

Fiscal Estimate - 2013 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 13-1985/1	Introduction Number SB-204
Description Single registration plate for motor vehicles registered with the Department of Transportation	
Fiscal Effect	
State: <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input checked="" type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input checked="" type="checkbox"/> Decrease Costs	
Local: <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 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	
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 DOT/ Reed McGinn (608) 266-7857	Authorized Signature Stephanie LaSage (608) 267-3703
Date 6/11/2013	

Fiscal Estimate Narratives

DOT 6/11/2013

LRB Number	13-1985/1	Introduction Number	SB-204	Estimate Type	Original
Description Single registration plate for motor vehicles registered with the Department of Transportation					

Assumptions Used in Arriving at Fiscal Estimate

PROVISIONS OF THE BILL

This bill directs the Department to issue only one registration plate for most motor vehicles to be mounted on the rear of the vehicle. The owner of any vehicle for which two registration plates were issued before the effective date of this bill may remove and destroy one registration plate from the vehicle, but is not required to do so until the Department issues a new license plate. The plate removed may not be the plate displaying registration decals.

FISCAL EFFECT

The cost for the production of each two-plate set is based upon the Department's current contract with Badger State Industries (BSI). Estimates of cost savings switching to single-plate production were provided by BSI, but may be affected by future contract negotiations.

Based on calendar year 2012 plate issuance, the Department estimates a savings of \$699,700 in annual license plate production. 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. 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.

The estimated postage savings is \$96,100. This includes postage paid to ship plates through DMV's vendor (UMS) and from Hill Farms. The estimated postage savings from using the vendor is based on the average difference between the actual costs for mailing one plate versus two plates multiplied by the number of double plates mailed. The average savings was \$.615 and number of double plates mailed was 148,797 for a total savings amount of around \$91,500. The estimated postage savings on plates shipped from DOT came to \$4,600.

If DMV issues only single plates, there would be a drop in the amount collected for issuing replacement and duplicate plates of approximately \$62,700. Currently, the fee is \$2 for replacing each plate and \$5 or \$6 for special plates (per 341.16 Wis. Stats.). Replacement and duplicate plates are treated the same. DMV estimates that half the replacements/duplicates issued are for both plates. In fiscal year 2012, DMV collected \$118,000 in fees for issuing replacements and \$7,400 for issuing duplicates so the revenue loss is estimated to be half of the total or \$62,700.

Using calendar year 2012 numbers, the manufacturing and postage savings would be \$795,800. However, with the loss of revenue in issuing replacement/duplicate fees of \$62,700, the total overall savings to DMV would be an estimated \$733,100.

Long-Range Fiscal Implications

Future savings to the Department would be affected by any increase or decrease in license plate production as well as any changes to license plate production or material cost. Cost savings would also be impacted by future contract negotiations with BSI.

Fiscal Estimate Worksheet - 2013 Session

Detailed Estimate of Annual Fiscal Effect

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Description Single registration plate for motor vehicles registered with the Department of Transportation			
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			-795,800
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$		\$-795,800
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S (20.395(5)(cq))			-795,800
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 (20.395(5)(cq))			-62,700
TOTAL State Revenues	\$		\$-62,700
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$-795,800	\$
NET CHANGE IN REVENUE		\$-62,700	\$
Agency/Prepared By		Authorized Signature	Date
DOT/ Reed McGinn (608) 266-7857		Stephanie LaSage (608) 267-3703	6/11/2013