

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
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**FISCAL IMPACT STATEMENT**

**LS 7042**

**BILL NUMBER: SB 343**

**DATE PREPARED:** Feb 22, 2000

**BILL AMENDED:** Feb 21, 2000

**SUBJECT:** License plates.

**FISCAL ANALYST:** James Sperlik

**PHONE NUMBER:** 232-9866

**FUNDS AFFECTED:**     **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) This bill requires the Bureau of Motor Vehicles (BMV) to design and issue a special group recognition license plate to honor Indiana Vietnam era veterans. It specifies that an individual who served in the United States armed forces any time from January 1, 1959, until May 17, 1975, may receive a Vietnam era veteran license plate upon paying the prescribed fees.

The bill requires the BMV to design and issue a license plate to honor veterans who have received the Silver Star medal. The bill specifies that an individual who has received a Silver Star medal may receive a Silver Star license plate. It requires the BMV to design and issue a special group recognition license plate to honor Indiana Korean era veterans. The bill specifies that an individual who served in the United States armed forces any time from June 27, 1950, until June 31, 1955, may receive a Korean era veteran license plate upon paying the prescribed fees. It allows an individual who is eligible to receive a Vietnam era, Silver Star, or Korean era license plate to receive a personalized license plate. The bill exempts Vietnam era, Silver Star, and Korean era license plates from minimum sales requirements.

It requires the BMV to issue an Indiana Child Protection Trust License Plate. The bill requires the additional fee required for the Indiana Child Protection Trust License Plate to be deposited in the Indiana Child Protection Trust Fund and distributed to an organization established to raise funds for child adoption agencies, crisis pregnancy centers, or any other charitable organization approved by the organization established to raise funds for the above organizations.

The bill creates a Huntington College Trust Special Group Recognition License Plate.

It creates an Ancilla College Trust Special Group Recognition License Plate. The bill creates an Indiana Boys and Girls Club Trust Special Group Recognition License Plate.

The bill creates the Valparaiso University Trust License Plate.

The bill creates an Indiana Moose Association Trust Special Group Recognition license plate.

The bill creates an Indiana AFL-CIO Trust Special Group Recognition license plate. It creates an Indiana UAW Trust Special Group Recognition license plate.

It specifies the method of distribution for the funds deposited in the Huntington College, Ancilla College, Valparaiso University, Indiana Boys and Girls Club, Indiana Moose Association, Indiana AFL-CIO, and Indiana UAW Trust Funds

It permits a person who registers an antique motor vehicle to furnish and display an authentic or reproduction of an Indiana license plate from the vehicle's model year.

The bill removes the requirement that a person who purchases a state education institution trust license plate give written consent at the time of purchase or renewal for release the name and address of the purchaser solely for the purpose of acknowledgment of purchase by the state educational institution. It makes conforming changes.

**Effective Date:** (Amended) Upon Passage; January 1, 2001; January 1, 2002.

**Explanation of State Expenditures:** (Revised) Prison Enterprise Network (PEN Products), the manufacturing arm of prison-made products, would charge the BMV \$2.60 per plate if the newly created plate is not a special recognition plate. If the newly created license plate is a special recognition plate, PEN Products' charge would be based on the number of colors in the design as shown in the schedule below:

<u>Colors</u>	<u>Set-Up Charge</u>	<u>Price Per Plate</u>	<u>Price Per Plate if Personalized</u>
1	\$105	\$3.90	\$4.40
2	\$170	\$4.00	\$4.50
3	\$235	\$4.10	\$4.60
4	\$300	\$4.30	\$4.80
5	\$365	\$4.60	\$5.10
6	\$430	\$5.00	\$5.50

These prices are effective for the 1999-2001 Biennium.

Additional charges include \$75 per color for any special colors that are not included in PEN's ten standard colors. If PEN Products does the artwork, there is a \$70 per hour charge. Origination Fees include the film positives and the silk screen charges. The fund affected for PEN Products is PEN Products Revolving Fund. There will computer and accounting changes for the BMV. The computer changes are estimated at \$35,000. The fund affected for the BMV is the Motor Vehicle Highway Account which supports the BMV.

A license plate is designated as a special recognition license plate if: (1) a special group recognition plate is required by statute; (2) a special group recognition license plate is requested by resolution of the General Assembly; or (3) representatives of a special group petition the Bureau of Motor Vehicles. If the plate is not designated as a special recognition plate, the above costs will not apply. The cost will be \$2.60 per plate. The reason for the price differential is that general issue plate sheeting is used for the non-special recognition plates.

In this proposal, the Vietnam Era Veteran License Plate and the Korean Era Veteran License Plate are special recognition plates. The Silver Star License Plate is not a special recognition plate. The proposal also provides that the these three newly created license plates may be personalized license plates.

The Commissioner of the BMV is to administer the newly created Indiana Child Protection Trust Fund, the Huntington College Trust Fund, the Ancilla College Trust Fund, Indiana Boys and Girls Club Trust Fund the Valparaiso University Trust Fund, the Moose Association Trust Fund, the AFL-CIO Trust Fund, and the UAW Trust Fund. Expenses of administering these funds shall be paid from money in the respective funds. Money in the funds at the end of a state fiscal year does not revert to the State General Fund.

