

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE : September 30, 2016

TO : Theodore Lipscomb, Sr., Chairman, Milwaukee County Board of Supervisors

FROM : Steven Kreklow, Director, Office of Performance, Strategy & Budget
Department of Administrative Services

SUBJECT : **Request for Authorization to Create Chapter XX of the Milwaukee County Code of General Ordinances to Collect a Vehicle Registration Fee**

Wisconsin Stats §341.35 allows municipalities and counties to enact an annual flat Vehicle Registration Fee (VRF). Fees may only be used for transportation related purposes. The fee applies to vehicles kept in the municipality or county where the vehicle is registered. This fee would be collected by the State as part of its vehicle registration process and remitted to the County. Without locating an additional source of funds, the County Department of Transportation will not be able to sustain its current levels of operation and capital repairs.

The 2017 Recommended Budget includes a \$60 Vehicle Registration Fee to provide a stable revenue source for infrastructure and transportation maintenance. The Vehicle Registration Fee is the only revenue option available to the County with the capacity to meet transportation related needs.

The County will convene a public/private taskforce in order to evaluate options for mitigating the impact of the VRF on low income households. The County will also request that the State of Wisconsin provide the County with the flexibility to assess the VRF based on the value or age of the vehicle instead of as flat fee, which is currently mandated.

For 2017, about ten months of VRF revenue collection is projected to be approximately \$27.1 million. Of this \$27.1 million, \$11.5 million will be used in the transit operating budget to offset negative trends in revenue. The remaining \$15.6 million of Vehicle Registration Fee revenue will fund transportation infrastructure projects in the capital budget. In 2018, twelve months of VRF revenue collection, is projected to be \$31-33 million.

The 2017 Capital Improvement and Operating Budgets assume implementation of a \$60 Vehicle Registration Fee (VRF). The ordinance change outlined in the accompanying resolution is required if the Vehicle Registration Fee is adopted in the 2017 Budget.



Steven Kreklow

Office of Performance, Strategy and Budget Director, Department of Administrative Services

Attachment: Resolution
Fiscal Note