



Legislative Fiscal Bureau

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June 6, 2023

Joint Committee on Finance

Paper #793

Identification Sticker for Electric Vehicles (Transportation -- Motor Vehicles)

[LFB 2023-25 Budget Summary: Page 651, #6]

CURRENT LAW

Wisconsin residents are required to register their vehicles with Division of Motor Vehicles (DMV), in most cases on an annual basis. Registrants are required to pay a registration fee based on the type of vehicle they are registering, such as the \$85 annual registration fee for automobiles. Current law then requires DMV to issue an insert tag, decal, or other evidence that indicates the period of registration. Currently, DMV issues stickers that are required to be placed on either the front or rear registration plate of the vehicle, depending on the type of vehicle. Residents are also required to pay additional annual registration fees of \$100 for electric vehicles (vehicles that are propelled solely by electrical energy and not capable of using gasoline, diesel fuel, or alternative fuel) and \$75 for hybrid electric vehicles (vehicles that are capable of using both electricity and gasoline, diesel fuel, or alternative fuel).

DISCUSSION POINTS

1. Assembly Bill 43/Senate Bill 70 would require all electric and hybrid electric vehicles in the state to bear an additional decal issued by the Department of Transportation (DOT) to indicate that the vehicle is an electric vehicle, which would be required to be displayed on both the vehicle's front and rear license plates. The Department indicates that the stickers are needed to assist first responders to identify whether a vehicle is electric or powered by an internal combustion engine in order to utilize appropriate emergency response techniques. The stickers would be issued on a one-time basis upon the initial registration of an electric vehicle following passage of the bill, and be included in postage that is already mailed to customers containing their annual registration stickers.

2. A 2013 report published by the National Fire Protection Alliance for the U.S.

Department of Energy on emergency response to incidents involving electric vehicles (EVs) discusses how EVs involved in collision and fire incidents may present unique hazards due to their high voltage battery systems. For example, the report summarizes research indicating that EV fires are less likely to include explosions than internal combustion vehicles, but may burn more intensely due to the chemical composition of EV batteries. A 2020 report from the National Transportation Safety Board also indicates that EV incidents may include heightened risks related to electric shocks. Accordingly, federal agencies such as the National Transportation Safety Board and Federal Emergency Management Agency have worked to disseminate information on appropriate response procedures to EV incidents, and encourage law enforcement agencies to adopt procedures for EV incident response.

3. The bill would provide the Department with expenditure authority of \$10,000 in 2023-24 and \$6,000 in 2024-25 under its DMV general operations appropriation, which would be used to cover any costs associated with issuing the stickers. It would also would introduce a registration fee of \$1, which would be paid upon the one-time issuance of the EV stickers. The Department estimates that sticker revenues would be \$11,000 in 2023-24 and \$8,000 in 2024-25, which are in excess of the costs of issuing the stickers. This overage may be useful in future years if costs related to postage, materials, and other inputs increase. Costs and revenues are anticipated to be higher in 2023-24, as the existing fleet of electric and hybrid electric vehicles in the state would all be issued registration stickers in the first year of the biennium. Further, the number of stickers issued would likely increase in future biennia, as the number of electric and hybrid electric vehicles sold in the state is projected to increase over time. [Alternative 1]

4. The Committee could also choose to include the requirements for the Department to issue EV stickers, but not include the \$1 one-time fee for issuing stickers. This would reduce costs for residents that own electric and hybrid electric vehicles, but would result in the Department not being able to recover the costs of issuing the stickers. [Alternative 2]

5. The Committee could also choose to approve the EV stickers, while not providing either the one-time \$1 fee or the \$16,000 SEG. The Department would not be able to recoup the cost of the stickers, and would have to fund the costs of issuing stickers from its existing base of DMV expenditure authority. This would mean DMV would have to reduce expenditure authority provided for other DMV purposes in order to fund the production and issuance of stickers. [Alternative 3]

6. If the Committee has concerns regarding the need for EV stickers, it could choose not to approve the recommendation. [Alternative 4]

ALTERNATIVES

1. Provide \$10,000 in 2023-24 and \$6,000 in 2024-25 to the Division of Motor Vehicles general operations appropriation to issue identification stickers for electric and hybrid electric vehicles. Require that DOT issue a decal for each hybrid and hybrid electric vehicle in the state that identifies the vehicle as electric. Require that the decals must be displayed on the front and rear registration plates of the vehicle, and establish a one-time registration fee of \$1 for issuance of the decals. Estimate revenues to the transportation fund from the decal fee of \$11,000 in 2023-24 and \$8,000 in 2024-25.

ALT 1	Change to Base
SEG	\$16,000
SEG-REV	\$19,000

2. Provide \$10,000 in 2023-24 and \$6,000 in 2024-25 to the Division of Motor Vehicles general operations appropriation to issue identification stickers for electric and hybrid electric vehicles, but delete the recommended one-time registration fee of \$1 for issuance of the decals. Require that DOT issue a decal for each hybrid and hybrid electric vehicle in the state that identifies the vehicle as electric. Require that the decals must be displayed on the front and rear registration plates of the vehicle.

ALT 2	Change to Base
SEG	\$16,000

3. Require that DOT issue a decal for each hybrid and hybrid electric vehicle in the state that identifies the vehicle as electric, and require that the decals must be displayed on the front and rear registration plates of the vehicle, but do not provide DOT with additional expenditure authority to cover the costs of issuing stickers, and delete the recommended one-time registration fee of \$1 for issuance of the decals.

4. Take no action.

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