

Department of Finance and Administration

Legislative Impact Statement

Bill: HB1172

As Engrossed: 2/13/2019

Bill Subtitle: TO AMEND THE LAW CONCERNING THE ISSUANCE OF A SPECIAL LICENSE PLATE; AND TO LIMIT THE TYPES OF SPECIAL INTEREST LICENSE PLATES.

Basic Change :

Sponsors: Reps. Gonzales and Kelly

HB1172, as engrossed by amendments H1 and H2, amends § 27-24-1404(c)(1) and adds language to require special license plate applicants to pay a fee for the cost of creating a special license plate and the initial order of plates. The fee covers the creation and design of the plate as well as programming and testing required to add the plate to the computer system. The fee will also cover the cost of shipping and distributing the special plates to revenue office in the state. The fee will be deposited into the Central Services Fund for the Benefit of the Revenue Division of the Department of Finance and Administration (DFA).

Revenue Impact :

Unknown increase to the Central Services Fund.

Taxpayer Impact :

Prior to approval of a new special interest license plate, an applicant would be required to pay fee determined by the Director of DFA. Estimated fee will be \$5,000 to \$30,000.

Resources Required :

None.

Time Required :

Implementation date of October 1, 2019 is requested.

Procedural Changes :

Motor Vehicle Procedure Manual will need to be revised and distributed to State Revenue offices.

Other Comments :

None.

Legal Analysis :

Under the Special License Plate Act of 2005 (the "Act") , a special interest organization may apply to the Director of DFA for the creation and issuance of a special license plate that bears the decal for the special interest group. Before a new special interest license plate may be approved, an existing special license plate must be repealed. Under the Act the Director has exclusive power to approve, based on criteria as set forth in the Act, each new design to be created and issued. If the Director approves a request, the Director shall determine the fee for creating and issuing the special license plate, which must be determined based on the cost of either one of the following: initial orders of the new design,

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the number of applications that must be received to cover the cost of the initial orders of the design, or the combination of the cost of initial orders and applications that must be received to cover the cost of initial orders of the design.

HB1172 would amend the calculation of the fee that applies to the creation of a new special license plate. In particular, HB1172, and its amendment 1 would require the Director of DFA to determine additional costs, including, but not limited to, the following: creating and maintaining a new design and any subsequent revisions to the design, the computer programming and testing required to add a special license plate to the DFA's computer system, maintaining such a computer system, shipping and distributing the special license plate to all revenue offices in the state. Further, under HB1172, the calculation of that cost would have to be based on an initial order of at least three thousand special license plates to be created.

Amendment 1 made a stylistic change that eliminated a redundancy in the language of the bill.

Amendment 2 clarified that the fee would not apply to special license plates that currently exist. Further, it clarified that the fee would apply to the creation of the plate but not to the cost of maintenance of the plate.

HB1172 would not affect the distribution of fees collected under the Act. Further, HB1172 does not contain an emergency clause and therefore would become effective on the ninety-first day after sine die adjournment of the session at which the act was enacted or the ninety-first day of a recess.