

Fiscal Estimate - 2009 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 09-3653/1	Introduction Number AB-0739	
Description Speed limit violations in a first class city and providing a penalty		
Fiscal Effect		
State:		
<input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate		
<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations	<input checked="" type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs	
Local:		
<input type="checkbox"/> No Local Government Costs <input checked="" type="checkbox"/> Indeterminate		
1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input checked="" type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input checked="" type="checkbox"/> Cities <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
Fund Sources Affected		
<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 s. 20.395 (5) (cq)		
Affected Ch. 20 Appropriations		
Agency/Prepared By	Authorized Signature	Date
DOT/ Richard Kleist (608) 266-1449	Julie Johnson (608) 267-3703	3/4/2010

Fiscal Estimate Narratives
DOT 3/4/2010

LRB Number 09-3653/1	Introduction Number AB-0739	Estimate Type Original
Description Speed limit violations in a first class city and providing a penalty		

Assumptions Used in Arriving at Fiscal Estimate

BILL SUMMARY

Current law provides that a person who exceeds a fixed or posted speed limit may be required to forfeit a minimum of \$30, \$40, or \$50, and a maximum of \$300 for a first offense. A person who commits a second or subsequent offense for exceeding a fixed or posted speed limit within one year in certain school or pedestrian zones may be required to forfeit not less than \$80, nor more than \$600. This proposal doubles the applicable forfeitures for exceeding a fixed or posted speed limit by at least 10 miles per hour in a first class city.

The proposed penalty enhancer applies only to certain speed-related violations such as speeding in a school zone, speeding in excess of fixed limits, speeding in excess of posted limits, and speeding while operating a vehicle with metal or solid rubber tires. The proposed penalty enhancer does not apply to other speed-related violations such as unreasonable or imprudent speed or driving too fast for conditions.

ASSUMPTIONS

A 1st class city is a city having a population of 150,000 or more as shown in the most recent federal decennial census. Currently, only the City of Milwaukee is a first class city. The cities of Madison and Green Bay are approaching sufficient population to become eligible.

Summary data on traffic convictions are not available by municipality, but they are available by county. For purposes of this estimate, it is assumed speed-related convictions by municipality in Milwaukee County are in proportion to the population distribution in the County. The preliminary Department of Administration population estimates for 2009 were:

Milwaukee County = 931,830
City of Milwaukee = 584,000 = 63% of the county total

Therefore, for the purposes of this estimate, we will assume 63% of all speed-related violations occurred in the City of Milwaukee.

In 2009, the Division of Motor Vehicles (DMV) recorded convictions for speed-related violations for 10 or more mph over the limit in Milwaukee County as follows:

Speeding (1-10 mph over the limit) = 1,041 Note: this number includes only those violation at 10 mph over the limit.
Speeding Intermediate (11-19 mph over the limit) = 8,938
Speeding Excess (20 mph or more over the limit) = 2,084

It is unknown how many of these speed-related violations occurred in school zones or work zones. Nor is it known how many of these violations occurred at specific speed intervals in excess of the fixed or posted limit.

Also, it is unknown how many of these speed-related violations were municipal ordinance violations adjudicated in the municipal court. For the purposes of this estimate, it is assumed that 100% of the violations were adjudicated in the City of Milwaukee municipal court.

Convictions for all speed-related violations specified under this proposal require payment of a penalty surcharge in the amount of 26% of the forfeiture deposit so doubling of the forfeiture deposit will also cause an increase in the amount of the penalty surcharge.

For purposes of estimating the penalty revenue effects of the PROPOSED penalty enhancer, it is assumed:

- (a) The proposed penalty enhancer will not create an increase in the number of Speeding (1-9 mph over the limit) to avoid paying the enhanced penalty.
- (b) There will be no perceived deterrent effect on the number of speeding convictions in the City of Milwaukee,
- (c) Higher forfeiture levels for the effected speeding violations may result in an increase in the number of failure to pay forfeitures. This effect is indeterminable, as is the resulting effect on DMV workload due to the increased number of driver operating privilege suspensions resulting from the failure to pay forfeitures.
- (d) Since this estimate assumes 100% of the speeding violations in the City of Milwaukee were adjudicated in the City of Milwaukee Municipal Court, 100% of the forfeiture revenue is retained by the City of Milwaukee.

