Fiscal Estimate - 2015 Session

☑ Original ☐ Updated	Corrected Su	ıpplemental				
LRB Number 15-4257/1	Introduction Number SB	3-534				
Description Self-insurance by religious sects for purposes of motor vehicle financial responsibility and liability insurance requirements						
Fiscal Effect						
Appropriations Reve	ease Existing enues ease Existing enues Decrease Costs - to absorb within Yes Decrease Costs	agency's budget				
Local: No Local Government Costs Indeterminate 1. Increase Costs Permissive Mandatory 2. Decrease Costs Permissive Mandatory Districts 5. Types of Local Government Units Affected Towns Counties Others School Districts Districts						
Fund Sources Affected Affected Ch. 20 Appropriations						
GPR FED PRO PRS SEG SEGS 20.395(5)(cq)						
Agency/Prepared By	Authorized Signature	Date _.				
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Fiscal Estimate Narratives DOT 1/14/2016

LRB Number	15-4257/1	Introduction Number	SB-534	Estimate Type	Original	
Description Self-insurance by religious sects for purposes of motor vehicle financial responsibility and liability						
insurance requirements						

Assumptions Used in Arriving at Fiscal Estimate

Under current law, subject to certain exceptions, a person cannot operate a vehicle in Wisconsin unless the vehicle owner or operator has in effect a motor vehicle liability insurance policy for the vehicle that provides the minimum required coverage. One of the existing exceptions is for a vehicle owned by a self-insurer possessing a certificate of self-insurance issued by DOT's Division of Motor Vehicles (DMV).

Current law also provides that a person, who owns a fleet of more than 25 motor vehicles registered in the person's name, may qualify as a self-insurer. Upon application, DMV may issue a certificate of self-insurance to the person, if the DMV is satisfied that the person currently possesses, and will continue possessing, the ability to pay judgments obtained against the person.

Under this bill, a religious sect, the members of which have collectively registered with DOT more than 25 vehicles, may also qualify as a self-insurer. Upon application, DMV may issue a certificate of self-insurance to a religious sect, the members of which have a long-standing history of providing mutual financial assistance in a time of need, if the DMV is satisfied that the religious sect currently possesses, and will continue possessing, the ability to pay judgments obtained against the religious sect. The bill provides a religious sect the same exception that currently applies to a fleet owner, if the religious sect was issued a certificate of self-insurance by DMV, which can be used in lieu of vehicle liability insurance to satisfy proof of financial responsibility and mandatory vehicle liability insurance requirements.

In order to implement the exception prescribed in the bill for a religious sect, DMV would be required to maintain proof that the religious sect qualifies for the certificate of self-insurance (maintaining more than 25 vehicles registered collectively by its members). After issuance of the certificate, DMV will need to monitor the number of vehicles currently registered (unexpired stickers) by members of the religious sect, in order to be able to cancel the certificate of self-insurance if the number of vehicles collectively registered by members of the religious sect were to drop below 26.

For the purposes of this fiscal estimate, the Department assumes there are 150 religious sects in Wisconsin, each having more than 25 vehicles registered collectively by their respective members, that would qualify for the issuance of a certificate of self-insurance. Based on this assumption, the Department estimates that this bill will result in additional administrative costs of less than 0.15 FTE per year.

Long-Range Fiscal Implications

Ongoing administrative costs of less than 0.15 FTE per year.