

# *Fairbank, Maslin, Maullin & Associates*

*Opinion Research &  
Public Policy Analysis*

**TO:** Interested Parties

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**RE:** Key Findings from Recent Wisconsin Voter Survey

**DATE:** March 27, 2009

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Fairbank, Maslin, Maullin & Associates (FMM&A) recently completed a statewide survey among likely voters in Wisconsin to assess voter attitudes toward a variety of issues related to raising additional revenue to fund road construction and maintenance and other programs.<sup>1</sup> The survey results show that Governor Doyle's proposed oil franchise fee is broadly unpopular with voters. While voters are attracted to the idea of requiring big oil companies to pay their fair share, there is concern that the Governor's proposal is really a hidden gas tax that will undoubtedly be passed on to consumers and will likely have a detrimental impact on small retailers, causing many to close.

The following are some of the key specific survey findings on these issues.

- **By a margin of nearly 2 to 1, a broad majority of voters oppose the oil franchise fee.** Voters were presented with the following information from supporters and opponents of Governor Doyle's proposed oil franchise fee, described to voters as a fee "which would tax revenues earned from the sale of petroleum products in the State of Wisconsin." After hearing the information, voters were asked, based on hearing more about it, if they would support or oppose it.

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<sup>1</sup> **Methodology:** From March 10-15, 2009 FMM&A completed 600 telephone interviews with registered voters in the State of Wisconsin likely to cast ballots in the November 2010 general election. The margin of sampling error for the full sample is +/- 4.0%; margins of error for subgroups within the sample are higher. Some percentages may not total 100% because of rounding.

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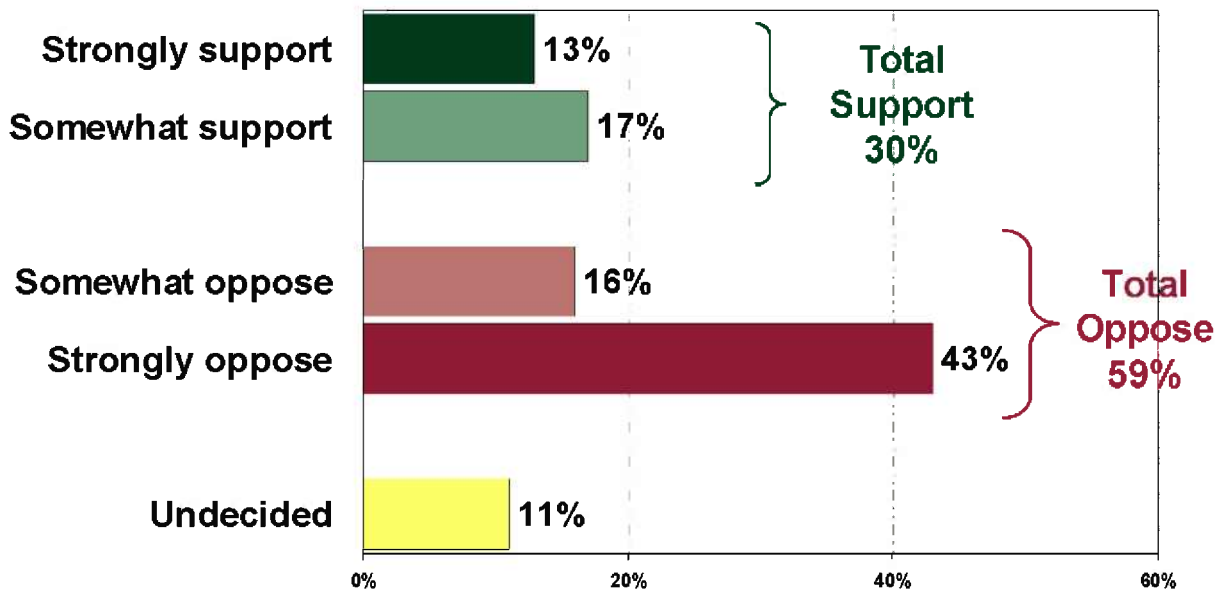
*Supporters of Governor Doyle’s proposal say it is time to require the five largest oil companies, earning profits of over \$100 billion dollars to pay back some of those windfall profits while allowing Wisconsin to improve our roads and highways without increasing gas taxes paid by consumers. Oil company executives who try to pass the cost to consumers would face legal penalties.*

*Opponents of Governor Doyle’s proposal say this franchise fee is really a hidden gas tax that oil companies will eventually pass on to consumers. This new tax will work like a sales tax so that when the price of gas increases, the amount of the tax will rise, as well.*

As shown in **Figure 1**, voters oppose the proposal by a margin of 59 percent to 30 percent. There is strong opposition from independents and Republicans, and even Democrats are evenly split on the measure. In fact, Democrats are the only major segment of the electorate that leans toward support of the franchise fee, favoring it 44 percent to 42 percent. Across all other major demographic subgroups, voters oppose it, with the strongest opposition coming from the following subgroups:

- ✓ *Republicans (80% oppose)*
- ✓ *Independents (62% oppose)*
- ✓ *Green Bay/Northeast (67% oppose)*
- ✓ *Milwaukee Metro (64% oppose)*
- ✓ *Voters under 50 years of age (65% oppose)*
- ✓ *Voters with less than four years of college education (63% oppose)*

**FIGURE 1:  
Support for Oil Franchise Fee**



**Voters express concern that gas prices would ultimately increase and small operators would be hurt by the oil franchise fee.** As part of the survey, voters were presented with a list of changes that might take place if the oil franchise fee were passed. Despite the provision in the proposal that would prohibit the cost of the fee being passed onto consumers, voters demonstrate little confidence in the proposal’s ability to prevent the price of gas from increasing. In fact, as shown in **Figure 2** a majority (55%) believe that it is “very likely” that the price for consumers would rise. In fact, a majority of voters actually find the indirect nature of the cost impact—that is, the idea that the proposal is really a hidden gas tax disguised in the form of a fee on oil companies—a compelling reason to oppose.

Voters also express concern that the franchise fee may have a disproportionate impact on small Wisconsin retailers, which are already struggling to keep their doors open in the current economic climate. Voters find the idea of requiring “Big Oil” to pay their fair share compelling, but are concerned about an inequitable impact on local businesses. However, the fact that voters believe that the proposal would lead to improvements to roads and infrastructure suggests that voters may not be opposed to a gas tax in principle, but may simply remain skeptical of this proposal’s unique approach.

**FIGURE 2:  
Potential Impacts of Oil Franchise Fee**

Potential Impact	Total Likely	Very Likely	Somewhat Likely
Gas prices for consumers would increase	89%	55%	34%
State roads and infrastructure will improve	52%	13%	39%
Small retailers will be forced to close	51%	25%	26%

Taken together, the survey results reveal that Governor Doyle’s proposal faces a significant challenge in garnering public support. Although voters see a compelling logic in using a mechanism such as the oil franchise fee to fund transportation related projects and infrastructure improvements, concerns about this particular proposal remain. Voters firmly believe that gas prices will increase if the proposal is passed, but seem to be most concerned that the proposal is a “hidden” gas tax whose true cost to consumers will be untraceable because it will come as an indirect result of the imposed fee. Voters are also concerned that the franchise fee will unfairly impact the small businesses in the sector.