

Department of Finance and Administration

Legislative Impact Statement

Bill: HB1540

Bill Subtitle: TO CREATE A ROTARY INTERNATIONAL LICENSE PLATE.

Basic Change :

Representative J. Burris

The bill adds a new section to the law to create a special license plate for Rotary International. Rotary International will design the plate and subject to approval of the Department. The Department will determine the costs of the initial order and require fees for such costs, the number of applications that must be received, or a combination of applications and signatures. Fees for issuance and renewal of the plate are the regular registration fee, a ten-dollar (\$10.00) fund raiser fee to be deposited monthly to Rotary International, and a ten-dollar administrative fee to be deposited to the State Central Service Fund.

Revenue Impact :

Unknown increase in revenue to Rotary international and unknown increase in the State Central Services Fund, depending on how many people register their vehicle with the new special tag.

Taxpayer Impact :

Vehicle owners may register their vehicles with a special plate supporting Rotary International.

Resources Required :

There will be additional programming costs if implementation is prior to implementation of the new motor vehicle system. If implemented with development of the new system, there would be no additional programming costs.

Time Required :

Ninety (90) days after adjournment if implemented in the current system. If implemented with the new system, implementation date will need to be January 1, 2014.

Procedural Changes :

Computer programming for the new plate.

Other Comments :

None.

Legal Analysis :

House Bill 1540 adds a new section to Title 27, Chapter 24, Subchapter 14, to authorize a new special interest license plate for Rotary International. Subchapter 14 is the subchapter for special interest license plates which are to be created according to the procedure in § 27-24-1404. If the Rotary Club qualifies under § 27-24-1404, it can apply for a license plate following that procedure and one will be issued. If the Rotary Club does not qualify, then the license plate should be created under a different subchapter of Title 27, Chapter 24 than Subchapter 14.

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The fee charged for this special license plate will be the regular fee for the vehicle plus a \$10.00 design-use contribution fee and a \$10.00 handling and administrative fee. According to the bill, § 27-24-1411(d)(2)(B) provides that the design-use fee will be remitted monthly to *Rotary International* to be used for fund purposes. § 27-24-1411 (e)(1) allows for the annual renewal of the special license plate in accordance with current requirements for renewal of a special license plate, but (e)(2) directs the division to remit the fees collected from the renewals on a monthly basis to the *Rotary International PolioPlus Fund*. Section 1(e) (not to be codified) states that the special license plate will provide funding of the *Rotary International PolioPlus* program.

The handling and administrative fee will be deposited into the State Central Services Fund for the benefit of the Revenue Division of the Department of Finance and Administration (DFA). Additional revenue should be generated for the State Central Services Fund based on the \$10.00 administrative fee, however, the exact amount cannot be determined because the number of special license plates that will be purchased is unknown.

With respect to resources required, the director of DFA is to determine the amount of costs for the issuance of this special license plate as follows: (1) the fee for the cost of initial orders of the new design, based on the cost of the initial order; (2) the number of applications to be received to cover the cost of the initial order; or (3) the combination of the fee for the cost of initial orders and the number of initial applications needed to cover the cost. Because there are already special license plate provisions in place, there should not be significant additional resources required to administrate the new special license plate.