

Department of Finance and Administration

Legislative Impact Statement

Bill: HB1246

Bill Subtitle: TO CREATE FOR ISSUANCE A SPECIAL LICENSE PLATE IN SUPPORT OF LAW ENFORCEMENT.

Basic Change :

Representatives Copenhaver, B. Wilkins

The bill creates a new special license plate to support law enforcement. Fees for the plate are the regular registration fee, a twenty-five dollar (\$25.00) fund raiser fee to be deposited to the Arkansas Municipal Police Association, and a ten-dollar (\$10.00) administrative fee to be deposited to the State Central Services Fund for the benefit of the Revenue Division. All fees are due annually. The fee for replacement of the special law enforcement plate with another law enforcement plate is \$10.00 to be deposited to the State Central Services Fund.

Revenue Impact :

There would be unknown increases in deposits to the Arkansas Municipal Police Association and the State Central Services Fund, depending on the number of taxpayers who choose to register their vehicles with the new special plate. No impact to the Highway and Transportation Department, since regular annual fees are due.

Taxpayer Impact :

Taxpayers could register their vehicles with a special license plate to support law enforcement.

Resources Required :

Approximately three thousand dollars (\$3,000) would be required to purchase a supply of the new plates, and unknown ongoing costs to maintain a supply, depending on usage.

Time Required :

Implementation should be effective on January 1, 2014 due to current implementation of new motor vehicle computer system.

Procedural Changes :

Revise Motor Vehicle Procedures Manual and distribute revisions to Revenue Offices.

Other Comments :

The bill creates the license plate under Title 27, Chapter 24, Subchapter 13, which is the section for Public and Military Service Recognition. Issuance of special license plates that have been created under this section is typically restricted to the public service employees or retirees for which the plate is created, contingent upon proof of eligibility.

The bill provides that any vehicle owner may obtain this special plate. Plates that may be obtained by any motor vehicle owner are normally approved under Title 27, Chapter 24, Subchapter 14. Plates under this section must be created by applications from organizations that have been approved for tax exemption under 501(c)(3) of the Internal Revenue Code. Such organizations are required to provide the department a financial plan stating the purposes for which their fund raiser will be used, annual reports of expenditures, and meet certain other criteria under 27-24-1404(e)(1).

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Legal Analysis :

This bill provides for DFA to create and issue a new special license plate (new design) that can be issued to any motor vehicle owner. The Arkansas Municipal Police Association ("Association") will submit three designs for the plate, and the \$25 design fee will be paid to the Association.

The bill creates the new plate by adding an additional section to Title 27, Chapter 24, Subchapter 13. However, the bill adopts provisions for costs, renewal fees, and distribution of renewal fees by referencing provisions in Subchapter 14, not 13.

Subchapter 13 was enacted as part of Act 2202 of 2005, the Special License Plate Act. Subchapter 13's stated purpose was to continue special license plates for public service employees, public service retirees, or military service retirees that were in effect at the time and to establish a procedure for the creation of special license plates for other public service employees or retirees. Subchapter 14 is the subchapter for special interest license plates.

Section 27-24-1307 provides the procedures to create the additional plates in Subchapter 13. Section 27-24-1307 provides for the issuance of a "special license plate decal" rather than a special plate. Section 27-24-1307 requires that a person who applies for the plate must prove that he or she is member or retiree of the public service profession or military branch for which the plate is issued, and this bill allows any motor vehicle owner to be issued a plate. Renewal fees under § 27-24-1307 are the fees required by law for the registration and licensing of a motor vehicle; renewal fees under this bill are those required by § 27-24-1405.

There are two subdivisions (d)(1). The first begins at page 1, line 35. The second begins at page 2, line 19.