

Fiscal Estimate Narratives
DOT 6/30/2005

LRB Number	05-1754/3	Introduction Number	AB-479	Estimate Type	Original
Subject					
Golf Wisconsin special plates					

Assumptions Used in Arriving at Fiscal Estimate

This bill creates a fund-raising license plate to support the WPGA Junior Foundation and the Department of Tourism golf promotion. An annual contribution of \$25, in addition to the regular vehicle registration fee, would be charged to a registrant. This plate would be subject to current law requiring a \$15 fee for issuance or reissuance of the plate.

The bill increases DMV's appropriation with one-time funding of \$27,600 to pay start-up expenditures. The first \$27,600 of contributions would be retained in the Transportation Fund, to offset the one-time appropriation. All contributions above \$27,600 would be deposited in the General Fund and appropriated 25% to the Department of Tourism and 75% for the Department of Tourism to pass through to the WPGA Junior Foundation. The bill specifies some provisions of the agreement between the Department of Tourism and the WPGA Junior Foundation.

The bill requires that the Department of Tourism will specify the design, color combination, and symbol and wording, for the Golf Wisconsin plate, and specifies some wording and design that must appear on the plate.

The bill removes the plate from mandatory 7-year redesign and reissuance – not only during the current reissuance cycle but also during all subsequent cycles. The bill establishes a delayed effective date of 6 months.

Volume:

In DMV's experience, special plate sales are strongest in the first year the plate is available, and then decline significantly after that. First-year plate sales have varied widely. The Endangered Resources plate sold 13,000 in its first year and the Green Bay Packer plate sold 8,357 (compared to the Packers' estimate of 40,000 plates in the first year). On the other hand, Celebrate Children plates sold 2,200 in the first year; all University system plates sold 900 the first year, and Ducks Unlimited sold 985 (compared to DU's estimate of 10,000 plates in the first year).

DMV estimates that perhaps 1,000 of the proposed plates might be sold the first year. Subsequently, sales would decline to perhaps 50 per year.

One-time cost and revenue:

Total one-time cost is \$43,600. One-time appropriation is \$27,600. This leaves a cost of \$16,000, which DMV cannot absorb within its current budget. While the Transportation Fund would receive increased revenue of \$15,000 in the first year, this amount is not appropriated into DMV's appropriation, instead remaining in the balance of the Transportation Fund.

The costs are as follows:

1. Before any plates can be issued, DMV would incur a cost of \$27,600, for data processing modifications and plate design. The bill makes a one-time appropriation to DMV of \$27,600, which offsets this cost. The bill directs that the first \$27,600 in contributions be retained in the Transportation Fund. It may require more than one year for contributions to equal \$27,600 – if 1,000 plates are sold the first year, contributions of \$25,000 would be received.
2. In the first year, DMV would incur a cost of \$16,000 to process and issue 1,000 plates. The Transportation Fund would receive increased revenue of \$15,000 from issuance fees. While this revenue is intended to partially offset DMV costs, it is not appropriated into the DMV appropriation, instead remaining in the balance of the Transportation Fund. DMV cannot absorb this cost within its current budget.

Ongoing annual cost and revenue:

After the first year of plate sales, DMV would be able to absorb the ongoing cost of about \$800 per year. The Transportation Fund would experience a revenue increase of \$750 per year.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Subject			
Golf Wisconsin special plates			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
Total one-time cost is \$43,600. One-time appropriation is \$27,600. This leaves cost of \$16,000, which DMV cannot absorb within its current budget. While the Transportation Fund would received increased revenue of \$15,000 in the first year, this amount is not appropriated into DMV's appropriation, instead remaining in the balance of the Transportation Fund.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$		
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$		\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S			
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	\$		\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues	\$		\$
NET ANNUALIZED FISCAL IMPACT			
	State	Local	
NET CHANGE IN COSTS	\$negligible		\$
NET CHANGE IN REVENUE	\$negligible		\$
Agency/Prepared By		Authorized Signature	Date
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