

Fiscal Estimate - 2023 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 23-5668/1	Introduction Number AB-1041
Description special registration plates with white lettering on a black background	
Fiscal Effect	
State: <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input checked="" type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input 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 5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
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) and Transportation Fund	
Agency/Prepared By DOT/ John Gilchrist (608) 266-7135	Authorized Signature Christina Olson (608) 266-8810
Date 2/15/2024	

Fiscal Estimate Narratives

DOT 2/15/2024

LRB Number	23-5668/1	Introduction Number	AB-1041	Estimate Type	Original
Description special registration plates with white lettering on a black background					

Assumptions Used in Arriving at Fiscal Estimate

This bill establishes a special group plate for persons wishing to have registration plates with white lettering on a black background displaying the word "Wisconsin" and the registration number assigned to the vehicle. Special group members are required to make a voluntary annual payment of \$25 to be issued the special plates.

Under the bill, DOT retains \$23,700, or the actual initial costs of production, whichever is less, from the voluntary payments for the initial costs of production of the special plates. The remainder of the voluntary payment amounts are deposited in the transportation fund.

Assuming the plate design follows WisDOT's standard special group plate design, the estimated development cost to DMV is \$9,000, which includes approximately \$8,300 for data processing system modifications, and \$700 for graphic design. This cost is incurred before any plates are sold, and regardless of how many plates are sold. Additional one-time costs can be incurred by the Department for special group plates with eligibility requirements or multiple decals.

The bill in its current form does not include an increase to the Department of Transportation-Division of Motor Vehicles' expenditure authority. The bill creates a \$25 annual payment for the plates, but the generated revenue would be directed to the Transportation Fund while the expenditures would be incurred by the Division of Motor Vehicles' operating appropriation. DMV's appropriated funding is unable to absorb these expected costs.

In Iowa a similar plate is produced and issued by the request of Iowa vehicle owners. Demand there was approximately 160,000 new plates annually. When adjusted for Wisconsin's larger vehicle fleet, it is estimated that demand for the new plates will be approximately 235,000 sets annually, generating \$5,875,000 in revenue for the Transportation Fund. It is estimated that currently the production and issuance of a set of these plates will cost \$14.35. Including anticipated future increases in production and postage between now and production of the plates, the price of a set of plates is estimated to be \$16.00 at the time of initial issuance approximately nine months after this bill's passage. Therefore, the Division of Motor Vehicles' expenditure authority in appropriation s. 20.395 (5)(cq) would need to be increased by \$3,760,000 annually to handle the new expenses for production and issuance.

Based on Iowa's experience, it is estimated that in three years that the number of these special plates on the road will be approximately 700,000 generating \$17,500,000 in annual revenue for the Transportation Fund.

Long-Range Fiscal Implications

The bill establishes a special group plate resulting in increased expenditures and revenues. As written, the bill does not include an increase to the Department of Transportation-Division of Motor Vehicles' expenditure authority. The Division of Motor Vehicles' expenditure authority in appropriation 563 would need to be increased by \$3,760,000 annually to handle the new expenses for production and issuance. It is estimated that in three years that the number of these new plates on the road will be approximately 700,000 generating \$17,500,000 in annual revenue for the Transportation Fund.

Fiscal Estimate Worksheet - 2023 Session

Detailed Estimate of Annual Fiscal Effect

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LRB Number 23-5668/1	Introduction Number AB-1041	
Description special registration plates with white lettering on a black background		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):		
Assuming the plate design follows the Department's standard special group plate design, the estimated development cost to DMV is \$9,000, which includes approximately \$8,300 for data processing system modifications, and \$700 for graphic design.		
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	3,760,000	
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$3,760,000	\$
B. State Costs by Source of Funds		
GPR		
FED		
PRO/PRS		
SEG/SEG-S (20.395(5)(cq))	3,760,000	
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 (Transportation)	5,875,000	
TOTAL State Revenues	\$5,875,000	\$
NET ANNUALIZED FISCAL IMPACT		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$3,760,000	\$
NET CHANGE IN REVENUE	\$5,875,000	\$
Agency/Prepared By Authorized Signature Date		
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