

Department of Planning and Budget 2019 Fiscal Impact Statement

1. Bill Number: HB1832

House of Origin	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Enrolled

2. Patron: Leftwich

3. Committee: Passed Both Houses

4. Title: License plate, special; Navy and Marine Corps Medal

5. Summary: This bill creates a special license plate for persons awarded the Navy and Marine Corps Medal or for unremarried surviving spouses of such persons.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Final. Indeterminate. See Item #8.

8. Fiscal Implications: The Department of Motor Vehicles (DMV) normally uses the revenue generated by the 450 prepaid applications, required in accordance with Virginia Code § 46.2-725, to offset the initial costs of production and materials required to issue a new special plate series. By exempting a plate series from the 450 prepaid application requirement, the agency will be required to absorb the initial material and production costs to develop a new plate series, which may take several years to recoup due to potentially low plate sales.

The bill also requires the first set of special license plates issued under the proposed section to an individual applicant, to be issued entirely free of charge; this includes an exemption from standard registration fees. Standard registration fees will be assessed on each subsequent issuance of the proposed plates.

This bill's impact will be determined by the number of applicants actually requesting the new license plates. Current special license plate registration fees for most vehicles are \$50.75. Each initial issuance of the proposed plates would result in a loss of these fees, which support DMV, the Virginia Department of Transportation, Virginia State Police, and emergency medical services agencies. Additionally, each following issuance to an individual will represent a loss in DMV revenue due to the exemption from the standard special plate fee established by Va. Code § 46.2-725

DMV is currently unable to estimate the number of individuals who would be eligible to receive these new plates and is unable to estimate the overall potential fiscal impact of this bill. However, the agency expects the number of applicants and impact to the Commonwealth to be minimal. The Department is prepared to absorb the development and issuance costs of these plates, which are normally covered by the required 450 prepaid applications.

The staff hours required can be accomplished during the normal work schedules for DMV employees, given current workloads. DMV would be able to absorb this cost within its existing resources, assuming other legislative proposals with fiscal impacts to DMV are not passed. DMV's current fiscal outlook precludes funding the cumulative burden of implementing the programming and staffing requirements of multiple pieces of legislation without improved revenue streams.

9. Specific Agency or Political Subdivisions Affected: Department of Motor Vehicles, Virginia Department of Transportation, Virginia State Police, emergency medical services agencies.

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 2/12/2019

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Cc: Secretary of Transportation