On June 30 of each year, the Commissioner shall distribute the money in the Indiana Child Protection Trust Fund to Crisis Pregnancy Centers, Child adoption agencies, or other approved organizations. The organizations receiving money from the sale of the newly created license plates may retain the reasonable costs of administering the program. Money in the Huntington College Trust Fund is to be distributed to Huntington College. Funds in the Ancilla College Trust Fund go to Ancilla College. The Commissioner shall distribute money in the Indiana Boys and Girls Club Trust Fund to organizations in Indiana that exist for the purpose of raising funds on behalf of all the Boys and Girls Clubs that are located entirely or partially within Indiana. Money in the Valparaiso University Trust Fund is to be distributed to Valparaiso University.

On June 30 of each year, the Commissioner shall distribute money in the Indiana Moose Trust Fund to the Indiana Moose Association. On June 30 of each year, the Commissioner shall distribute money in the AFL-CIO Trust Fund to the general fund of the Indiana AFL-CIO, a labor organization under Section 501(c) (5) of the Internal Revenue Code. Also, on June 30 of each year, the Commissioner shall distribute money in the UAW Trust Fund to the general fund of the Indiana UAW, a labor organization under Section 501 (c) (5) of the Internal Revenue Code.

It permits a person who registers an antique motor vehicle to furnish and display an authentic or reproduction of an Indiana license plate from the vehicle's model year. The BMV reports that there will be no computer changes for the display of a plate from the vehicle's model year as the BMV will not retain this information in its current computer system. The BMV reports that if a customer is required to provide this information to them, the BMV will use a manual tracking system. The BMV further reports that the availability of this information will be limited to their central office business hours, 8:15 a.m. until 4:45 p.m. The fund affected is the Motor Vehicle Highway Account which supports the BMV.

The State Police report that the display of the authentic or reproduction of an Indiana license plate from the antique motor vehicle's model year will pose no law enforcement problems so long as the vehicle is properly registered with the BMV and the license plate number is entered into the BMV computers to which all law enforcement officers would have complete access. However, with the availability of the registration and license plate data limited, enforcement activities and identification will be hampered. The State Police report that this could create a safety problem for troopers and other law enforcement.

Removing the requirement that a person who purchases a state education institution trust license plate give written consent at the time of purchase or renewal for release the name and address of the purchaser solely for the purpose of acknowledgment of purchase by the state educational institution will have no fiscal impact.

**Explanation of State Revenues:** (Revised) It should be noted that it is possible that sales of these special plates could, to some extent, supplant the sales of the other special plates.

Potential revenue from the sales of the newly created Indiana Child Protection Trust license plate, the

Huntington College Trust license plate, the Ancilla College Trust license plate, the Indiana Boys Club and Girls Club Trust license plates, the Valparaiso University Trust license plate, the Indiana Moose Association Trust license the AFL-CIO, and the UAW Trust license plates is not known. The bill also provides for a \$25 annual fee for the newly created Trust plates. Based on the 1998 sales of special recognition license plates, revenue resulting from the \$25 annual fee could range from \$1,175 to \$1,999,925. This money would be deposited into the respective and newly created Trust Funds established. There also is an administrative fee of \$12 for special recognition license plates. The fee is distributed \$6 to the Bureau of Motor Vehicles Commission, \$5 to the Motor Vehicle Highway Account, and \$1 to the Crossroads 2000 program for highway bonding and construction. Revenue from this fee is not known. Based on the 1998 sales of special recognition license plates, revenue from the \$12 fee could range from \$564 to \$959,964.

The trust funds are as follows: 1) Indiana Child Protection Trust Fund; 2) Huntington College Trust Fund; 3) Ancilla College Trust Fund; 4) Indiana Boys and Girls Club Trust Fund; 5) Valparaiso University Trust Fund.; 6) Indiana Moose Association Trust Fund; (7) AFL-CIO Trust Fund; (8) UAW Trust Fund.

The proposal also exempts the Indiana Vietnam era veteran license plate, Silver Star license plate, the Korean era veteran license plates from the minimum sales requirements of 2,000 per special group. This will allow for the continued sales of these plates which may otherwise have been terminated because of the failure to meet the minimum sales requirements.

These newly created license plates will be available after December 31, 2000 and December 31,2001.

**Explanation of Local Expenditures:** (Revised) The State Police report that display of the authentic or reproduction of an Indiana license plate from the antique motor vehicle's model year will pose no law enforcement problems so long as the vehicle is properly registered with the BMV and the license plate number is entered into the BMV computers to which all law enforcement officers (state and local) would have complete access.

**Explanation of Local Revenues:**

**State Agencies Affected:** Bureau of Motor Vehicles; Department of Correction (PEN Products).

**Local Agencies Affected:** Local law enforcement agencies.

**Information Sources:** Becky Gillam, Sales and Marketing Director of PEN Products, 387-2020; Bureau of Motor Vehicles license plate data for 1998; Jane Morrical, Director of Treasury of the BMV, 232-2822; 1<sup>st</sup>. Sgt. Patrick Calkins, State Police, 232-8248; Les Miller, Special Counsel to the Superintendent of the State Police, 232-8367.