

Fiscal Estimate - 2007 Session

Original Updated Corrected Supplemental

LRB Number 07-1845/1		Introduction Number SB-141
Description A single registration plate for motor vehicles registered with the Department of Transportation and transfers from the transportation fund to the general fund		
Fiscal Effect		
State:		
<input type="checkbox"/> No State Fiscal Effect	<input checked="" type="checkbox"/> Increase Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input type="checkbox"/> Indeterminate	<input checked="" type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Increase Existing Appropriations		<input checked="" type="checkbox"/> Decrease Costs
<input checked="" type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		
Local:		
<input type="checkbox"/> No Local Government Costs		
<input type="checkbox"/> Indeterminate		
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	5. Types of Local Government Units Affected
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	<input type="checkbox"/> Counties <input type="checkbox"/> Others
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
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)		
Agency/Prepared By	Authorized Signature	Date
DOT/ Carson Frazier (608) 266-7857	Julie Johnson (608) 267-3703	5/3/2007

Fiscal Estimate Narratives

DOT 5/3/2007

LRB Number	07-1845/1	Introduction Number	SB-141	Estimate Type	Original
Description A single registration plate for motor vehicles registered with the Department of Transportation and transfers from the transportation fund to the general fund					

Assumptions Used in Arriving at Fiscal Estimate

This bill directs DOT to issue only one license plate for each motor vehicle. The Chapter 20 schedule for DMV's operating appropriation is reduced by \$878,200 in FY 09. Annually, starting in FY 09, the Department of Administration shall transfer from the Transportation Fund to the General Fund the savings realized from issuing only one plate. The bill is effective on July 1, 2008 or the day after publication, whichever is later.

Fiscal Impact

The single-plate savings identified in the bill, \$878,200, is carried forward from the estimate prepared in 2002 for 2001 SB 366.

A number of factors have changed since 2002 that reduces the projected plate savings from issuing only one license plate under 2007 SB 141 from \$878,200 to a lesser amount.

- The license plate reissuance or rebasing cycle is now 10 years, per 2005 Act 25.
- Postage rates charged by the U.S. Postal Service have increased twice: an 8.8% increase in June 30, 2002 and 5.4% increase on January 8, 2006. Mailing rates charged by the Department of Administration for DMV's large-scale mailings have also increased. In addition, another postage rate increase is scheduled for May 2007.
- Plate prices charged by Department of Corrections have increased.
- License plate program base budget has been reduced by \$513,200 since FY 03 and another \$545,600 permanent reduction in spending authority occurred in FY 07, per 2005 Act 25.

Taking into account the above factors, the annualized savings in FY 09 for issuing only a single license plate, rather than the current 2-plate sets, are projected to be \$249,700. This is \$628,500 less than the reduced spending authority established in the bill.

In FY 09, the bill will reduce the spending authority in s. 20.395(5)(cq), Wis. Stats. by \$878,200. Because the bill identifies larger than realistic "savings" to transfer to the General Fund, DMV will need to cut \$628,500 from other programs that are unrelated to license plate issuance and stop reissuance of all remaining plate groups. Further, this reduction will become a permanent reduction in spending authority in FY 10 and subsequent fiscal years.

Long-Range Fiscal Implications

Section 4 of the bill creates s.85.57, Wis. Stats., which directs DOA to transfer from the Transportation Fund to the General Fund \$878,200 in FY 09 and to transfer an amount equal to the plate savings realized in each fiscal year thereafter. As drafted, \$878,200 becomes a permanent reduction in DMV's spending authority. Once that permanent reduction is taken, there are no new and additional savings to be generated in future years from continuing to issue only one license plate. Starting in FY 10, the annual transfer by DOA will result in budget cuts for DMV that are unrelated to the license plate program.

Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

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Description A single registration plate for motor vehicles registered with the Department of Transportation and transfers from the transportation fund to the general fund			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
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			-878,200
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$	\$-878,200
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S			-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			-878,200
TOTAL State Revenues		\$878,200	\$-878,200
NET ANNUALIZED FISCAL IMPACT			
		State	Local
NET CHANGE IN COSTS		\$-878,200	\$
NET CHANGE IN REVENUE		\$0	\$
Agency/Prepared By		Authorized Signature	Date
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