



## Legislative Fiscal Bureau

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October 19, 2005

TO: Members  
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Assembly Bill 202: Military Group Plates

Assembly Bill 202 was introduced on March 14, 2005, and referred to the Committee on Transportation. On May 19, 2005, that Committee adopted Assembly Amendment 1 to the bill on a vote of 12 to 2 and recommended the bill for passage, as amended on a vote of 14 to 0. On June 28, 2005, the bill was referred to the Joint Committee on Finance.

### **BACKGROUND**

Under current law, DOT is required to issue special group license plates, upon request, to members of certain authorized groups that are designated by statute. Applicants for special license plates must pay a fee of \$15 upon issuance or reissuance of the plates, which is in addition to the regular registration fee. Revenue from the issuance fee is deposited in the transportation fund. Certain special group plates, such as the endangered resources plate, the celebrate children plate, and the Green Bay Packers plate, also require the owner to pay an additional, annual fee, which generates revenue for specified purposes.

Special group plates may be issued for the following vehicle types: (a) automobiles (a classification that includes passenger vans and SUVs); (b) motor trucks, dual purpose motor homes, or dual purpose farm trucks that are 8,000 pounds or less; or (c) farm trucks that are 12,000 pounds or less. There are currently over 60 authorized groups listed in the statutes, including, for example, several veteran and other military group plates, University of Wisconsin campus plates, and firefighter and EMT plates.

Under current law there is also established a procedure for creating other special group plates, upon application, by a group that is not listed in the statutes. Under this procedure, an

organization that meets certain statutory qualifications may apply for the creation of a special plate for the organization. The group application fee under this procedure is \$15,000, while individual members of the group who apply for a plate must also pay an issuance fee of \$15. Upon creation of the plate, DOT refunds an amount to the group equal to the number of plates issued times \$15, up to a maximum refund of \$12,000. Revenue from the group application and individual issuance fees is deposited in a program revenue appropriation, from which design and issuance costs and refund amounts are paid. The statutory provision establishing this procedure specifies that no special group plates may be created after October 1, 1998, other than through this procedure, although several exceptions have been made to this prohibition for special plates created after that date. There have been two plates created under this procedure, the Freemason plate and the Lao Veteran plate.

## **SUMMARY OF BILL**

Assembly Bill 202 would create new special license plates for the following groups: (a) U.S. Military Academy; (b) U.S. Naval Academy; (c) U.S. Air Force Academy; (d) Civil Air Patrol; (e) U.S. Coast Guard Academy; and (f) U.S. Merchant Marine Academy. The bill would create an exception for these plates from the provision that prohibits new special group plates from being created after October 1, 1998, except for under the procedure whereby groups apply for a special group plate.

The bill would deposit the first \$10,200 generated from the \$15 issuance fee for the new plates in DOT's PR appropriation for paying the cost of special group plates under the group application procedure.

## **SUMMARY OF ASSEMBLY AMENDMENT 1**

Assembly Amendment 1 to AB 202 would eliminate the provision of the bill that would deposit the first \$10,200 generated from issuance fees in DOT's PR appropriation for the group plate procedure. Instead, the amendment would provide \$18,200 SEG in the appropriation for the Division of Motor Vehicles in the fiscal year that the bill is enacted. The funds would be provided for computer modifications and license plate processing costs associated with the additional plates. If the bill is enacted in 2006-07, the amendment would require DOT to make an adjustment, in its 2007-09 biennial budget request, to the appropriation for the Division of Motor Vehicles, to remove this funding from the appropriation base for the purposes of the 2007-09 budget process.

Assembly Amendment 1 would also clarify that the special groups for which the new plates are authorized are to be issued to "students or alumni" of the respective service academies and "members" of the Civil Air Patrol.

## **FISCAL EFFECT**

The Department's fiscal estimate for AB 202 assumes that 500 plates would be issued for the new authorized groups in the first year. Of this amount, 400 are for the Civil Air Patrol and 100 are for the service academies. The Department's one-time computer programming costs associated with creating the new plate types is estimated at \$10,200, while the cost of manufacturing and issuing the plates in the first year is estimated at \$8,000 (\$16 per plate set issued). Assembly Amendment 1 to AB 202 would provide funding of \$18,200 SEG to pay these costs. It is estimated that the issuance fees for the additional plates would generate \$7,500 in the first year. Consequently, the net effect on the transportation fund balance is an estimated reduction of \$10,700.

The Department estimates that ongoing demand for the new plates would be between 20 and 25 per year, which would cost about \$320 to \$400 per year for plate manufacture and issuance (a cost that the Department indicates could be absorbed) and would generate about \$300 to \$375 in transportation fund revenue annually.

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