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FISCAL IMPACT REPORT

ORIGINAL DATE 01/31/12
LAST UPDATED _____ **HB** 178

SPONSOR Herrell

SHORT TITLE Vehicle Registration Contribution to Veterans **SB** _____

ANALYST Smith

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY12	FY13	FY14		
	NFI			

(Parenthesis () Indicate Revenue Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY12	FY13	FY14	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	7.0	13.0		20.0	Nonrecurring	Taxation and Revenue Department

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

SUMMARY

Synopsis of Bill

HB-178 adds a new section to the Motor Vehicle Code to provide for a new option on the vehicle registration form to donate one dollar or five dollars to the Veterans' Enterprise Fund.

Effective Date: January 1, 2013.

ADMINISTRATIVE IMPLICATIONS

TRD reports that vehicle registration form would have to be modified to add the election, and to capture a new field. A capture process would have to be developed and would have to identify which option was selected. WAUSAU Financial Systems personnel would be required to revise and test the WAUSAU capture system at a cost of \$480 per hour – an estimated expense of

\$5,760 for 12 hours.

This bill has low impact on the distribution process, but TRD's Financial Distributions Bureau (FDB) would participate with MVD in the design, evaluation, processing and reporting changes that would be required. Once programming and reporting changes are made to MVRO by IT, FDB staff will need to verify the changes by performing selected tests of data and functionality, prior to authorizing IT to move changes into production. Programming and reporting changes and testing would need to be completed by December 31, 2012. FDB would need to obtain the accounting stream from the Department of Veteran's Services in order to distribute the contribution fee to the Veteran's Enterprise Fund. Within the state's central accounting system (SHARE) new subaccounts would need to be created by FDB staff to account for this voluntary contribution and its distribution. FDB will need to modify the operating transfer order template to distribute the voluntary contribution on a monthly basis to the Veteran's Enterprise Fund.

Implementation of this bill will have a moderate impact on ITD. The following programs will have to be modified:

MVD Billing Print Program (60 hrs).

Modify MVD Mainframe Batch applications (160 hrs) to accept the new file format.

Modify MVRO Financial System (20 hrs) to recognize, accept and distribute the new fees.

User Acceptance Testing (40 hrs) - Total Hours: 280*

280 hours at \$50/hour = \$14,000

OTHER SUBSTANTIVE ISSUES

Does the bill meet the Legislative Finance Committee tax policy principles?

- 1. Adequacy:** Revenue should be adequate to fund needed government services.
- 2. Efficiency:** Tax base should be as broad as possible and avoid excess reliance on one tax.
- 3. Equity:** Different taxpayers should be treated fairly.
- 4. Simplicity:** Collection should be simple and easily understood.
- 5. Accountability:** Preferences should be easy to monitor and evaluate

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