

CITY OF MADISON  
**CITY ATTORNEY'S OFFICE**  
Room 401, CCB  
266-4511

**MEMORANDUM**

TO: Common Council

FROM: Doran Viste, Assistant City Attorney

DATE: October 3, 2019

RE: Fact Sheet Regarding the Municipal Motor Vehicle Registration Fee  
(Legistar File #57669)

Wis. Stat. Sec. [341.35](#) authorizes municipalities (and counties) to establish a local motor vehicle registration fee (aka, a “wheel tax”). Municipal motor vehicle registration fees are collected by the Wisconsin Department of Transportation (WisDOT) at the time of vehicle registration or renewal, and are remitted to the municipality within thirty days after the end of the month in which the fee is collected. WisDOT retains an administrative fee (currently \$0.17/registration). The revenues from these fees may only be used for transportation related purposes. Under State law and administrative code (Wis. Admin Code Ch [Trans 126](#)), the fee goes into effect no sooner than 90 days after adoption of the ordinance establishing the fee and notice to the State.

A proposal is currently pending (Legistar File #57669) that would create a City of Madison Motor Vehicle Registration Fee of \$40 as of March 1, 2020. Under the statutory notice requirements, the City would need to provide proper notice to the State of the ordinance’s enactment no later November 29, 2019 to have the fee go into effect on March 1, 2020. If this ordinance is not adopted by the Council’s November 19, 2019 meeting, the City will be unable to meet this requirement to implement the fee on March 1, 2020 and the effective date would need to be amended. Conversely, if this ordinance is adopted at the Council’s October 15, 2019 meeting, and the ordinance is amended, the ordinance could be effective on February 1, 2020.

The following are some basic questions about the fee to assist the Council and the public’s understanding of the proposal.

**1. How will the municipal vehicle registration fee be collected and distributed to the municipality?**

WisDOT collects the municipal vehicle registration fee at the time a vehicle is first registered and at each subsequent registration renewal. WisDOT sends vehicle registration renewal notices at least 30 days before their plates expire. The renewal notice will show the total fee including any municipal vehicle registration fee. WisDOT sends the municipal vehicle registration fee payments collected to the municipality no later than 30

days after the end of the month in which they are collected.

**2. What are the administrative costs associated with a municipal vehicle registration fee?**

WisDOT collects the municipal vehicle registration fee for the municipality and currently charges an administrative fee of 17 cents per vehicle application. WisDOT sends the remaining amount to the municipality.

**3. For what purposes can the municipal vehicle registration fee be used?**

All revenues from the municipal vehicle registration fee must be used for transportation related purposes only. The revenues cannot be used to fund other programs. However, these revenues can be used to replace general fund revenues that would otherwise be used to fund transportation related programs, freeing up such unrestricted funds for other purposes.

**4. What vehicles are subject to a municipal vehicle registration fee?**

An automobile or a motor truck registered under 8,000 lbs. gross weight and customarily kept in the municipality or county that enacted the tax. This includes:

- Automobiles, vans and Sport Utility Vehicles (SUVs) that qualify as a passenger vehicle.
- Motor trucks and dual-purpose motor homes (trucks that can be equipped with a slide-in camper unit) registered at a gross weight of 8,000 lbs. or less.

**5. What vehicles are exempt from a municipal vehicle registration fee?**

Vehicles exempt from municipal vehicle registration fee are:

- Buses, motorcycles, mopeds, motor homes, low-speed vehicles and trailers.
- Trucks registered at more than 8,000 pounds or registered as Farm or Dual Purpose Farm.
- Vehicles registered as Antique, Collector, Driver education, Historic military vehicle, Hobbyist, Human service vehicle, Low-speed vehicle, Medal of honor, Municipal, State-owned, Special X and one vehicle with Ex-prisoner of war registration issued to any qualified individual.
- Any vehicle with registration issued by a Wisconsin Indian tribe or band.
- Vehicles displaying Dealer, Distributor, Finance company or Manufacturer plates.

**6. What determines whether a vehicle is customarily kept in a municipality or county?**

This information is included on the vehicle title and registration. Applications for original vehicle title and registration request the county and city, village or township where a vehicle is "customarily kept." Registration renewal notices also contain information on where a vehicle is customarily kept (see example below). Individuals may correct this information with WisDOT.

In the absence of an indicated municipality or county of domicile, the owner or lessee's post office address may be used to determine municipality or county of domicile. This can result in incorrect vehicle location information for registrants who receive their mail from a neighboring community if they do not specify the correct location on their vehicle registration application. Beginning in October 2017, WisDOT uses a geographic information system (GIS) to determine vehicle location based on the street address when the location is not provided by the registrant.

