

July 2, 2008

LRB RESEARCH AND ANALYSIS SECTION MEMORANDUM

TO: Ald. Robert Bauman

FROM: James Carroll, Legislative Fiscal Analyst

RE: Substitute Vehicle Registration Fee Ordinance Impact

1. Based on the data from the WisDOT, the table below shows the estimated annual revenue generated from a \$10, \$15 and \$20 (minus \$.10 per fee processed).

VEHICLE REGISTRATION FEE	
Amount	Revenue Generated
\$10	\$3,301,978
\$15	\$4,969,641
\$20	\$6,637,306

2. The substitute ordinance also adjusts the recovery ratios for certain assessable reconstruction improvements by eliminating the recovery ratio of 60% for paving improvements, reducing the recovery ratio for alley improvements from 90% to 60%, and reducing the recovery ratio walk improvements from 70% to 50%.
3. The table below shows the impact of the substitute ordinance on the DPW's 2009 requested funding submitted to the Mayor in May 2008 for the special assessment categories adjusted by the ordinance. After offsetting the amount of funding requested for 2009 special assessments, the substitute ordinance would provide an additional \$202,000 for other transportation related purposes than the original ordinance.

Category	2009 Budget Request	2009 Request with Substitute Ordinance	Difference
Major Streets	\$270,000	0	-\$270,000
Local Streets	\$2,800,000	0	-\$2,800,000
Alley	\$450,000	\$300,000	-\$150,000
Sidewalk	\$400,000	\$284,000	-\$116,000
Total	\$3,920,000	\$584,000	-\$3,336,000

4. The table on page 2 shows the total revenue generated by a \$10, \$15, and \$20 vehicle registration fee, the amount of vehicle registration revenue required to offset the substitute ordinance's elimination or reduction of special assessments, and the amount of revenue available for other transportation related purposes after the special assessment offset.

Amount	Revenue	Special Assessment Offset	Available Revenue
\$10	\$3,301,978	\$3,336,000	-\$34,022
\$15	\$4,969,641	\$3,336,000	\$1,633,641
\$20	\$6,637,306	\$3,336,000	\$3,336,000

As the table shows, a \$10 vehicle registration would not generate sufficient revenue to offset the amount of funding requested for the 2009 special assessments for alleys, streets and sidewalks. After offsetting special assessments, a \$15 fee would provided approximately \$1.6 million for other transportation related activities, and a \$20 fee would provide approximately \$3.3 million for other transportation related activities after offsetting the 2009 requested special assessment funding.