

Department of Motor Vehicles 2005 Fiscal Impact Statement

1. Bill Number HB1613

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Cole

3. Committee Transportation

4. Title License plates, special ; local government logos, fees.

5. Summary/Purpose:

Special license plates; local government logos; fees. Reduces the annual surcharge for local government logo plates from \$25 to \$10, with each such \$10 surcharge (after the first 1,000 sets) going to the locality whose logo is displayed on the plates. However, if a locality's local governing body so requests in writing to the Commissioner, the annual surcharge will be \$25, with \$15 being returned to the locality.

6. Fiscal Impact Estimates are unknown.

7. Budget amendment necessary: No

8. Fiscal implications: Under the proposal, DMV will lose revenue on new plates or new series issued at the \$10 per year issuance fee rate since all that revenue would go to the local jurisdiction. DMV uses its \$10 portion of the current \$25 issuance fee to recover manufacturing, administrative and handling costs at time of issuance. The number of such transactions is not known because the determination of the rate is at the discretion of the local jurisdictions.

If the issuance fees for these plates are lowered to \$10 per year and remain lowered, the number of new plates and new series is expected to increase. These plates would have a competitive advantage over other types of \$25 per year revenue sharing plates. As a result, DMV's overall special plate revenue would be impacted under the \$10 issuance fee change. For example, there are three series of these plates issued, totaling approximately 5,700 active sets of plates. DMV would lose \$57,000 each year for those plates currently issued and an unknown amount for any new plates issued or new series issued.

9. Specific agency or political subdivisions affected: DMV and localities

10. Technical amendment necessary: No

11. Other comments: None

Date: 01/10/05 /jmc

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cc: Secretary of Transportation