

Fiscal Estimate Narratives

DOT 4/7/2003

LRB Number	03-1736/2	Introduction Number	AB-194	Estimate Type	Original
Subject					
Special military plates					

Assumptions Used in Arriving at Fiscal Estimate

AB 194 creates special "military-group" license plates for the military service academies and for the Civil Air Patrol. This is not a fund-raising plate. Like all other special plates enumerated under S.341.14(6r)(f), these special plates require a one-time \$15 fee for issuance or reissuance, in addition to the regular registration fee.

ONE-TIME COST:

DMV will migrate to a redesigned vehicle registration system in October 2003. This fiscal estimate assumes that programming changes will be done only in the new environment, not in the current environment. If programming changes were done in the current environment, the cost would be extremely high; moreover, the system will be obsolete in a few months. Programming modifications would cost \$10,200. This cost is incurred regardless of the number of plates sold. This one-time cost is not funded in the bill.

VOLUME:

Special plates are currently available for all University of Wisconsin campuses. The largest group is the UW-Madison, with about 5,000 vehicles currently registered. The next largest group is UW-Whitewater with 247 plates, and UW-Milwaukee with 194 plates. It is clear that even in-state schools generate a small number of special license plates.

The number of service academy attendees and graduates who register a vehicle in Wisconsin is likely a small number, and the number of persons who purchase a special plate is usually only a fraction of all eligible persons. Thus, DOT estimates that special plate sales for all the service academies may total about 100 in the first year of plate sales. Over the long term, the number of plates issued annually will likely drop to perhaps 10 per year, based on our experience with University plates.

The Civil Air Patrol has about 800 members of driving age, in Wisconsin. While, in general, very few eligible persons actually purchase a special plate, DMV's experience suggests that a larger number of eligible CAP members might purchase a special plate. For purposes of this fiscal estimate, we assume that perhaps half the eligible persons -- 400 -- might purchase the plate when it becomes available. Over time, this number would decline to perhaps 10 - 15 annually.

ANNUAL COST:

All military-group special plates consist of one common plate background scheme and one of the currently available decals. The only individualized piece is the "banner" -- the lettering on the bottom of the plate which identifies the special group.

DMV's cost to issue a special license plate is on average slightly more than \$16 per transaction. This includes plate, validation stickers, and postage cost, and also staff cost to process a transaction.

If 500 plates are sold in the first year of plate availability, DOT would incur a cost of \$8,000. Because this level of activity would occur for a short time, the staffing need is met with LTE's. The bill does not increase the DMV appropriation to cover this cost.

REVENUE:

An issuance fee of \$15 is charged for all special plates. If 500 plates were sold in the first year, the Transportation Fund would experience a revenue increase of \$7,500. Revenue goes to the unappropriated balance of the Transportation Fund.

Long-Range Fiscal Implications

DMV's experience is that special group plate sales are strongest in the first year of availability, and then decline. Over the long term, plate sales resulting from AB 194 may average about 20 - 25 per year. This level of workload could be absorbed within DOT's current staff. On-going revenue increase to the Transportation Fund would be negligible.

Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Subject			
Special military plates			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
One-time cost to DOT of \$10,200 to modify data processing system programs. This cost is not funded in the bill.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$3,800	
(FTE Position Changes)			
State Operations - Other Costs		4,200	
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$8,000	\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S		8,000	
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S		7,500	
TOTAL State Revenues		\$7,500	\$
NET ANNUALIZED FISCAL IMPACT			
		State	Local
NET CHANGE IN COSTS		\$8,000	\$
NET CHANGE IN REVENUE		\$7,500	\$
Agency/Prepared By		Authorized Signature	Date
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