



Department of Administration
Intergovernmental Relations Division

Tom Barrett
Mayor

Sharon Robinson
Director of Administration

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Date: October 21, 2011

To: Members of the Common Council

From: Intergovernmental Relations Division

Re: **Assembly Bill 295 – Relating to requiring a referendum before a municipality or county may impose a local motor vehicle registration fee.**

Under current law, both counties and municipalities are allowed to implement motor vehicle registration fees. Other than Milwaukee, only the City of Beloit and St. Croix County currently have a fee. Given stricter levy limits and reduced Shared Revenues, many other communities are considering a fee this year.

If enacted, Assembly Bill 295 would require local governments to hold a referendum prior to implementing a vehicle registration fee. Local governments, like Milwaukee, who have already adopted a fee would be allowed to continue collecting their fee until the next general election, at which time we would be required to hold a referendum affirming the ordinance. A referendum would also be required to increase the fee.

Our fee of \$20 generates approximately \$6.3 million this year.

Intergovernmental Relations Division staff met with the bill's author, Rep. Dean Knudson on October 12, 2011 to discuss preliminary concerns including the following:

- Local control/local accountability
- Informing residents about the referendum would be costly
- About 900 miles of city streets are not eligible for state and federal funding
- Our local road replacement cycle is unacceptable at >100 years
- WI has low vehicle registration fees compared to neighboring states
- The bill leaves it unclear how a repeal of the fee/ordinance would work
- Our ordinance was adopted with a supermajority
- Could we be grandfathered in?

Representative Knudson indicated the following:

- He was also hearing concerns from other parties
- He is concerned about the proliferation of fees given reduced revenues
- We would be allowed to choose our own wording for the referendum
- Leadership told him he may or may not get a hearing before the end of the year
- He would take our comments under consideration and explore some other options for communities who already have adopted a vehicle registration fee, including the possibility of an abrogative referendum rather than an obligatory one.