

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6294

BILL NUMBER: SB 31

DATE PREPARED: Apr 12, 1999

BILL AMENDED: Apr 8, 1999

SUBJECT: Minimum number for issuance of special license plates.

FISCAL ANALYST: James Sperlik

PHONE NUMBER: 232-9866

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill makes the following provisions:

- 1) requires the sale of at least 500 special group license plates in the first four years of the plate cycle beginning January 1, 1997, for an organization that received a special group license plate before January 1, 1998, to remain qualified to participate in the special group license plate program;
- 2) requires the sale of at least 500 special group license plates in the first four years of a plate cycle to remain eligible for the program;
- 3) establishes procedure to design a distinctive special group license plate;
- 4) removes minimum sales requirements for college or university, military or veterans, Indiana life trust, and Indiana arts trust license plates, and for the special group license plate that formerly had been issued a civic event license plate.
- 5) establishes a procedure for the Bureau of Motor Vehicles to disclose the name and address of a purchaser of a state educational institution license plate to a designated representative of the state educational institution;
- 6) requires the Bureau of Motor Vehicles to design and issue Korean War veteran, bronze star, Indiana life trust, state educational institution, Indiana street rodders' association trust, Vietnam veteran, and Indiana AFL-CIO trust license plates;
- 7) provides for design of the Indiana firefighters license plate;
- 8) provides that the Bureau shall issue at least one special group license plate to a special group for the first time each year to the special group that submits the highest number of signatures by petition to the Bureau, but also provides that no new special group recognition license plates shall be eligible for adoption from July 2, 1999 until July 1, 2004;
- 9) defines "drive test" and motorcycle skills" test and requires the Bureau to waive a drive test for a student who has passed a driver education class and a drive test given by specified individuals It clarifies procedures for a motorcycle operator's license or endorsement;
- 10) provides that a driver holding a commercial driver's license who has been found to have used a controlled substance indicated by post-accident testing is disqualified from life from driving a commercial motor

vehicle.

Effective Date: July 1, 1999; January 1, 2000; January 1, 2001, January 1, 2002.

Explanation of State Expenditures: (Revised) Parts (1) and (2) reduces the minimum issuance number of special group license plates. It allows the continued issuance of a special group license plate that otherwise might be discontinued. The specific impact is indeterminable.

Part (3) The impact for establishing a procedure to design a distinctive special group license plate will have no fiscal impact. However, this part of the bill requires that the any rules/procedures established shall provided that Ancilla College and Huntington College shall be issued a special group recognition license plate in a year following a year after December 31, 1999 in which representatives of these groups have complied with the requirements of this provision. The specific costs will depend upon the type of plate issued. (SEE PART 6 FOR COST ESTIMATES OF SPECIAL RECOGNITION PLATES).

Part (4) removes minimum sales requirements for college or university license plates, military or veteran's group license Plates, Child Protection Trust License Plates, and a special group license plates that formerly had been issued as a civic event license plate. Based on 1998 sales, this change will allow the following plates to continue issuance: Manchester College, Marian College, St. Mary of the Woods College, University of Southern Indiana, Vincennes University, Air Force Reserve, Anderson University, Indiana National Guard, Marine Reserve, Navy Reserve, Pearl Harbor Survivor, IUPUI, and Black Expo.

Part (5) The Bureau of Motor Vehicles reports that there may be administrative costs associated with the disclosure of the name and address of a purchaser of a state educational institution license plate to a designated representative of the state educational institution in a year in which at least 10,000 of the state educational institution's license plates are sold or renewed. These costs can be absorbed within the current Bureau of Motor Vehicles Budget. The fund affected is the Motor Vehicle Highway Account which supports the BMV.

Part (6) requires the Bureau of Motor Vehicles to design and issue: a) Korean War veteran, b) Bronze Star, c) Vietnam Veteran, d) American Federation of Labor (AFL)-Congress of Industrial Organizations (CIO) Trust License Plate; e) Indiana Life Trust, f) State Educational Institution Trust License Plate, and g) Indiana Street Rodders' Association Trust.

Prison Enterprise Network (PEN Products), the manufacturing arm of prison-made products, would charge the BMV \$2.60 per plate for the newly created Korean War Veteran License plate, Bronze Star License Plate, and Vietnam Veteran License Plate. The funds affected are the Pen Products Revolving Fund and the Motor Vehicle Highway Account.

The Trust License Plates created will have different costs associated with them. PEN Products' charge would be based on the number of colors in the design as shown in the schedule below:

Colors	Set-Up Charges	Price Per Plate (99-01)*
1	\$105	\$3.90
2	170	4.00

3	235	4.10
4	300	4.30
5	365	4.60
6	430	5.00

*1999-2001 biennium.

