



Office of the City Administrator

To: Mayor Welch, Common Council Members
From: Al Hulick, City Administrator
Date: November 15, 2016
Subject: Discussion and Possible Action Regarding Ordinance 2016-426 - An Ordinance Creating Chapter 2 Article VII Division 5 of the Code of Ordinances of the City of Milton Establishing a Motor Vehicle Registration Fee.

Summary

As discussed during the budget process, the City of Milton is proposing the creation of a local vehicle registration fee. The purpose of this local vehicle registration fee is to provide the City of Milton a source of revenue in addition to other revenue sources currently being utilized to maintain public streets, highways, and for all other transportation-related purposes.

The ordinance defines a “motor vehicle” as an automobile or motor truck registered under Wis. Stat. § 341.25(1)(c) at a gross weight of not more than 8,000 pounds. The annual flat City registration fee as set forth in the ordinance is \$ 30.00 and is for all motor vehicles registered in the State of Wisconsin that are customarily kept in the City of Milton. This fee shall be paid by the registration applicant at the time a motor vehicle is first registered and at each time of registration renewal.

All funds collected under the applicable statute and this chapter remitted to the City of Milton by the Wisconsin Department of Transportation or other applicable agency shall be deposited into a special revenue fund of the City of Milton designated by the City Treasurer.

The City Treasurer shall be responsible for the administration of this Division and funds

Background

Wisconsin law allows a town, village, city or county to collect an annual municipal or county vehicle registration fee (wheel tax) in addition to the regular annual registration fee paid for a vehicle. The fee applies to vehicles kept in the municipality or county with:

- Automobile registration
- Truck registration at 8,000 lbs. or less (except dual purpose farm)
- These special plates are exempt from wheel tax: Antique, Collector (“Collector Special” plates are not exempt), Ex-Prisoner of War (if issued without registration fee), Historic Military, Hobbyist and Medal of Honor. All special plates issued to a farm truck, dual purpose farm truck or motor home are also exempt from wheel tax.



This includes most special license plates with automobile or truck registration. State law does not specify the amount of the wheel tax. However, the municipality or county must use all revenue from the wheel tax for transportation related purposes.

Analysis

The City of Milton is considering a local vehicle registration fee in order to maintain the existing street infrastructure. At this time, the City does not have enough money in the budget or revenue sources to maintain its existing infrastructure. The local vehicle registration fee will provide the necessary funds to maintain those facilities for the foreseeable future.

The City of Milton is also considering a local vehicle registration fee for the following reasons:

- The fee does not affect expenditure restraint calculation
- The fee does not impact future borrowing
- These funds are needed because City is be paying for road repairs done in 2007 – 2009 until 2026 due the repayment structure on the original debt (20 year repayment on 2007 bonds)

Based on the Wisconsin Department of Transportation vehicle registration figures, at \$30.00, the City can expect annual revenue of approximately \$165,000. This amount will allow the City to mill and overlay approximately one-third to one-half mile of residential street annually, while still have residual funds to sealcoat several other streets, thus extending their useful life. Currently, the budget only has \$25,000 in road repair funding, which would merely cover the cost of pot hole patching and minor street repairs. The local vehicle registration fee will allow the City to hopefully maintain the roadway infrastructure to a level that is customarily expected by the residents of Milton.

Recommendation

City Administration, recommends the City Council conduct the first reading of the local vehicle registration ordinance at tonight's meeting, with the anticipation it will be approved and adopted as part of the budget on November 29, 2016.