Bay Packers plate from this requirement and so it would have to be of the same color combination of these other nonexempt plates, which are currently red and white. DOT indicates that this provision was added to the statutes to save money at a time when developing different color combinations was much more expensive. Newer technology makes it possible to use different colors for less cost, so the color combination restriction could be eliminated.

In addition to the regular fee for vehicle registration, the bill would require applicants for a Green Bay Packers plate to pay a \$15 fee upon issuance or reissuance of the plate, plus a \$25 annual fee, for a total additional cost of \$40 in the first year and \$25 in each subsequent year that the plate is maintained. The bill specifies that the \$25 fee is deductible as a charitable contribution to the extent permitted under law.

Under the bill, the revenue from the \$15 issuance fee would be deposited in the transportation fund. The revenue from the \$25 annual fee would first be used to fund: (a) the cost of initial data processing to establish the plate, or \$35,000, whichever is less; and (b) the costs of licensing fees relating to the word(s) or symbol on the plate. The remaining revenue would be deposited in the general fund and credited to a newly-created program revenue appropriation within the Department of Justice.

The bill would require the Department of Justice (DOJ) to enter into an agreement with Drug Abuse Resistance Education (DARE) of Wisconsin, Ltd., a nonprofit organization that raises money and provides funding for DARE programs, including the training of law enforcement officers to teach the DARE curriculum. DOJ would be required to make payments from the new appropriation to DARE for: (a) programs and activities relating to drug abuse resistance education, including law enforcement training to implement drug abuse resistance education programs in Wisconsin and to conduct public educational activities consistent with the purposes of DARE; and (b) reasonable costs relating to marketing of the Green Bay Packers plate. The bill would permit DARE to contract for marketing of the plate and would require DARE to annually submit to the Attorney General and each house of the Legislature an audited financial statement of its use of the funds. The bill would require DOJ to stop making payments to DARE if it dissolves or loses its federal tax exempt status.

SB 23 would not affect the DARE program administered by DPI, which provides grants to local school districts that cover 80% of the cost of contracts with law enforcement agencies to teach the curriculum and 100% of the cost of the instructional materials.

SENATE AMENDMENT 1

Senate Amendment 1 to SB 23 would require the University of Wisconsin Board of Regents to conduct an evaluation, through the University of Wisconsin-Madison, of the accountability, effectiveness and efficiency of the programs and activities of DARE Wisconsin, Ltd. The amendment would require the evaluation to include: (a) an evaluation of the effects of

participation in DARE programs and activities by public and private school pupils during the 1997-98 school year on their school attendance, grades and attitudes toward alcohol and other drugs in the next two succeeding school years; (b) an evaluation of the implementation of and process for the DARE programs and activities; (c) a survey of expectations for the DARE programs and activities; and (d) an evaluation of parental and community involvement in the DARE programs and activities. The Board of Regents would be required to submit a report on its findings, including its recommendations to improve and enhance the programs and activities of DARE Wisconsin, Ltd., to the Legislature and Governor no later than January 1, 2001.

Under the amendment, the study would be paid for from the revenue raised from the \$25 annual fee for the Green Bay Packers license plate, although the maximum amount that could be spent on the study would be \$300,000. No money could go to DARE Wisconsin, Ltd., until DOJ has transferred or otherwise encumbered all the money required for the study.

In addition, the amendment would sunset the \$25 annual fee for the Green Bay Packers plate and the payments by DOJ to DARE Wisconsin, Ltd., after December 31, 2001. After that date, DOT would be required to charge a fee for the issuance or renewal of the plates that is sufficient to cover the costs of licensing fees for the word(s) or symbol on the plates.

As noted, the amendment would require an evaluation beginning with pupils in the program in the 1997-98 school year. Since this school year would be nearly over if the bill passes, the evaluation may need to begin in the 1998-99 school year. The Department of Public Instruction indicates that it is currently evaluating the DARE program, using several evaluations of DARE done in other states.

SENATE AMENDMENT 2

Senate Amendment 2 to SB 23 would create a program revenue appropriation within DOT for the payment of licensing fees. SB 23 would not provide a mechanism for making the licensing payment. The source of the funding for making these payments would continue to be the \$25 annual fee for the issuance or renewal of the Green Bay Packers license plate.

