

Fiscal Estimate - 2011 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 11-3353/1	Introduction Number SB-432
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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

Fiscal Effect

State:

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Increase Existing Appropriations	<input type="checkbox"/> Decrease Existing Revenues	<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	5. Types of Local Government Units Affected																					
<input type="checkbox"/> Indeterminate	<table style="width: 100%;"> <tr> <td>1. <input type="checkbox"/> Increase Costs</td> <td>3. <input type="checkbox"/> Increase Revenue</td> <td><input type="checkbox"/> Towns</td> <td><input type="checkbox"/> Village</td> <td><input type="checkbox"/> Cities</td> </tr> <tr> <td><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</td> <td><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</td> <td><input type="checkbox"/> Counties</td> <td><input type="checkbox"/> Others</td> <td></td> </tr> <tr> <td>2. <input type="checkbox"/> Decrease Costs</td> <td>4. <input type="checkbox"/> Decrease Revenue</td> <td><input type="checkbox"/> School Districts</td> <td><input type="checkbox"/> WTCS Districts</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</td> <td><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</td> <td></td> <td></td> <td></td> </tr> </table>	1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	<input type="checkbox"/> Towns	<input type="checkbox"/> Village	<input type="checkbox"/> Cities	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Counties	<input type="checkbox"/> Others		2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	<input type="checkbox"/> School Districts	<input type="checkbox"/> WTCS Districts		<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory				
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<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory																					

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	

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Fiscal Estimate Narratives

DOT 2/22/2012

LRB Number	11-3353/1	Introduction Number	SB-432	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 registration plate for most motor vehicles. DOT currently issues two plates for most motor vehicles. The bill requires a transfer of \$878,200 from the transportation fund to the general fund. Because this funding affects an appropriation in the second fiscal year of the fiscal biennium, this results in a permanent decrease to the transportation fund. Further, DOT assumes that the annual sum transferred from the transportation fund will be \$878,200.

Based upon 2011 plate issuance, the Department estimates a savings of \$347,178 in license plate production costs under this proposal. This estimate does not take into account any projected increase or decrease in license plate volume in future years, and does not take into account any eventual increases in license plate production costs. This estimate does reflect a 19.5% decrease in license plate issuance since 2008, the last time single plate issuance was analyzed. While total production costs will decrease, the reduced volume of plates will result in an increase in per unit production costs for the required aluminum and sheeting.

USPS postage rates will soon be increasing. Postage discounts are attained, in part, when 10 pounds of license plate mailings can be directed to a specific zip code. Currently, 22 sets of plates are required to reach this threshold. Under the proposal, it will take 44 single plates to attain the cheaper postage rate. It is projected that fewer plates will be able to be grouped together to attain the lower postage rate without creating unacceptable delays in customers receiving their products. As a result of fewer plates eligible for the lowest bulk postage rate, the Department estimates a 10 cent reduction in per unit mailing costs by going to single plate issuance. 775,861 plates were delivered to customers in 2011. Approximately 40% of all plates issued are mailed from Hill Farms State Office Building, with the remaining delivered over the counter from customer service centers and third party agents. The net reduction in postage costs is estimated to be \$31,034.

Under the proposal, the Department estimates a total savings of \$378,212 per year. The proposal would result in a reduction in the Department's appropriation of \$878,200, leaving an estimated shortfall of almost \$500,000 annually to the transportation fund.

Long-Range Fiscal Implications

See above.

Fiscal Estimate Worksheet - 2011 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		-378,212
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$878,200		\$-378,212
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S (20.395(5)cq)	878,200		-378,212
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues		\$	\$
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$499,988	\$
NET CHANGE IN REVENUE		\$	\$
Agency/Prepared By		Authorized Signature	Date
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