CONCLUSIONS

For purposes of estimating the CURRENT penalty revenues for these speed-related violations in the City of Milwaukee, this estimate applies the lowest forfeitures specified in the Bond Book for each of these speed-related violations, as follows:

Speeding (10 mph over the limit):

1,041 convictions in the City of Milwaukee

$1,041 * \$30 = \$31,230$ total forfeitures

$\$31,230 * 0.26 = \$8,120$ total penalty surcharge

Total forfeiture and penalty surcharge for speeding convictions = \$39,350

Speeding intermediate (11-19 mph over the limit):

8,938 Milwaukee County convictions * 63% of Milwaukee County population residing in the City of Milwaukee = 5,631 convictions in the City of Milwaukee

$5,631 * \$30 = \$168,930$ total forfeitures

$\$168,930 * 0.26 = \$43,922$ total penalty surcharge

Total forfeiture and penalty surcharge for speeding convictions = \$212,852

Speeding excess (20 mph or more over the limit):

2,084 Milwaukee County convictions * 63% of Milwaukee County population residing in the City of Milwaukee = 1,313 convictions in the City of Milwaukee

$1,313 * \$70 = \$91,910$ total forfeitures

$\$91,910 * 0.26 = \$23,897$ total penalty surcharge

Total forfeiture and penalty surcharge for speeding convictions = \$115,807

Total Forfeiture and Penalty Surcharge for these speeding violations:

$\$292,070 + \$75,939 = \$368,009$

DMV assumes a 25% non-payment rate for most traffic-related convictions:

$\$368,009 * 0.75 = \$276,757$ estimated CURRENT revenue

It is estimated the PROPOSED penalty enhancer will produce penalty revenues as follows:

Speeding (10 mph over the limit):

1,041 convictions in the City of Milwaukee

$1,041 * \$30 * 2 = \$62,460$ total forfeitures

$\$62,460 * 0.26 = \$16,240$ total penalty surcharge

Total forfeiture and penalty surcharge for speeding convictions = \$78,700

Speeding intermediate (11-19 mph over the limit):

8,938 Milwaukee County convictions * 63% of Milwaukee County population residing in the City of Milwaukee = 5,631 convictions in the City of Milwaukee

$5,631 * \$30 * 2 = \$337,860$ total forfeitures

$\$337,860 * 0.26 = \$87,844$ total penalty surcharge

Total forfeiture and penalty surcharge for speeding convictions = \$425,704

Speeding excess (20 mph or more over the limit):

2,084 Milwaukee County convictions * 63% of Milwaukee County population residing in the City of Milwaukee = 1,313 convictions in the City of Milwaukee

1,313 * \$70 * 2 = \$183,820 total forfeitures
\$183,820 * 0.26 = \$47,794 total penalty surcharge
Total forfeiture and penalty surcharge for speeding convictions = \$231,614

Total Forfeiture and Penalty Surcharge for these speeding violations:
\$584,140 + \$151,878 = \$736,018

DMV assumes a 25% non-payment rate for most traffic-related convictions:
\$736,018 * 0.75 = \$552,014 estimated CURRENT revenue

The estimated NET local revenue impacts resulting from the proposed penalty enhancer are:

Forfeitures:
\$584,140 - \$292,070 = \$292,070 * 0.75 = \$219,053 INCREASE

Penalty Surcharge:
\$151,878 - \$75,939 = \$75,939 * 0.75 = \$56,954 INCREASE

TOTAL = \$276,007

As previously stated, higher forfeiture levels for the effected speeding violations may result in an increase in the number of failure to pay forfeitures. This effect is indeterminable, as is the resulting effect on DMV workload due to the increased number of driver operating privilege suspensions resulting from the failure to pay forfeitures. An increase in the number of failure to pay forfeiture suspensions will cause an indeterminable increase in workload necessary for processing the suspension and corresponding reinstatement of the operating privilege after the suspension period is over. These additional suspensions will also cause an indeterminable increase in revenue resulting from the additional reinstatement fees collected.

Long-Range Fiscal Implications

See above.

Fiscal Estimate Worksheet - 2009 Session

Detailed Estimate of Annual Fiscal Effect

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LRB Number 09-3653/1		Introduction Number AB-0739	
Description Speed limit violations in a first class city and providing a penalty			
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			
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		\$	\$
NET CHANGE IN REVENUE		\$	\$276,007
Agency/Prepared By		Authorized Signature	
DOT/ Richard Kleist (608) 266-1449		Julie Johnson (608) 267-3703	
		Date	
		3/4/2010	