

Fiscal Estimate Narratives

DOT 10/19/2011

LRB Number	11-1742/1	Introduction Number	AB-0295	Estimate Type	Original
Description Relating to: requiring a referendum before a municipality or county may impose a local motor vehicle registration fee					

Assumptions Used in Arriving at Fiscal Estimate

BILL SUMMARY

Under current law, any city, village, or town (municipality) or county may, by ordinance, impose an annual motor vehicle registration fee on most automobiles and light-duty trucks customarily kept in the municipality or county. DOT collects this local registration fee at the time DOT collects the state registration fee and remits the local registration fee, minus administrative costs of collection, to the applicable municipality or county.

This bill requires an ordinance imposing a local registration fee (wheel tax) to be ratified by the electors at a referendum held in the municipality or county before the ordinance may take effect. The question on the referendum ballot must specify the amount of the local registration fee. If the local registration fee is approved by referendum, the amount of the local registration fee cannot be changed unless the new fee amount is adopted by ordinance and approved by referendum.

If a municipality or county has a wheel tax in effect prior to the effective date of this bill, that ordinance may remain valid and in effect only until the next general election. After the next general election, any preexisting wheel tax becomes invalid until it is ratified by referendum.

ASSUMPTIONS:

Under this proposal, the general election requirement may have an adverse effect on the future of current wheel taxes as well as the likelihood of additional wheel tax being established. However it is impossible to accurately project the outcome of future wheel tax referendums. Therefore the fiscal effect on local units of government is indeterminate.

FISCAL EFFECT

The following revenue figures for 2011 highlight the amount of local registration fees that would be subject to general election results to continue generating local revenue for transportation purposes.

Local wheel tax collections for 2011:

City of Beloit \$263,843
County of St. Croix: \$710,847
City of Milwaukee: \$6,210,344
City of Mayville: \$49,977
DOT Admin assessment: \$48,309
Total: \$7,283,320

Long-Range Fiscal Implications

See above.