

Fiscal Estimate - 2021 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 21-4186/1	Introduction Number SB-658
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Description
 motor vehicle dealer and wholesaler facilities and licensure requirements, certain registration plates issued to motor vehicle dealers, distributors, or manufacturers, and creating and modifying administrative rules

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 checked="" type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Decrease Costs
<input 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		
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 <u>0</u>
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 type="checkbox"/> SEG <input type="checkbox"/> SEGS	

Agency/Prepared By DOT/ John Gilchrist (608) 266-7135	Authorized Signature Joan Meier (608) 267-6978	Date 11/18/2021
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Fiscal Estimate Narratives

DOT 11/18/2021

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Description motor vehicle dealer and wholesaler facilities and licensure requirements, certain registration plates issued to motor vehicle dealers, distributors, or manufacturers, and creating and modifying administrative rules					

Assumptions Used in Arriving at Fiscal Estimate

This bill would change the requirements for wholesaler dealer licensing by altering requirements for dealer facilities, record keeping, and hours open to the public. As of October 28, 2021, there are 1,241 wholesale dealers who share 4 buildings. Under the proposed bill, all but 20 would have to relocate to other locations within 6 months or their license could be denied or suspended until they expire, go out of business, or comply.

The Department receives \$40 for the 2-year wholesaler license and \$150 for dealer plates from each wholesaler upon renewal. This revenue is deposited into the Transportation Fund. If the bill became law, it could result in fewer wholesaler licenses being issued by the Department. Below reflects the estimated fiscal impact to the Department biennially if a percentage of the licensed wholesalers left the market:

1,241 wholesale dealers x 20% x \$190 = \$47,158.00 (biennially)

1,241 wholesale dealers x 50% x \$190 = \$117,895.00 (biennially)

Long-Range Fiscal Implications

This bill could have a wide-ranging effect resulting in an estimated revenue reduction of \$23,579 to \$58,948 annually for 1-3 years as the market adjusts to the new standards.

Fiscal Estimate Worksheet - 2021 Session

Detailed Estimate of Annual Fiscal Effect

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Description motor vehicle dealer and wholesaler facilities and licensure requirements, certain registration plates issued to motor vehicle dealers, distributors, or manufacturers, and creating and modifying administrative rules			
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			
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$	\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S			
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			-23,579
TOTAL State Revenues		\$	\$-23,579
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$-23,579	\$
Agency/Prepared By		Authorized Signature	Date
DOT/ John Gilchrist (608) 266-7135		Joan Meier (608) 267-6978	11/18/2021