



Legislative Fiscal Bureau

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June 24, 2008

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Transportation: Section 13.10 Request for Approval of Reciprocal Motor Vehicle Registration Agreements with the Red Cliff and Lac Courte Oreilles bands of the Lake Superior Tribe of Chippewa Indians of Wisconsin -- Agenda Item IX

REQUEST

The Department of Transportation requests approval of reciprocal motor vehicle registration agreements under s. 341.409 of the statutes with the Red Cliff and Lac Courte Oreilles bands of the Lake Superior Tribe of Chippewa Indians of Wisconsin.

BACKGROUND

In 1979, citing tribal authority under federal law, the Menominee Indian Tribe began issuing its own license plates to tribal members. A few years later, the State Legislature passed a law officially recognizing Indian tribes' authority to enforce their own registration requirements and authorized the Secretary of the Department of Transportation, with the approval of the Joint Committee on Finance, to enter into reciprocal motor vehicle registration agreements with federally-recognized tribes and bands. Such agreements allow designated classes of vehicles registered with the Indian tribe or band to travel outside of the reservation and within Wisconsin without being registered with the State of Wisconsin. Likewise, similar classes of vehicles registered with the state could travel on the Indian reservation without having to register with the governing Indian tribe or band.

Currently, four of the eleven federally-recognized tribes or bands in Wisconsin have entered into reciprocal registration agreements: the Menominee Indian Tribe, the Lac du Flambeau Band of the Lake Superior Tribe of Chippewa Indians, the Oneida Tribe of Indians, and the Bad River Band of the Lake Superior Tribe of Chippewa Indians). Although the Department does not maintain

records on the number of vehicles registered by Indian tribes and bands with reciprocal registration agreements, it is believed that the total number of vehicles is less than 10,000.

ANALYSIS

The proposed agreements between the state and the Red Cliff and Lac Courte Oreilles bands are nearly identical to the existing reciprocal registration agreements. As with the other agreements, there will be a reduction in transportation fund revenue when the bands begin issuing registration plates, since vehicles displaying those plates will no longer register with the state. According to information provided to the Department by the Red Cliff Band, it is estimated that approximately 320 Red Cliff Band plates will be issued for various types of vehicles, with an associated annual transportation fund revenue loss of \$26,100. According to the Lac Courte Oreilles Band, as many as 3,670 vehicles could be subject to registration with the Lac Courte Oreilles Band, although it is unknown how many vehicle owners would choose to do so. If all those vehicles would choose to register with the Band, it is estimated that annual transportation fund revenues could be reduced by as much as \$300,000. The actual number would likely be somewhat less since registration with the Band is voluntary and not all eligible members would participate. The revenue losses would occur once the Bands begin issuing plates, which has typically taken two to three years after the approval of such agreements.

CONCLUSION

Since the state has reciprocal registration agreements with the Menominee Tribe, the Oneida Tribe, and the Lac du Flambeau and Bad River bands of the Lake Superior Tribe of Chippewa Indians, the Committee's approval of this request would provide similar consideration to the Red Cliff and Lac Courte Oreilles bands of the Lake Superior Tribe of Chippewa Indians.

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