

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

301 State House
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FISCAL IMPACT STATEMENT

LS 7042
BILL NUMBER: SB 343

DATE PREPARED: Dec 30, 1999
BILL AMENDED:

SUBJECT: Veterans license plates.

FISCAL ANALYST: James Sperlik
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FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill requires the Bureau of Motor Vehicles (BMV) to design and issue a special group recognition license plate to honor Indiana Vietnam era veterans. It specifies that an individual who served in the United States armed forces any time from January 1, 1959, until May 17, 1975, may receive a Vietnam era veteran license plate upon paying the prescribed fees. The bill requires the BMV to design and issue a license plate to honor veterans who have received the Silver Star medal. The bill specifies that an individual who has received a Silver Star medal may receive a Silver Star license plate. It requires the BMV to design and issue a special group recognition license plate to honor Indiana Korean era veterans. The bill specifies that an individual who served in the United States armed forces any time from June 27, 1950, until June 31, 1955, may receive a Korean era veteran license plate upon paying the prescribed fees. It allows an individual who is eligible to receive a Vietnam era, Silver Star, or Korean era license plate to receive a personalized license plate. The bill exempts Vietnam era, Silver Star, and Korean era license plates from minimum sales requirements.

Effective Date: January 1, 2001.

Explanation of State Expenditures: Prison Enterprise Network (PEN Products), the manufacturing arm of prison-made products, would charge the BMV \$2.60 per plate if the newly created plate is not a special recognition plate. If the newly created license plate is a special recognition plate, PEN Products' charge would be based on the number of colors in the design as shown in the schedule below:

<u>Colors</u>	<u>Set-Up Charge</u>	<u>Price Per Plate</u>	<u>Price Per Plate if Personalized</u>
1	\$105	\$3.90	\$4.40
2	\$170	\$4.00	\$4.50
3	\$235	\$4.10	\$4.60
4	\$300	\$4.30	\$4.80
5	\$365	\$4.60	\$5.10
6	\$430	\$5.00	\$5.50

These prices are effective for the 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.

A license plate is designated as a special recognition license plate if: (1) a special group recognition plate is required by statute; (2) a special group recognition license plate is requested by resolution of the General Assembly; or (3) representatives of a special group petition the Bureau of Motor Vehicles. If the plate is not designated as a special recognition plate, the above costs will not apply. The cost will be \$2.60 per plate. The reason for the price differential is that general issue plate sheeting is used for the non-special recognition plates.

In this proposal, the Vietnam Era Veteran License Plate and the Korean Era Veteran License Plate are special recognition plates. The Silver Star License Plate is not a special recognition plate. The proposal also provides that the three newly created license plates may be personalized license plates.

Explanation of State Revenues: Potential revenue from the sales of the newly created license plates is not known. There will be an administrative fee of \$12 charged for each plate. Revenue from this fee is distributed as follows: the State License Branch Fund which supports the license branches receives \$6; the Motor Vehicle Highway Account which supports the BMV receives \$5; and \$1 is deposited into the Crossroads 2000 Program for highway bonding.

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 would range from a minimum of \$564, to a maximum of \$959,964.

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 proposal also exempts the newly created plates from the minimum sales requirements of 2,000 per special group. This will allow for the continued sales of these plates which may otherwise have been terminated because of the failure to meet the minimum sales requirements.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Bureau of Motor Vehicles; Department of Correction (PEN Products).

Local Agencies Affected:

Information Sources: Becky Gillam, Sales and Marketing Director of PEN Products, 387-2020; Bureau of Motor Vehicles license plate data for 1998.