WisDOT also implemented an online application that allows individuals (not businesses) to view and correct the location for their vehicles. See [Vehicle kept in information](#) for more information.

According to Wis. Stats. § 341.60, any person who gives a false address or location where a vehicle is customarily kept in an application for registration may be fined not more than \$200 or imprisoned not more than 6 months or both.

**7. If a county has a municipal vehicle registration fee in effect, can a municipality within that county also enact a municipal vehicle registration fee ordinance?**

Yes. Section 341.35(6m) of the Wisconsin Statutes states that “If a municipality and the county in which the municipality is located enact ordinances under this section, a motor vehicle customarily kept in the municipality shall be subject to a municipal registration fee and a county registration fee.” Thus, both the municipality and county would collect a municipal vehicle registration fee simultaneously for vehicles subject to the fee in the municipality, if each chose to enact an ordinance.

Dane County has a municipal vehicle registration fee of \$28. City of Madison residents whose vehicles are registered in Wisconsin and customarily kept in the City of Madison will pay both the County’s fee of \$28 and the City’s fee of \$40 for a total of \$68. The combined fee will appear on renewal notices—not the individual fee of the County and the City.

**8. How many vehicles in Madison would be subject to the fee?**

For the calendar year [2018](#), 191,040 vehicles were eligible for the municipal vehicle registration fee in the City of Madison.

**9. Does the City have the authority to waive the fee?**

No. State law does not allow for exemptions or waivers to municipal vehicle registration fees, other than those stated above. Since the fee is subject to state law, the City does not have the authority to waive the fee. Hence, the City cannot waive the fee based on income or need.

**10. What is the policy for refunds and proration?**

A municipal vehicle registration fee is never prorated. The full fee is required whenever it is collected. Refunds for fees paid in error may be made directly to WisDOT.

**11. What would the total registration fee be for vehicles in Madison if the fee is enacted?**

The total annual registration fees collected for the State, Dane County and Madison would be:

Vehicle	State registration fee	Dane County and City of Madison fee	Total annual registration fee*
Automobiles and vans/SUVs that qualify as a passenger vehicle	\$85	\$68	\$153
Motor trucks and dual purpose motor trucks up to 6,000 lbs. gross weight	\$100	\$68	\$168
Motor trucks and dual purpose motor trucks up to 8,000 lbs. gross weight	\$106	\$68	\$174

\* In addition to the basic registration fee, hybrid electric vehicles at 8,000 lbs. or less are also subject to a \$75 annual vehicle fuel surcharge and electric vehicles are subject to a \$100 electric vehicle surcharge.

In addition to the registration fee, there is:

- An issuance fee of \$15 for some special plates or a \$15 annual fee if the plates are personalized.
- An annual tax-deductible donation of \$20 or \$25 is collected for vehicles registered with many special plates.
- A \$10 late fee is charged if registration fee is paid after the date of expiration.

**12. Which other counties or municipalities have enacted a municipal vehicle registration fee and what is the amount of the fee?**

<b>County</b>	<b>Fee</b>	<b>Implementation Month</b>
Chippewa County	\$10	January 2015
Dane County	\$28	October 2018
Eau Claire	\$30	January 2019
Green County	\$20	August 2018
Iowa County	\$20	February 2015
Lincoln County	\$20	January 2018
Marathon County	\$25	December 2016
Milwaukee County	\$30	March 2017
Portage	\$25	March 2019
Richland	\$20	September 2019
St. Croix County	\$10	January 2008
<b>Municipality</b>	<b>Fee</b>	<b>Implementation Month</b>
Appleton (city)	\$20	February 2015
Arena (township)	\$20	April 2015
Beloit (city)	\$20*	April 1986
Bellevue (village)	\$20	May 2019
Eden (village)	\$20	October 2017
Evansville (city)	\$20	January 2018
Fort Atkinson (city)	\$20	March 2016
Gillett (city)	\$20	July 2015
Green Bay (city)	\$20	January 2019
Iron Ridge (village)	\$10	August 2017
Janesville (city)	\$20	April 2012
Kaukauna (city)	\$10	August 2015
Lodi (city)	\$20	May 2016
Milton (city)	\$30	April 2017
Milwaukee (city)	\$20	December 2008
Montello (city)	\$20	May 2019
New London (city)	\$20	January 2018
Platteville (city)	\$20	March 2017

Portage (city)	\$20	April 2017
Prairie du Sac (village)	\$20	January 2016
Rice Lake (city)	\$20	April 2019
Sheboygan (city)	\$20	February 2016
Tigerton (village)	\$10	September 2016
Waterloo (city)	\$15	March 2019