



**Fiscal Estimate Narratives**  
**DOT 2/26/02**

LRB Number <b>01-4051/2</b>	Introduction Number <b>AB-799</b>	Estimate Type <b>Original</b>
<b>Subject</b> Motorcycle safety program		

**Assumptions Used in Arriving at Fiscal Estimate**

Under current law, the department of Transportation (DOT) collects a regular biennial registration fee for a motorcycle or moped of \$23 which is paid into the Transportation Fund. DOT also administers, through the Bureau of Transportation Safety, a Type 1 motorcycle, moped, and motor bicycle safety program funded at \$454,000 SEG and \$95,000 FED annually. The program consists of providing grants for rider safety courses and producing safety educational materials.

This bill reduces the regular biennial registration fee for a motorcycle from \$23 to \$13. The person paying the regular registration is required, however, to pay an additional fee of \$10 at the time of registration. All monies collected from this additional fee would be used to fund the motorcycle safety program under a separate appropriation. In addition, this separate fee for the safety program would be annually indexed for inflation.

The fiscal impact will be to reduce the Transportation Fund and transfer the amount to a new segregated appropriation for the safety program. Since fees are collected on a biennial basis, revenue impacts were also calculated on a biennial basis as well. In even years, money collected from registration fees will be from renewals and new issues and in odd years it will include only new issues.

The decrease in revenue to the Transportation Fund includes the lost \$10.00 on the motorcycle registration fee. Currently, registration fees can only be increased by law and are not subject to any annual adjustments for inflation.

The increase in revenue is to fund the proposed safety program. It includes the diverted \$10.00 from the registration fee and is also adjusted annually for inflation. It's assumed that inflation is currently running at about 2% annually.

The only other fiscal impact is a one-time charge of \$17,300 for modifications to the data processing system to incorporate the fee change. On-going costs to incorporate the annual percentage change in the U.S. consumer price index are assumed to be negligible.

Below is a list of further assumptions used and a worksheet showing how the revenue impacts numbers were calculated. The final net change in revenue (increase) is due to the addition of a CPI on the safety program fee.

**Additional assumptions:**

1. CPI (consumer price index) will first occur on registration fees in 7-1-03.
2. Any errors on fees collected (incorporating inflation index) is negligible.
3. As of Jan. 2002, file analysis shows that there are 219,000 current registrations. Assuming a 15% attrition rate, there would be 187,000 renewals every other year.
4. On-average, there are 42,700 new registrations each year.
5. Since yearly revenues are irregular, the fiscal estimate is based on a biennial basis and starts in FY04.

Revenue Estimate Worksheet:

I. Biennial Program Revenue for Motorcycle Safety Program (w/ CPI)

FY04:

New registration issues 42,700 x \$10.20 = \$435,540

Renewal registrations 187,000 x \$10.20 = \$1,907,400

Total \$2,342,940

FY05:

New registration issues 42,700 x \$10.40 = \$444,080

Biennium Total = \$2,787,020

II. Biennial Lost revenue to the Transportation Fund (w/o CPI)

FY04:

New registration issues 42,700 x \$10.00 = \$427,000

Renewal registrations 187,000 x \$10.00 = \$1,870,000

Total \$2,297,000

FY05

New registration issues 42,700 x \$10.00 = \$427,000

Biennium Total = \$2,724,000

The net change in revenue is an increase of: \$63,020

**Long-Range Fiscal Implications**

There would now be a segregated program revenue. This revenue would be lost to the Transportation Fund which could possibly affect other programs. Registration fees are used to pay for debt service (pledged revenues). Reducing the registration fee would also reduce the ability to maintain this revenue stream for transportation revenue bonds.

## Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number 01-4051/2</b>		<b>Introduction Number AB-799</b>	
<b>Subject</b>			
Motorcycle safety program			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
There would be a one-time cost of \$17,300 for modifications to the data processing system to incorporate the fee change.			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
State Operations - Salaries and Fringes	\$0	0	0
(FTE Position Changes)	(0.0 FTE)	(0.0 FTE)	(0.0 FTE)
State Operations - Other Costs	0	0	0
Local Assistance	0	0	0
Aids to Individuals or Organizations	0	0	0
<b>TOTAL State Costs by Category</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>B. State Costs by Source of Funds</b>			
GPR	0	0	0
FED	0	0	0
PRO/PRS (0)	0	0	0
SEG/SEG-S (0)	0	0	0
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)</b>			
	Increased Rev	Decreased Rev	
GPR Taxes	\$0	\$0	
GPR Earned	0	0	
FED	0	0	
PRO/PRS (Motorcycle)	2,787,000	0	
SEG/SEG-S (Transportation)	0	-2,724,000	
<b>TOTAL State Revenues</b>	<b>\$2,787,000</b>	<b>\$-2,724,000</b>	
<b>NET ANNUALIZED FISCAL IMPACT</b>			
	State	Local	
NET CHANGE IN COSTS	\$0	\$	
NET CHANGE IN REVENUE	\$63,000	\$	
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
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