

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

301 State House  
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**FISCAL IMPACT STATEMENT**

**LS 6964**  
**BILL NUMBER: SB 159**

**DATE PREPARED:** Dec 21, 2000  
**BILL AMENDED:**

**SUBJECT:** Special Group Recognition License Plates.

**FISCAL ANALYST:** James Sperlik  
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**FUNDS AFFECTED:**     **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill (1) requires the Bureau of Motor Vehicles (BMV) to design and issue a special group recognition license plate to honor Indiana Vietnam era veterans; (2) requires the BMV to design and issue a license plate to honor veterans who have received the Silver Star medal; (3) requires the BMV to design and issue a special group recognition license plate to honor Indiana Korean era veterans; (4) allows an individual who is eligible to receive a Vietnam era, Silver Star, or Korean era license plate to receive a personalized license plate; (5) exempts Vietnam era, Silver Star, and Korean era license plates from minimum sales requirements; (6) requires the BMV to issue an Indiana Child Protection Trust license plate; (7) creates a Huntington College Trust special group recognition license plate; (8) creates an Ancilla College Trust special group recognition license plate; (9) creates a Valparaiso University Trust special group recognition license plate; (10) creates an Indiana Boys and Girls Clubs Trust special group recognition license plate; and (11) specifies the method of distribution for the funds deposited in these special group recognition trust funds.

**Effective Date:** January 1, 2003.

**Explanation of State Expenditures:** There would be additional expenses for the Prison Enterprise Network (PEN Products), the manufacturing arm of prison-made products, to make these plates. Their charges 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

For the 2001-2003 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 \$45 per hour charge. Origination fees include the film positives and the silk screen charges. When artwork is provided by the customer, the set-up fee is \$17.50. The fund affected for PEN Products is PEN Products Revolving Fund.

A license plate is designated as a special group 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 BMV. If the plate is not designated as a special group 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 these three newly created license plates may be personalized license plates.

This bill also creates five new trust license plates. The bill provides that the Commissioner of the Bureau of Motor Vehicles shall administer the newly created Indiana Child Protection Trust Fund, the Huntington College Trust Fund, the Ancilla College Trust Fund, the Valparaiso College Trust Fund, and the Indiana Boys and Girls Club Trust Fund. Expenses of administering the Funds shall be paid from the Funds.

**Explanation of State Revenues:** This bill exempts Vietnam era, Silver Star, and Korean era license plates from minimum sales requirements. This will allow the continued issuing of these license plates which otherwise may have been discontinued because of the failure to achieve minimum sales.

Potential revenue from the sales of the Indiana Child Protection Trust, the Huntington College Trust, the Ancilla College Trust, the Valparaiso College Trust, the Indiana Boys and Girls Club Trust, the Viet Nam Era Veteran, the Korean Era Veterans, and the Silver Star license plates is not known. An administrative fee of \$12 is charged for each of the above plates, except the Silver Star license plate which is not a special recognition license plate. Revenue from this fee is distributed as follows: the State License Branch Fund, which supports the license branches, receives \$6; the Motor Vehicle Highway Account, which supports the BMV, receives \$5; and \$1 is deposited into the Crossroads 2000 Program for highway bonding.

In 1999, sales of the existing 41 special plates ranged from 37 Marine Reserve plates to 76,264 Children's Trust Plates. Within this potential sales range, revenue resulting from the existing \$12 administrative fee would range from a minimum of \$444, to a maximum of \$915,168 for each plate.

The bill also provides for a \$25 annual fee for each of the newly created trust license plates. Revenue resulting from the \$25 annual fee could range from \$925 to \$1,906,600. On June 30 of each year the Commissioner of the BMV shall distribute revenue from the newly created trust license plates to the various organizations spelled out in the proposal.

Revenue Distribution.

Revenue from the Indiana Child Protection Trust license plate shall be distributed to certain tax exempt organizations under Section 501(c) of the Internal Revenue Code, such as crisis pregnancy centers or child adoption agencies. Any organization that receives funds from the Indiana Child Protection Trust Fund may retain an amount sufficient to pay the reasonable costs of administering the program.

Revenue from the Huntington College Trust license plate shall be distributed to Huntington College.

Revenue from the Ancilla College Trust license plate shall be distributed to Ancilla College.

Revenue from the Valparaiso College license plate shall be distributed to Valparaiso College.

Revenue from the Indiana Boys and Girls Club license plates shall be distributed to Boys and Girls Clubs that are located entirely or partially within Indiana.

Money in the newly created trust funds at the end of a State fiscal year does not revert to the State General Fund.

It should be noted that it is possible that sales of these special plates could, to some extent, supplant the sales of existing special plates. The newly created license plates will be available after December 31, 2002.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

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

**Local Agencies Affected:** Any local units who would meet the eligibility requirements for receipt of funds from the newly created license plates.

**Information Sources:** Becky Gillam, Sales and Marketing Director of PEN Products, 387-2020; Bureau of Motor Vehicles license plate data for 1999.