

Fiscal Estimate - 2017 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 17-1864/1	Introduction Number SB-039
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Description
 self-insurance by religious sects for purposes of motor vehicle financial responsibility and liability insurance requirements

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate
 Increase Existing Appropriations
 Increase Existing Revenues
 Decrease Existing Appropriations
 Decrease Existing Revenues
 Create New Appropriations

Increase Costs - May be possible to absorb within agency's budget
 Yes No
 Decrease Costs

Local:

No Local Government Costs
 Indeterminate

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
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Fund Sources Affected	Affected Ch. 20 Appropriations
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

Agency/Prepared By DOT/ Robert Combs (608) 266-1449	Authorized Signature Jennifer Peters (608) 267-6979	Date 3/3/2017
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Fiscal Estimate Narratives
DOT 3/3/2017

LRB Number	17-1864/1	Introduction Number	SB-039	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

Currently an individual who has 26 or more vehicles registered in Wisconsin, and proof of enough financial assets to satisfy prospective future liability claims following a crash, may qualify as a self-insurer by obtaining a certificate of self-insurance issued by the department. There are currently 9 companies that utilize these self-insurance certificates.

This bill permits a religious sect to also qualify as a self-insurer if:

- a) its members collectively have 26 or more vehicles registered with the department.
- b) the Secretary “determines that the members of the religious sect have a history of not less than 25 years of mutual financial assistance in time of need to the extent that they share in financial obligations of other members who would otherwise be unable to meet their obligations.”
- c) the religious sect applies for a self-insurance certificate within one year of the effective date of the created language.

This would expand an existing program to include qualifying religious sects. The bill does not define “religious sects”. The common definition is a subdivision of a larger religious group, for example, Baptists and Lutherans are religious sects of Christianity. DMV does not know how many religious sects would qualify for this program, who would be authorized to act on its behalf or how members would be identified.

Currently DMV collects from an applicant, for a self-insurance certificate, a list of vehicles and financial proof that the applicant has and will continue to have the financial ability to pay judgments arising out of motor vehicle accidents.

To implement this bill, DMV would need a list of the vehicles registered by members of the religious sect to prove that the sect meets the 26 vehicle threshold, and financial documentation to prove that the sect has that fiscal ability. The minimum amount needed to cover 26 vehicles would be approximately \$306,000. It is assumed that the financial proof that the sect would be supplying would include personal checking and savings account bank statements and whatever applicable statements the religious sect may retain. It is feasible that more challenging documentation, such as federal/state tax filings or hand-written ledgers, could be submitted which would increase processing times.

The result of this implementation would be DMV holding annual lists of members of these religious sets covered by the certificate of self-insurance, including their associated vehicle registrations, in addition to copies of the religious sect’s financial documents. This would be a significant change for DMV, as we do not currently retain any religious affiliation information on our customers.

Currently the self-insurance certificates are only valid for one year, and this bill only provides a one-year window of opportunity to apply. With this one-year restriction in place, a religious sect applying for a self-insurance certificate would not be able to apply for a following certificate one year later, leaving them without a self-insurance certificate for the foreseeable future.

Assuming there are 200 qualifying sects in Wisconsin intent on acquiring these certificates, each with 26 members owning one vehicle apiece, the FTE required to issue the certificates would be less than 0.15 FTE per year. An increased number of applicants or any further complexities would increase FTE requirements.

Long-Range Fiscal Implications

None

Fiscal Estimate Worksheet - 2017 Session

Detailed Estimate of Annual Fiscal Effect

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Description self-insurance by religious sects for purposes of motor vehicle financial responsibility and liability insurance requirements		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): None.		
II. Annualized Costs:		
Annualized Fiscal Impact on funds from:		
	Increased Costs	Decreased Costs
A. State Costs by Category		
State Operations - Salaries and Fringes	\$0	\$0
(FTE Position Changes)	(0.0 FTE)	(-0.0 FTE)
State Operations - Other Costs	0	0
Local Assistance	0	0
Aids to Individuals or Organizations	0	0
TOTAL State Costs by Category	\$0	\$0
B. State Costs by Source of Funds		
GPR	0	0
FED	0	0
PRO/PRS	0	0
SEG/SEG-S	0	0
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	\$0	\$0
GPR Earned	0	0
FED	0	0
PRO/PRS	0	0
SEG/SEG-S	0	0
TOTAL State Revenues	\$0	\$0
NET ANNUALIZED FISCAL IMPACT		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$0	\$
NET CHANGE IN REVENUE	\$0	\$
Agency/Prepared By		
Authorized Signature		
Date		
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