Additional charges include \$75 per color for any special colors that are not included in PEN's ten standard colors. If PEN Products does the artwork, there is a \$70 per hour charge. Origination Fees include the film positives and the silk screen charges. The fund affected for PEN Products is PEN Products Revolving Fund. The fund affected for the BMV is the Motor Vehicle Highway Account which supports the BMV. There will computer and accounting changes for the BMV. The Commissioner of the BMV is to administer the newly created Trust Funds established in this bill, except for the Educational Institutional Trust License Plate. Expenses of administering the Trust Funds established shall be paid from money in the Funds. The Treasurer of State shall establish a special account within a trust fund for each education institution. The Auditor of State shall distribute the money in the newly created account monthly to the state educational institution's authorized alumni association. Both the Treasurer and Auditor can accomplish the requirements of this bill within their current budgets. The fund affected is the State General Fund.

On June 30 of each year, the Commissioner shall distribute the money in the Indiana Life Trust Fund to Crisis Pregnancy Centers, Child adoption agencies, Indiana Citizens for Life, and Indiana Right to Life. The organizations receiving money from the sale of the newly created license plate may retain the reasonable costs of administering the program. Money in the Fund at the end of a state fiscal year does not revert to the State General Fund.

On June 30 of each year, the Commissioner shall distribute the money in the Street Rodders Association Trust Fund to the Indiana Street Rodders' Association. Money in the Fund at the end of a state fiscal year does not revert to the State General Fund.

On June 30 of each year, the Commissioner shall distribute money in the AFL-CIO Trust Fund to the general fund of the Indiana AFL-CIO. Money in the fund at the end of a state fiscal year does not revert to the State General Fund.

Part (7) provides for design of the Indiana firefighters license plate. P.L. 118-1998 created the Indiana Firefighter License Plate. The plate is to be available after December 31, 1999. This provision clarifies who is eligible to receive an Indiana Firefighter License Plate and with whom the Bureau of Motor Vehicles shall consult in the designing of the plate.

Part (8 a) provides that the Bureau shall issue at least one special group license plate to a special group for the first time each year to the special group that submits the highest number of signatures by petition to the Bureau. For the costs to Part (8) a, please see Parts (6) and (7) above.

Part (8b) provides that no new special group recognition license plates shall be eligible for adoption from July 2, 1999 until July 1, 2004. This part will negate all license plates created that do not meet the specific time periods of July 2, 2004. The specific impact is indeterminable, but likely will reduce the costs associated with the newly created plates.

Part (9) defines "drive test" and motorcycle skills" test and requires the Bureau to waive a drive test for a

student who has passed a driver education class and a drive test given by specified individuals It clarifies procedures for a motorcycle operator's license or endorsement defines "drive test" and motorcycle skills" test. The immediate impact for the Bureau of Motor Vehicles Commission (BMVC) likely will be the reduction of the workload of certain employees who provide the road test for applicants. These applicants will be able to be tested by a commercial driving school or by an instructor holding a driver and traffic safety endorsement from the Indiana Professional Standards Board. The specific fiscal impact is indeterminable. The fund affected is the State License Branch Fund which supports the BMVC.

Part (10) provides that a driver holding a commercial driver's license who has been found to have used a controlled substance indicated by post-accident testing is disqualified from life from driving a commercial motor vehicle. This part likely will reduce the number of Commercial Drivers' Licenses issued and the costs associated with their issuance. This will depend upon the number of disqualifications. The funds affected are the Motor Vehicle Highway Account.

Explanation of State Revenues: (Revised) Parts (6 a), (6b), and (6c) have no fees attached t them. Parts (6d), (6e), (6f), and (6g) each have a \$25 fee attached to them. Potential revenue from the sales of the Trust licences plates is not known.. There will be an administrative fee of \$12 charged for each of the Trust License Plates. Revenue from these plates will be split evenly between the State License Branch Fund which supports the license branches and the Motor Vehicle Highway Account which supports the BMV.

In 1998, sales of the existing 41 special plates ranged from 47 Marine Reserve plates to 79,997 Children's Trust Plates. Within this potential sales range, revenue resulting from the existing \$12 administrative fee ranged from \$282 to \$479,982 per plate. Revenue resulting from the \$25 fee would d range between \$1,175 and \$1,999,925. Money at the end of a state fiscal year does not revert to the State General Fund.

It should be noted that it is possible that sales of this special plates could, to some extent, supplant the sales of the other special plates. The newly created plate will be available after December 31, 1999; December 31, 2000.

Explanation of Local Expenditures:

Explanation of State Revenues:

State Agencies Affected: Bureau of Motor Vehicles; Bureau of Motor Vehicles Commission; Department of Correction (Pen Products); State Auditor; State Treasurer.

Local Agencies Affected:

Information Sources: Bureau of Motor Vehicles; Becky Gillam, Director of Sales and Marketing of PEN Products, 387-2001; Pricing data from Pen Products.