

**NORTH CAROLINA GENERAL ASSEMBLY
LEGISLATIVE FISCAL NOTE**

BILL NUMBER: SB 1210 (Fifth Edition) **Revised**

SHORT TITLE: Special Registration Plates

SPONSOR(S): Sen. Odom

FISCAL IMPACT

	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2000-01</u>	<u>FY 2001-02</u>	<u>FY 2002-03</u>	<u>FY 2003-04</u>	<u>FY 2004-05</u>
REVENUES					
Highway Fund					
Special Reg. Plate Account					
New Plates	\$16,500	\$16,500	\$16,500	\$16,500	\$16,500
Existing Plates*	(\$49,090)	(\$49,090)	(\$49,090)	(\$49,090)	(\$49,090)
Net	(\$32,590)	(\$32,590)	(\$32,590)	(\$32,590)	(\$32,590)
State Board of Education	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Wildlife Resources Commission	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
United Negro College Fund	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Litter Prevention Acct.	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
NC Ag. Promotions Inc.	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
EXPENDITURES					
Highway Fund					
Special Reg. Plate Account	\$6,000	\$5,400	\$5,400	\$5,400	\$5,400

PRINCIPAL DEPARTMENT(S) &

PROGRAM(S) AFFECTED: Department of Transportation, Division of Motor Vehicles, State Board of Education, Wildlife Resources Commission, United Negro College Fund, the Litter Prevention Account, and North Carolina Agricultural Promotions, Inc.

EFFECTIVE DATE: Effective when it becomes law.

* The following agencies receive all revenues that exceed the operating cost of the Special Plate program.

Department of Transportation	- \$24,540
Department of Commerce	-\$16,390

Department of Health & Human Services -\$8,345 (See Assumptions and Methodologies)

BILL SUMMARY:

The legislation authorizes the Division of Motor Vehicles (DMV) to issue the following special registration plates:

- **“Support Public Schools”** plate to the registered owner of a motor vehicle for a \$20 additional fee. \$10 goes to the Special Registration Plate Account. The remaining \$10 is transferred from the Collegiate and Cultural Attraction Plate Account to the newly created Fund for the Reduction of Class Size in Public Schools. The State Board of Education will allocate the money in the new Fund to local school administrative units to reduce class size in public schools. The plate will bear a picture of an old-time one-room schoolhouse and the words “Support Our Public Schools”.
- **“Ducks Unlimited”** plate to the registered owner of a motor vehicle for a \$20 additional fee. \$10 will go into the Special Registration Plate Account. The remaining \$10 will go to the Wildlife Resources Commission to support conservation programs of Ducks Unlimited Inc. in North Carolina. The plate will bear the words “Ducks Unlimited” and the organization’s logo.
- **“Omega Psi Phi Fraternity”** plate to the registered owner of a motor vehicle for an additional \$20 fee. \$10 goes to the Special Registration Plate Account. The remaining \$10 goes to the United Negro College Fund, Inc. for the benefit of colleges within the state. The plate will bear the fraternity’s name and symbol.
- **“Tobacco Heritage”** plate to the registered owner of a motor vehicle for an additional \$10 fee. This fee will go to the Special Registration Plate Account. The plate will bear a picture of a tobacco leaf and plow.
- **“Litter Prevention”** plate to the registered owner of a motor vehicle for an additional \$15 fee. \$5 goes to the Special Registration Plate Account. The remaining \$10 goes to the newly created Litter Prevention Account.
- **“Goodness Grows”** plate to the registered owner of a motor vehicle for an additional \$25 fee. \$10 goes to the Special Registration Plate Account. The remaining \$15 goes to the North Carolina Agricultural Promotions, Inc., to be used to promote the sale of North Carolina agricultural products.

Each plate may be issued to a registered owner of a motor vehicle who pays the regular registration fee plus the additional fee. The DMV must receive at least 300 applications for each plate before it becomes law. The 300 application minimum does not apply to the “Litter Prevention” plate.

Under current law, the DMV shall provide and issue free of charge one special registration plate to a recipient of the Congressional Medal of Honor, 100% Disabled Veteran, Legion of Valor Member, Ex-Prisoner of War, or Silver Star. Additional plates are subject to the regular motor vehicle registration fee plus a \$10 special registration fee. This legislation removes the additional

\$10 special registration fee for the following special registration plates: **“Legion of Valor”**, **“Congressional Medal of Honor”**, **“100% Disabled Veteran”**, **“Ex-Prisoner of War”**, and **“Silver Star”**.

ASSUMPTIONS AND METHODOLOGY:

In addition to the normal \$20 registration fee that every owner of a private passenger vehicle pays, there is a \$20 additional fee for the “Support Public Schools”, “Ducks Unlimited”, and “Omega Psi Phi” special registration plates. There is an additional \$10 fee for the “Tobacco Heritage” plates, a \$15 fee for the “Litter Prevention” plates, and a \$25 fee for the “Goodness Grows” plate. Because there is no way to determine how many plates will be requested, this fiscal note assumes the issuance of 300 license plates in FY 2000-01 for each special registration plate. As a result, the bill raises a total of \$33,000 [(\$20 x 900 plates) + (\$10 x 300 plates) + (\$15 x 300 plates) + (\$25 x 300 plates)]. \$16,500 of this amount goes to the Special Registration Plate Account. \$3,000 is distributed to each of the organizations outlined in the statute. Similarly, \$3,000 is distributed to the Litter Prevention Account. The note assumes that the plates issued in FY 2000-01 will be renewed in following years.

According to the Division of Motor Vehicles, there is a one-time cost of approximately \$100 to design a new plate. There is also a production cost of approximately \$3.00 per plate. The total production cost for 1,800 new plates is \$5,400. Including the design costs, the total cost for 1,500 new plates in the first year is \$6,000.

There are 4,003 “Disabled Veterans”, 3 “Congressional Medal of Honor”, 23 “Legion of Valor”, 752 “Prisoner of War”, and 128 “Silver Star” special registration plates currently active in North Carolina. The combined total for these four special registration plates is 4,909. This fiscal note assumes that currently active plates within this group will be renewed in subsequent years, and assumes that each eligible plate recipient currently purchases one additional special registration plate yearly.

The revenue loss of \$10 per plate associated with this fee exemption will reduce the Special Registration Plate Account by \$49,090 (\$10 x 4,909). This account is used to administer the special plates program at the DMV. Funds not used in this administration are distributed in the following manner:

- 50% Department of Transportation; for highway beautification
- 33% Department of Commerce; for promotion of travel and industrial development
- 17% Department of Health and Human Services; for promotion of travel accessibility for disabled persons

A \$49,909 reduction in the Special Registration Plate Account would reduce the amount transferred to the three agencies as follows:

Department of Transportation	\$24,540
Department of Commerce	\$16,360
Department of Human Resources	\$8,345

Note: The annual cost to DMV to renew these special plates is paid from the \$20 registration fee that is still collected on these military plates.

FISCAL RESEARCH DIVISION 733-4910

PREPARED BY: Richard Bostic and Eugene Son (Research Assistant)

APPROVED BY: James D. Johnson

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