

FISCAL ESTIMATE  
DOA-2048 N(R1298)

ORIGINAL       UPDATED  
 CORRECTED       SUPPLEMENTAL

**Subject**

Relating to assuring financial responsibility for the operation of motor vehicles, granting rule-making authority and providing a penalty.

**Fiscal Effect**

State:  No State Fiscal Effect

Check columns below only if bill makes a direct appropriation

or affects a sum sufficient appropriation.

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

Increase Costs - May be possible to Absorb

Within Agency's Budget  Yes  No

Decrease Costs

Local:  No local government costs

Increase Costs      3.  Increase Revenues  
 Permissive       Mandatory       Permissive       Mandatory  
 Decrease Costs      4.  Decrease Revenues  
 Permissive       Mandatory       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**

20.395(cq)5

**Assumptions Used in Arriving at Fiscal Estimate**

**Conclusion:**

One-time costs for DOT: none

On-going costs for DOT:

Division of Motor Vehicles: 1.7 FTE (salary and fringe) = \$62,700  
Materials & Supplies (Forms) = \$33,900

Division of State Patrol: 0.8 FTE (salary and fringe) = \$42,600

Increase to local costs: 18.5 FTE (salary and fringe) = \$1,058,200

Increase to local revenues: \$13.3 million

**Basis for Conclusion:**

1. No "Charge Code" for Driver Record:

No separate charge code for identifying insurance-related citations on the Driver Record will be developed. Instead, these citations will be recorded as "miscellaneous." Without a separate charge code it will only be possible to count the number of citations issued for "no insurance," but it will not be possible to identify citations that are dismissed. [The cost to develop a new charge code for the driver record data processing system to identify these convictions is \$87,080. Estimate 140 days x (\$400 per day for programmer + \$222 per day for IEF Tool) = \$87,080.]

2. "Proof of Insurance" for vehicle:

The Department will not issue the proof of insurance; it will be issued by Insurance companies. The format for the proof document will be prescribed by Rule, using the national standard for insurance identification cards.

3. "No proof of insurance" convictions:

Most people will carry the proof or exemption of insurance in the vehicle. It is assumed that law enforcement will write a citation for "no insurance" for all stops if no proof is provided at the time of the stop. The number of people who will provide proof to the officer or to the court within 5 days is unknown, but it is assumed that all drivers that are insured will provide the proof within that timeframe.

4. Caseload Estimates: 1997 citation and uninsured motorist case records are actually the most current because of the lag between the incident, eventual conviction, record update, possible case appeal, and any settlement of financial responsibility. (All citations written do not result in a conviction; the nature of the violation determines if the citation is entered on the driver record.) 1998 data is used for determining law enforcement impact because the data for the number of law enforcement contacts (citations/warnings) is the most current.

**Long-Range Fiscal Implications**

Agency/Prepared by: (Name & Phone No.)  
DOT/DMV Eileen Ostrowsky 266-1449

Authorized Signature/Telephone No.

Roger D. Cross 266-2233

*Jane A. Czuchra for*

Date

2/11/99

## SB31 (continued)

### 5. "No Insurance" convictions:

About 83,500 new convictions will occur as a result of the requirement to carry liability insurance:

- In 1997, 762,387 convictions were entered on driver records. Of these, 78,829 were for Failure to Fasten Seatbelt (FFS) which is a secondary conviction. Therefore, the number of convictions for primary traffic related stops was  $762,387 - 78,829 = 683,558$ . Assuming 10.4% of Wisconsin drivers are uninsured:  $10.4\% \times 683,558 = 71,090$  new convictions for "no insurance."
- 213,445 vehicles were involved in crashes in 1997. Of these, 22,190 vehicles (10.4%) were uninsured. About 44% of the 22,190 drivers were issued another citation and are already counted in the 71,774 convictions, above. The remaining 56% of the drivers would be convicted for "no insurance."  $56\% \times 22,190 = 12,426$ . Estimated new convictions =  $71,090 + 12,426 = 83,500$

### 6. Local Revenue for "no proof of insurance":

\$208,700

- Of the estimated 83,500 uninsured drivers, an estimated 25% (20,875 drivers) will get insurance within the 5 days, but will still be issued a citation for "no proof of insurance" for a \$10 fine. The remaining 75% (62,625 drivers) will be cited for the higher charge of "no insurance."  $\$10 \times 20,875 \text{ drivers} = \$208,700$

### 7. Local Revenue for "no insurance":

\$ 13.1 million.

