

LRB or Bill No./Adm. Rule No. AB 47
Amendment No. if Applicable

FISCAL ESTIMATE  
DOA-2048 N(R10/94)

ORIGINAL       UPDATED  
 CORRECTED       SUPPLEMENTAL

Subject The sale of advertising space on folded highway maps

**Fiscal Effect**

State:  No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

Increase Costs - May be possible to Absorb Within Agency's Budget  Yes  No

- Increase Existing Appropriation       Increase Existing Revenues
- Decrease Existing Appropriation       Decrease Existing Revenues
- Create New Appropriation

Decrease Costs

Local:  No local government costs

- 1.  Increase Costs  
     Permissive       Mandatory
- 2.  Decrease Costs  
     Permissive       Mandatory

- 3.  Increase Revenues  
     Permissive       Mandatory
- 4.  Decrease Revenues  
     Permissive       Mandatory

5. Types of Local Governmental Units Affected:
- Towns       Villages       Cities
  - Counties       Others \_\_\_\_\_
  - School Districts       WTCS Districts

**Fund Sources Affected**

- GPR     FED     PRO     PRS     SEG     SEG-S

**Affected Ch. 20 Appropriations**

20.380(1)(gm); 20.395(3)(iq)

**Assumptions Used in Arriving at Fiscal Estimate**

Conclusions:

Assembly Bill 47 requires the department of transportation (WisDOT) to sell commercial advertising space on the folded highway map. WisDOT must try to sell the space for advertising attractions that will promote tourism in the state. All proceeds from the sale of advertising space will go to the heritage tourism pilot program administered by the department of tourism (Tourism).

The potential amount of revenue that could be generated is directly related to the amount of space available on the map to sell advertisements and the cost to businesses and attractions to purchase advertisement space. Based on the assumptions listed below, WisDOT could potentially generate \$56,000 per year by selling advertising space on the map, but at a cost of \$35,000 per year to WisDOT.

Basis For Conclusions:

1. This estimate assumes that all folded maps printed and distributed by WisDOT will have advertisements.
2. The size of the map will remain the current size of 34 inches by 26 inches.
3. The cartographic base map and information regarding Wisconsin's seat belt, child safety seat, and drunk driving laws will be located on the front of the map.
4. The space available on the back of the map is approximately 25 inches by 17 inches for a total of 425 square inches.
5. The back of the map will include the cover, picture of the Governor, city insets, State Forest, and Trail Information, and the commercial advertisement section.
6. Assuming the items listed in item # 5 are included on the back of the map, the actual space available to sell advertisement space is about 200 square inches.
7. As a basis for establishing a price to sell advertisement space, the department utilized the estimate of \$7,950, the amount the state of Nebraska formerly charged for an advertisement space the size of 9 square inches.

(continued)

**Long-Range Fiscal Implications**

Assembly Bill 47 could generate about \$56,000 each year for the heritage tourism program.

Agency/Prepared by: (Name & Phone No.)  Ken Brockman Department of Transportation (267-9639)	Authorized Signature/Telephone No.  <i>Jinder Deagust</i> 6-2836	Date  1/25/99
---	--	---------------------

Basis For Conclusions: (continue)

8. Based on the space available to sell advertisements and assuming 9 square inches per ad, 21 organizations could purchase advertisement space. Based on Nebraska's price for selling advertisements, the amount of revenue generated for a two year map edition if all available space was sold would total \$166,950 (21 organizations x \$7,950 = \$166,950). Thus, the amount of revenue that could be generated per year equals \$83,475.
9. Due to the unique nature of the map, limited experience in other states, and competition for advertising dollars both from other map companies and other advertising sources, it is uncertain that all available advertising slots would be sold. Based on Nebraska's experience<sup>(1)</sup>, the potential revenue estimate is reduced. It is assumed that two-thirds of the available spaces would be sold, generating revenue of approximately \$56,000 annually. Subsequent to their efforts to sell advertising on both a 2 year and 3 year map, the state of Nebraska has determined that their efforts were not profitable and is no longer selling advertisement space on their map.
10. A significant amount of staff time would be required above and beyond the current production of the map, if the department was required to sell advertisement space on the folded highway map. The required staff time is estimated at about 0.5 full time position with operation costs of \$35,000 (includes salary, fringe benefits, and operation costs). WisDOT staff would be required to develop an advertisement program, write the administrative rules, prepare the advertisement criteria and specifications, and administer the program. Some of this would be a one time requirement, other parts would be on-going per map edition.
11. Based on the assumptions listed above, WisDOT could potentially generate \$56,000 per year by selling advertisement space, but at a cost of \$35,000 to WisDOT.

---

1 The actual amount of revenue generated by Nebraska's first attempt to sell advertisement on the map per year was \$42,500 (\$85,000 for a 2 year map edition). Nebraska's second attempt generated \$38,000 per year (\$114,000 for a 3 year map edition).

**FISCAL ESTIMATE WORKSHEET**

(99-0995/1) 1999 Session

Detailed Estimate of Annual Fiscal Effect  
DOA-2047 (R10/94)

ORIGINAL  UPDATED  
 CORRECTED  SUPPLEMENTAL

LRB or Bill No./Adm. Rule No.  
AB 47

Amendment No.

Subject

The sale of advertising space on folded highway maps

**I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):**

**II. Annualized 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.)

GPR Taxes

GPR Earned

FED

PRO/PRS

SEG/SEG-S

TOTAL State Revenues

**Annualized Fiscal impact on State funds from:**

Increased Costs

Decreased Costs

\$ 30,000

\$ -

(0.5 FTE)

(- FTE)

5,000

-

-

-

\$ 35,000

\$ -

Increased Costs

Decreased Costs

\$

\$ -

-

-

\$35,000

-

Increased Rev.

Decreased Rev.

\$

\$ -

-

-

56,000

-

-

\$ 56,000

\$ -

**NET ANNUALIZED FISCAL IMPACT**

STATE

LOCAL

NET CHANGE IN COSTS

\$ 35,000

\$

NET CHANGE IN REVENUES

\$ 56,000

\$

Agency/Prepared by: (Name & Phone No.)

Authorized Signature/Telephone No.

Date

Department of Transportation  
Ken Brockman (267-9639)

*Linda Deagust* 6-2836

1/25/99