



## Fiscal Estimate Narratives

DOT 2/16/2012

LRB Number 11-2744/3	Introduction Number AB-0484	Estimate Type Original
<b>Description</b> Buyer identification cards and the definition of junk vehicles		

### Assumptions Used in Arriving at Fiscal Estimate

#### PROVISIONS OF THE BILL

Under current law, a person may not purchase or bid on a motor vehicle from a motor vehicle salvage pool unless the person holds a valid Buyer Identification (BID) card issued by DOT, the person displays the BID card to the salvage pool, and the person includes the BID card number on any bid submitted to the salvage pool. A motor vehicle salvage pool sells or distributes damaged motor vehicles at wholesale, generally by auction. BID cards are available only to motor vehicle dealers, wholesalers, and salvage dealers licensed in this state or another state and to their employees. BID cards must contain the full name, business and residence address, and a brief description of the card holder, as well as the card holder's buyer identification number. The motor vehicle salvage pool may not accept a bid or complete a sales transaction unless the bidder satisfies the foregoing requirements. The motor vehicle salvage pool must also establish and maintain, in compliance with standards established by DOT, a record of each motor vehicle sold. DOT may also inspect the books and records of BID card holders, at the cost of the card holder.

This bill eliminates BID cards and all associated requirements and restrictions specific to the purchase of motor vehicles from a salvage pool.

Also under current law, a "junk vehicle" is defined as a vehicle that is incapable of highway operation and has no resale value except as a source of parts or scrap or that an insurance company has taken possession of or title to because the cost of repairing the vehicle exceeds its value.

This bill changes the definition of "junk vehicle" to mean a vehicle that has no resale value except as a source of parts or scrap and that has been designated by the owner as a source of parts or scrap.

#### FISCAL EFFECT

DMV BID card issuance:

Year # BID cards issued Total Revenue

2009 2,501 \$30,012

2010 2,499 \$29,988

2011 2,552 \$30,624

Total: 7,552 \$90,624

DOT Transportation Customer Representative (TCR) Seniors process BID card applications at an average rate of 8.5 applications per hour. An average of 2,500 applications require processing per year, resulting in 294 processing hours.

Given the yearly number of BID cards issued, this workload corresponds to an estimated 0.17 Full Time Equivalent (FTE) for a TCR Senior position. This would result in a decrease in costs estimated at \$7,626 per year (\$15.106/hour, plus DMV fringe rate of 42.77%).

BID card revenue has remained consistent over the past 3 years. Eliminating BID cards would also result in a decrease in revenues of approximately \$30,000 annually.

This bill makes the State of Wisconsin's definition of "junk vehicle" inconsistent with federal law, under 23 USC 30502, 30504, and 33110, which may prohibit this state from using the National Vehicle Motor Vehicle Title Information system established under 23 USC 30502 as part of federal anti-theft and anti-fraud protection law.

To the extent that Wisconsin's definition of "junk vehicle" is less stringent than federal law, and consequently, most other state laws, Wisconsin may see an increase in the number of motor vehicle title applications for junk vehicles that cannot be titled in other states (title washing), which would increase revenue to this state.

## **Long-Range Fiscal Implications**

## Fiscal Estimate Worksheet - 2011 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> 11-2744/3		<b>Introduction Number</b> AB-0484	
<b>Description</b> Buyer identification cards and the definition of junk vehicles			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
State Operations - Salaries and Fringes	\$	\$-7,626	
(FTE Position Changes)		(-0.2 FTE)	
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
<b>TOTAL State Costs by Category</b>	<b>\$</b>	<b>\$-7,626</b>	
<b>B. State Costs by Source of Funds</b>			
GPR			
FED			
PRO/PRS			
SEG/SEG-S		-7,626	
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)</b>			
		Increased Rev	Decreased Rev
GPR Taxes	\$		\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S (20.395(5)(CQ))			-30,000
<b>TOTAL State Revenues</b>	<b>\$</b>		<b>\$-30,000</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$-7,626	\$
NET CHANGE IN REVENUE		\$-30,000	\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
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