- The average forfeiture will be \$250, but about 16% will not pay the forfeiture. Therefore, the revenue estimate for "no insurance" is  $84\% \times 62,625 \times \$250 = \$13.1 \text{ million}$
- The 16% who will not pay the forfeiture is estimated from the number of Failure to Pay Forfeiture (FPF) and Failure to Pay Juvenile Forfeiture (FPJ) driver license withdrawal cases processed in 1997, divided by the total number of convictions entered:  $(100,069 \text{ FPF} + 22,307 \text{ FPJ}) / 762,387 = 16\%$ . The new FPF/FPJ cases handled by DOT will not increase significantly because the secondary conviction will be part of the failure to pay forfeiture for the primary conviction.

### 8. DMV: FTE for processing citations.

1.1 FTE = \$40,600

- The estimated time to process a citation and handle public contact is 1.37 minutes per citation.  $83,500 \text{ citations} \times 1.37 \text{ minutes per citation} = 1.1 \text{ FTE}$
- Salary for one TCR4 at minimum is  $\$26,890 + (37.14\% \text{ fringe of } \$9,987) = \$36,900$ ; 1 FTE = 1,725 production hours.

### 9. DMV: FTE for handing out informational brochure at DMV Customer Service Centers:

0.6 FTE = \$22,100

- 3 seconds per form  $\times 1,250,000$  licenses issued annually = 0.6 FTE
- Salary for one TCR4 at minimum is  $\$26,890 + (37.14\% \text{ fringe of } \$9,987) = \$36,900$ ; 1 FTE = 1,725 production hours.

### 10. DMV: Brochure cost:

Materials & Supplies = \$30,200

- For each of 1.25 million licenses issued annually plus 10% printer overrun = 1,375,000 brochures  $\times 2.2\text{¢}$  each.
- The current BDS213 "Wisconsin's Uninsured Motorists Law" brochure costs 2.2¢ each.

### 11. Division of State Patrol: FTE for Issuing citation:

0.8 FTE reassigned from other law enforcement duties = \$42,600

- In 1998 the DSP made 38,998 contacts (24,823 citations + 14,175 warnings). If 10.4% are uninsured, 4,055 additional secondary contacts would be made for "no insurance" @ 15 minutes per contact = 1,013 hours. 1 FTE = 1,300 production hours. Average salary and fringe = \$25.60/hour or \$53,248 annually.  $1,013 \text{ hours} / 1,300 \text{ hours} = 0.8 \text{ FTE}$  or \$42,600.

### 12. Local law enforcement: FTE for Issuing citation:

18.5 FTE spread among all other law enforcement agencies = \$1,058,200

- Assume the remaining Uniform Citations entered on the driver record were made by local law enforcement contact =  $(950,764 - 24,823) = 925,941$  issued by Local Law Enforcement. If 10.4% are uninsured = 96,298 @ 15 minutes per contact = 24,000 hours or about 18.5 FTE. 1 FTE = 1,300 production hours.  $2,080 \text{ hours} @ \$27.50 \text{ per hour (salary and fringe)} = \$57,200$ .  $18.5 \text{ FTE} \times \$57,200 = \$1,058,200$

**FISCAL ESTIMATE WORKSHEET**

**1999 Session**

Detailed Estimate of Annual Fiscal Effect  
DOA-2047 (R1298)

ORIGINAL       UPDATED  
 CORRECTED       SUPPLEMENTAL

LRB or Bill No./Adm. Rule No.      Amendment No.  
SB31

Subject Relating to assuring financial responsibility for the operation of motor vehicles, granting rule-making authority and providing a penalty.

I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):  
None.

II. Annualized Costs:	Annualized Fiscal Impact on State funds from:	
	Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>		
State Operations - Salaries and Fringes	\$ 105,300	\$ -
(FTE Position Changes)	(2.5 FTE)	(- FTE)
State Operations - Other Costs	33,900	-
Local Assistance		-
Aids to Individuals or Organizations		-
<b>TOTAL State Costs by Category</b>	<b>\$ 139,200</b>	<b>\$ -</b>
<b>B. State Costs by Source of Funds</b>	<b>Increased Costs</b>	<b>Decreased Costs</b>
GPR	\$	\$ -
FED		-
PRO/PRS		-
SEG/SEG-S	139,200	-
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>	<b>Increased Rev.</b>	<b>Decreased Rev.</b>
GPR Taxes	\$	\$ -
GPR Earned		-
FED		-
PRO/PRS		-
SEG/SEG-S		-
<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$ -</b>

**NET ANNUALIZED FISCAL IMPACT**

	STATE	LOCAL
NET CHANGE IN COSTS	\$139,200	\$ 1,058,200
NET CHANGE IN REVENUES	\$	\$13,308,700

Agency/Prepared by: (Name & Phone No.) DOT/DMV Eileen Ostrowsky 266-1449	Authorized Signature/Telephone No. Roger D. Cross 266-2233 ←	Date 2/11/99
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*Eileen Ostrowsky for*