

Department of Planning and Budget 2017 Fiscal Impact Statement

1. Bill Number: HB1742

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Rush

3. Committee: Transportation

4. Title: Special license plates for certain veterans; fees.

5. Summary: This bill changes the \$10 annual fee for special license plates for certain veterans to a one-time fee of \$10, in addition to the prescribed cost of state license plates.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Preliminary. See Item #8.

7b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2017	-	-
2018	(\$405,200)	Motor Vehicle Special Fund
2019	(\$405,200)	Motor Vehicle Special Fund
2020	(\$405,200)	Motor Vehicle Special Fund
2021	(\$405,200)	Motor Vehicle Special Fund
2022	(\$405,200)	Motor Vehicle Special Fund
2023	(\$405,200)	Motor Vehicle Special Fund

8. Fiscal Implications: This bill will have a significant revenue impact on the Department of Motor Vehicles (DMV). The legislation would change the fee structure of 31 individual plates, changing them from an annual \$10 renewal fee to a one-time fee of \$10, paid at initial registration. Of the 31 plate types identified in the bill, there are a total of 47,122 active plates. If the bill were to be enacted, DMV would see a reduction in revenue of \$10 per plate per year, for a yearly revenue loss of \$471,220.

However, DMV will collect a \$10 one-time fee when new customers purchase the plates identified by the bill. Of the 31 plate types identified in the bill, there were a total of 6,602 new issuances in fiscal year 2016. If this number holds constant in future years, DMV will see revenues of \$66,020 per year. Overall, the bill will result in an estimated yearly revenue loss of \$405,200. DMV's fiscal outlook does not contain sufficient funding to accommodate this loss without an impact to current services or programs, or an increase in other fees.

It is possible that more customers will purchase the identified plates, as they will become less expensive. However, the number of potential additional plate purchases this bill could yield cannot be estimated.

9. Specific Agency or Political Subdivisions Affected: Department of Motor Vehicles.

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 1/16/2017

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cc: Secretary of Transportation