

Fiscal Estimate - 2025 Session

Original Updated Corrected Supplemental

LRB Number **25-1356/1** Introduction Number **SB-0009**

Description
special registration plates with white lettering on a black background

Fiscal Effect

State:

No State Fiscal Effect
 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:

No Local Government Costs
 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**

GPR FED PRO PRS SEG SEGS Transportation Fund

Agency/Prepared By	Authorized Signature	Date
DOT/ John Gilchrist (608) 266-7135	Bruce Rheineck (608) 266-5164	3/6/2025

Fiscal Estimate Narratives

DOT 3/6/2025

LRB Number	25-1356/1	Introduction Number	SB-0009	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 will pay a standard one-time \$15 issuance fee and are required to make a voluntary annual payment of \$25 to be issued the special plates, which is to be deposited in the Transportation Fund.

Per the Legislative Reference Bureau's analysis of the bill, \$23,700 or the initial costs of production, whichever is less, is retained by the Department. However, the bill does not appropriate that funding to the Department. In addition, Section 1 of the bill states that all moneys received in excess of \$23,700 or the actual initial costs of production are to be deposited in the Transportation Fund. This would leave the \$23,700 or actual cost, whichever is less, in limbo.

Assuming the plate design follows the Department's standard special group plate design, the estimated development cost to the DMV is \$9,000. Cost 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.

In Iowa a similar plate is produced and issued at the request of Iowa vehicle owners. Demand there was approximately 160,000 new plates annually. When adjusted for Wisconsin's larger fleet during the first few complete calendars years of issuance, it is estimated that demand for the new plates will be approximately 215,000 sets annually, generating \$3,225,000 from the one-time \$15 issuance fee and \$5,375,000 from the annual \$25 fee.

The Department anticipates it will take nine months to fully implement the bill and a set of these plates will cost \$16.00 for each initial issuance making the estimated annual cost of issuance \$3,440,000. The DMV funding appropriation cannot absorb these additional costs and this bill will exceed existing expenditure authority in appropriation s. 20.395 (5)(cq) by \$3,440,000 annually to handle the new expenses for production and issuance.

Based on Iowa's experience, it is estimated that in three years the number of these special plates on the road will be approximately 570,445 generating \$14,261,100 in annual revenue for the Transportation Fund from the annual \$25 fee.

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 s. 20.395 (5)(cq) will be exceeded by \$3,440,000 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 570,445 generating \$14,261,100 in annual revenue from the \$25 fee for the Transportation Fund.

Fiscal Estimate Worksheet - 2025 Session

Detailed Estimate of Annual Fiscal Effect

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 Updated
 Corrected
 Supplemental

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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 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.		
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	3,440,000	
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$3,440,000	\$
B. State Costs by Source of Funds		
GPR		
FED		
PRO/PRS		
SEG/SEG-S (20.395(5)(cq))	3,440,000	
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)	8,600,000	
TOTAL State Revenues	\$8,600,000	\$
NET ANNUALIZED FISCAL IMPACT		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$3,440,000	\$
NET CHANGE IN REVENUE	\$8,600,000	\$
Agency/Prepared By		
Authorized Signature		Date
DOT/ John Gilchrist (608) 266-7135		Bruce Rheineck (608) 266-5164
		3/6/2025