

Department of Finance and Administration

Legislative Impact Statement

Bill: HB1172

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 :

Sponsor: Rep. Gonzalez

HB1172 amends § 27-24-1404(c)(1)(A) and adds language to require special license plate applicants to order at least 3,000 plates and maintain the cost of the new designed plate, the cost of computer programming, testing, and cost for maintaining the computer system, shipping and distribution of the special plate to Arkansas Revenue Offices.

Revenue Impact :

None.

Taxpayer Impact :

Special Interest Plate Applicants would be required to order at least 3,000 plates and pay approximately \$15,000 -\$25,000 in fees prior to obtaining the approval of the DFA Director.

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 the Department of Finance and Administration ("DFA") for the creation and issuance of a special license plate that bears the decal for the special interest group. The Act gives exclusive power to the Director of the DFA to approve, based on criteria as set forth in the Act, each 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. The Act directs that the fee is to be determined based on the cost of either one of the following: initial orders of the new design, 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.

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HB1172 would amend the calculation of this fee. In particular, HB1172 would require the Director of the DFA to determine, in addition to the cost of creating the special license plate, the cost of maintaining the special license plate. Further, the Director would be directed to determine additional costs, including, but not limited to, the following: creating 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. As is currently the case, under HB1172, the Director of the DFA may also determine these amounts combined with the number of applications that must be received to cover these costs. However, 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 and maintained. HB1172 does not affect the distribution of fees collected under the Act.