Since SA 1 to SB 23 sunsets the \$25 fee after December 31, 2001, and requires DOT to charge a separate fee to cover licensing costs, the appropriation created by SA 2 would not be funded after 2001 if SA 1 is also adopted. An additional change would be needed to credit revenue received from the licensing cost fee to the licensing appropriation after 2001 if both amendments are adopted.

FISCAL EFFECT

In its fiscal note, DOT estimates, based on experience with the endangered resources plate, that about 14,000 plate sets would be sold annually in the first two years, and that this would

decline to around 3,000 sets per year in subsequent years. Assuming that 14,000 sets would be sold in both years, the \$25 fee would generate about \$350,000 in the first year and (assuming that every plate sold in the first year is renewed) \$700,000 in the second year. The \$15 issuance fee would generate \$210,000 annually, which would be deposited in the transportation fund.

The revenue from the \$25 fee would be distributed first to cover the costs of initial data processing and the ongoing costs of licensing the word(s) or symbol on the plates. DOT estimates that initial data processing, related to programming the computer system to establish the new plate and develop an accounting system for processing fee revenues and expenditures, would cost \$29,100. NFL Properties, which licenses the use of NFL team names, logos and colors, indicates that a determination on the exact amount of the licensing fee has not been made, but that an 11% royalty, which is the standard rate, would likely be charged on the \$15 fee. Since the \$25 fee is contributed to a charitable organization, the royalty on that amount would likely be waived. If the royalty would be 11% on the issuance fee, the total royalty on 14,000 plates would be \$23,100. After deducting these costs, approximately \$297,800 would be available for DARE Wisconsin in the first year and \$676,900 in the second year.

If SA 1 is adopted, the amount of funding available for DARE Wisconsin, Ltd., would be reduced by the amount transferred to the Board of Regents to perform the evaluation of DARE programs. The University indicates that doing a thorough evaluation of the type prescribed by the amendment would likely cost more than the maximum \$300,000 that the amendment would provide. While a study could be done for \$300,000, the University would likely need to study a relatively small number of pupils, or cut costs in some other way, which may produce less reliable results. Using the full \$300,000 for the evaluation would mean that DARE Wisconsin, Ltd., would not receive any proceeds in the first year.

DOT calculates that, on average, special plates cost \$14 per set, which includes the cost of the plates, the postage and staff time. If 14,000 plates annually are sold in the first two years, the total annual cost would be \$196,000. This includes \$29,100 for p

MO# message as amended SA 1

BURKE	(X)	N	A	BURKE	(Y)	N	A	BURKE	(Y)	N	A
DECKER	(X)	N	A	DECKER	(Y)	N	A	DECKER	(Y)	N	A
JAUCH	(X)	N	A	JAUCH	(Y)	N	A	JAUCH	(Y)	N	A
SHIBILSKI	(X)	N	A	SHIBILSKI	(Y)	N	A	SHIBILSKI	(Y)	N	A
COWLES	(X)	N	A	COWLES	(Y)	N	A	COWLES	(Y)	N	A
PANZER	(X)	N	A	PANZER	(Y)	N	A	PANZER	(Y)	N	A
SCHULTZ	(X)	N	A	SCHULTZ	(Y)	N	A	SCHULTZ	(Y)	N	A
ROSENZWEIG	(X)	N	A	ROSENZWEIG	(Y)	N	A	ROSENZWEIG	(Y)	N	A
GARD	(Y)	N	A	GARD	(Y)	N	A	GARD	(Y)	N	A
OURADA	(Y)	N	A	OURADA	(Y)	N	A	OURADA	(Y)	N	A
HARSDORF	(Y)	N	A	HARSDORF	(Y)	N	A	HARSDORF	(Y)	N	A
ALBERS	(Y)	N	A	ALBERS	(Y)	N	A	ALBERS	(Y)	N	A
PORTER	(Y)	N	A	PORTER	(Y)	N	A	PORTER	(Y)	N	A
KAUFERT	(Y)	N	A	KAUFERT	(Y)	N	A	KAUFERT	(Y)	N	A
LINTON	(Y)	N	A	LINTON	(Y)	N	A	LINTON	(Y)	N	A
COGGS	(Y)	N	A	COGGS	(Y)	N	A	COGGS	(Y)	N	A

MO# SA 2

AYE 13 NO 3 ABS 3

AYE 1 NO 12 ABS 3

AYE 13 NO 3 ABS 3