

### Fiscal Estimate - 2003 Session

Original       Updated       Corrected       Supplemental

LRB Number **03-4134/1**      Introduction Number **SB-414**

**Subject**  
 Vehicle registration exemption for farm truck tractors operated for certain agricultural purposes

**Fiscal Effect**

**State:**

No State Fiscal Effect  
 Indeterminate

Increase Existing Appropriations       Increase Existing Revenues  
 Decrease Existing Appropriations       Decrease Existing Revenues  
 Create New Appropriations

Increase Costs - May be possible to absorb within agency's budget  
 Yes       No  
 Decrease Costs

**Local:**

No Local Government Costs  
 Indeterminate

1.  Increase Costs      3.  Increase Revenue  
 Permissive  Mandatory       Permissive  Mandatory  
 2.  Decrease Costs      4.  Decrease Revenue  
 Permissive  Mandatory       Permissive  Mandatory

5. Types of Local Government Units Affected  
 Towns       Village       Cities  
 Counties       Others  
 School Districts       WTCS Districts

**Fund Sources Affected**      **Affected Ch. 20 Appropriations**

GPR     FED     PRO     PRS     SEG     SEGS 20.395(5)(cq)

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**Fiscal Estimate Narratives**  
**DOT 2/3/2004**

LRB Number	<b>03-4134/1</b>	Introduction Number	<b>SB-414</b>	Estimate Type	<b>Original</b>
<b>Subject</b>					
Vehicle registration exemption for farm truck tractors operated for certain agricultural purposes					

**Assumptions Used in Arriving at Fiscal Estimate**

A truck tractor is a power unit that pulls a semi-trailer. A farm truck tractor is a truck tractor that is owned or leased and operated by a farmer (refers to a specific statutory definition); used exclusively for transportation of supplies, farm equipment and products on the owner's own farm or between his or her farms, farm products from the owner's farm to market and supplies to his or her farm; and is exempt from payment of heavy vehicle use tax imposed by section 4481 of the internal revenue code.

A farm truck tractor has a special reduced registration fee, which is ¼ of the amount of a truck tractor having the same gross weight. For example, a truck tractor registered at 80,000 lbs pays \$1987.50 in annual registration fee; a farm truck tractor registered at 80,000 lbs pays \$510.50 in annual registration fee.

SB 414 exempts from registration a farm truck tractor that is, at the time of operation, transporting manure, grains, silage, haylage, or equipment between fields or between farm and field, or is being operated from its point of purchase to the operator's farm.

It is likely that only a portion of farm truck tractors would be eligible for registration exemption under SB 414:

§ Registration exemption is determined by conditions at the time of operation.

§ Therefore, to be exempt from registration, any time the farm truck tractor is on the highway, it must be either transporting one of the enumerated products among the owner's farms/fields, or being operated from the point of purchase to the owner's farm.

§ If the farm truck tractor is transporting anything else when it is on the highway, it must be registered. Farm truck tractor fee is ¼ of the regular registration fee.

§ The above constraint means that only a farm truck tractor dedicated solely to the enumerated purposes when operated on-highway could be exempt from registration.

There are currently 1,675 farm truck tractors registered in Wisconsin. 77% are registered at 80,000 lbs., the highest weight category.

If 10% of all farm truck tractors were eligible for registration exemption under SB 414, that would be 167 vehicles that currently pay farm truck tractor registration fees, which no longer would need to be registered. Assume that these vehicles were distributed by weight in the same distribution as all farm truck tractors. The total registration revenue loss to the Transportation Fund would be \$75,700 annually.

**Long-Range Fiscal Implications**

## Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

LRB Number <b>03-4134/1</b>		Introduction Number <b>SB-414</b>	
<b>Subject</b>			
Vehicle registration exemption for farm truck tractors operated for certain agricultural purposes			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
None			
<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	\$	
	(FTE Position Changes)		
	State Operations - Other Costs		
	Local Assistance		
	Aids to Individuals or Organizations		
	<b>TOTAL State Costs by Category</b>	<b>\$</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
	GPR		
	FED		
	PRO/PRS		
	SEG/SEG-S		
<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>			
		Increased Rev	Decreased Rev
	GPR Taxes	\$	\$
	GPR Earned		
	FED		
	PRO/PRS		
	SEG/SEG-S		-75,700
	<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$-75,700</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
		State	Local
	NET CHANGE IN COSTS	\$	\$
	NET CHANGE IN REVENUE	\$-75,700	\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
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