

Fiscal Estimate - 2001 Session

Original Updated Corrected Supplemental

LRB Number 01-4221/2		Introduction Number SB-366		
Subject Single registration plate/DMV service centers				
Fiscal Effect				
State:				
<input type="checkbox"/> No State Fiscal Effect				
<input type="checkbox"/> Indeterminate				
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Increase Existing Revenues		
<input checked="" type="checkbox"/> Decrease Existing Appropriations		<input checked="" type="checkbox"/> Decrease Existing Revenues		
<input checked="" type="checkbox"/> Create New Appropriations		<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget		
		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
		<input checked="" type="checkbox"/> Decrease Costs		
Local:				
<input type="checkbox"/> No Local Government Costs				
<input type="checkbox"/> Indeterminate				
1. <input type="checkbox"/> Increase Costs		3. <input checked="" type="checkbox"/> Increase Revenue		
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory		
2. <input type="checkbox"/> Decrease Costs		4. <input type="checkbox"/> Decrease Revenue		
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		
5. Types of Local Government Units Affected				
<input type="checkbox"/> Towns		<input checked="" type="checkbox"/> Village		
<input checked="" type="checkbox"/> Counties		<input type="checkbox"/> Others		
<input type="checkbox"/> School Districts		<input type="checkbox"/> WTCS Districts		
<input checked="" type="checkbox"/> Cities				
Fund Sources Affected		Affected Ch. 20 Appropriations		
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS		20.395(5)(cq), 20.395(1)(gs)		
Agency/Prepared By		Authorized Signature		Date
DOT/ Karen Porter (608) 266-0179		Carol Buckmaster (608) 267-6979		1/23/02

Fiscal Estimate Narratives

DOT 1/23/02

LRB Number	01-4221/2	Introduction Number	SB-366	Estimate Type	Original
Subject					
Single registration plate/DMV service centers					

Assumptions Used in Arriving at Fiscal Estimate

This bill has four objectives:

- a.) It requires DOT to issue only one license plate for each motor vehicle. DOT would begin issuing a single license plate three months after publication of the bill. The Chapter 20 schedule for the Division of Motor Vehicles operating appropriation is reduced by \$878,200 in FY 03.
- b.) DOT is prohibited from closing any local examining center and shall re-open any center previously closed that had been in operation on July 1, 2001.
- c.) DOT will award grants totaling \$500,000 to Brown County, the city of Green Bay, and the village of Ashwaubenon in January 2003 (FY 03) to fund road improvements to CTH "VK", also known as Lombardi Avenue.
- d.) A transfer will be made from the Transportation Fund to the General Fund reflecting the savings realized from changing to a single license plate. The dollar transfer in FY 03 is reduced by the Brown County grant and the additional costs incurred to re-open the closed DMV customer service centers. The transfer in FY 04 and subsequent years is equal to the plate savings realized in that fiscal year.

One Time costs:

\$500,000 of grants to Brown County, the city of Green Bay, and the village of Ashwaubenon in FY 03, to pay for the costs of improving CTH "VK"/Lombardi Avenue. The bill provides state funds from the Transportation Fund for a local project on a local road, without requiring local match.

On-Going costs:

1. Single License Plate

This bill identifies the savings to be realized in FY 03 from issuing only one license plate to each motor vehicle, and reduces DMV's spending authority by \$878,200. The savings noted in SB 366 are related to a 9-year reissuance cycle. DMV is currently reissuing license plates at a 9-year pace for FY 02 to achieve required budget reductions. The savings identified in this bill does not reflect a 2.3% increase in raw material costs due to volume reduction. The revised anticipated savings for Section 123 would be \$792,900.

A 7-year reissuance cycle is required under current law. Plate program savings under a 7-year reissuance cycle in FY 03 are projected to be \$869,200. The 7-year reissuance savings reflects a 2.3% increase in raw material cost to reflect the reduction in license plate quantity under this bill in FY 03.

2. DMV Service Centers

DMV is scheduled to close 24 customer service centers on February 1, 2002 and lapse those funds to the General Fund. To re-open these centers, the costs of lease rental, facility telephone line/use costs, staff meals and fleet costs for travel team will need to be incurred. Re-opening the 24 locations will cost \$141,100 each year (\$52,400 for facilities rent incurred prior to closing, and \$88,700 for the other operational costs).

We assume SB 366 will not become law prior to the February 1, 2002, when the 24 customer service centers will close. As a result, to re-open the centers DOT will need to secure leases at new locations, which may involve a higher cost lease. The dollar of those possible higher rents cannot be estimated with any certainty.

3. Fund Transfer

SB 366 directs DOT to transfer from the Transportation Fund to the General Fund the savings realized from changing to one license plate. In FY 03, the \$878,200 savings is reduced by \$500,000 for grants to Brown County and the additional costs to re-open the closed customer service centers, or \$141,100 as noted above. The remaining savings of \$237,100 would transfer to the General Fund in FY 03. Under this bill, the net decrease in costs to the Department is \$737,100 (plate savings less the cost to re-open the centers).

In FY 04 and subsequent fiscal years, the fund transfer would be the savings realized from issuing a single

license plate. For this fiscal estimate, we assumed the annual transfer would remain constant and the Transportation Fund revenues would decrease by \$878,200 and the General Fund revenues would increase by the same \$878,200.

Long-Range Fiscal Implications

We assumed the amount of the fund transfer from the Transportation Fund to the General Fund in FY 04 and thereafter is a fixed amount. However, the bill may intend for the transfer dollar amount to be determined each fiscal year by annually re-calculating what the program costs would be if DOT were still issuing two license plates, and then compare that to the actual costs of the single license plate program, to arrive at the savings.

If the latter approach is the bill's intent for the annual transfer, then this estimate will become another variable to consider when the Department performs the periodic estimates of the Transportation Fund balance.

Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

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 Corrected
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Subject		
Single registration plate/DMV service centers		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):		
One-time grants to Brown County, the City of Green Bay, and the Village of Ashwaubenon totaling \$500,000 in January 2003 (FY 03), for the purpose of funding road improvements to CTH "VK", also known as Lombardi Avenue.		
II. Annualized Costs:		
	Annualized Fiscal Impact on funds from:	
	Increased Costs Decreased Costs	
A. State Costs by Category		
State Operations - Salaries and Fringes	\$ -878,200	
(FTE Position Changes)		
State Operations - Other Costs	141,100 -878,200	
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$141,100 \$-878,200	
B. State Costs by Source of Funds		
GPR		
FED		
PRO/PRS		
SEG/SEG-S (SEG)	141,100 -878,200	
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)		
	Increased Rev	Decreased Rev
GPR Taxes	\$878,200	\$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S (SEG)		-878,200
TOTAL State Revenues	\$878,200	\$-878,200
NET ANNUALIZED FISCAL IMPACT		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$-737,100	\$
NET CHANGE IN REVENUE	\$0	\$500,000
Agency/Prepared By		
DOT/ Karen Porter (608) 266-0179		
Authorized Signature		
Carol Buckmaster (608) 267-6979		
Date		
1/23/02		