

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6434**  
**BILL NUMBER:** HB 1651

**NOTE PREPARED:** Nov 26, 2002  
**BILL AMENDED:**

**SUBJECT:** Relay for Life License Plates.

**FIRST AUTHOR:** Rep. Herrell  
**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

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

**IMPACT:** State

**Summary of Legislation:** This bill requires the Bureau of Motor Vehicles (BMV) to design and issue a special group recognition license plate for the Relay for Life. It provides that a person who is eligible to register a vehicle may obtain a Relay for Life license plate upon completing an application and paying the appropriate fee. The bill provides for an annual distribution of fees from the plate to the Relay for Life-American Cancer Society, Howard County Unit.

**Effective Date:** July 1, 2003; January 1, 2004.

**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>
1	\$198.58	\$4.30
2	\$272.16	\$4.30
3	\$345.74	\$4.30
4	\$419.32	\$4.30
5	\$492.90	\$4.30
6	\$566.48	\$4.30

The above prices are effective for the 2003-2005 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 and total \$73.58 per plate design. When the art work is provided by the customer, the set-up fee is \$17.50. The fund affected for PEN Products is the PEN Products Revolving Fund.

There will also be computer and accounting changes for the BMV. The fund affected for the BMV is the Motor Vehicle Highway Account (MVHA), which supports the BMV.

The bill provides that the Commissioner of the Bureau of Motor Vehicles shall administer the newly created Relay for Life Fund. Expenses of administering the newly created fund shall be paid from the Fund.

**Explanation of State Revenues:** *Revenue from Administrative Fee of \$15:* An administrative fee of \$15 is charged for each of the Relay for Life plates. Revenue from this fee is distributed as follows: the State License Branch Fund, which supports the license branches, receives \$9; and the Motor Vehicle Highway Account, which supports the BMV, receives \$6.

In 2001, sales of the existing 54 special plates ranged from 3 Marine Reserve plates to 72,337 Heritage Trust plates. Within this potential sales range, revenue resulting from the existing \$15 administrative fee would range from a minimum of \$45 to a maximum of \$1,085,055 for each of the new plate designs.

*Revenue from Annual Fee of \$25:* The bill also provides for a \$25 annual fee for the newly created fund license plate. Revenue resulting from the \$25 annual fee could range from \$75 to \$1,808,425. On June 30 of each year the Commissioner of the BMV shall distribute revenue from the newly created license plate to the Relay for Life-American Cancer Society, Howard County Unit.

Money in the newly created Relay for Life Fund 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 this special plate could, to some extent, supplant the sales of existing special plates. The newly created license plate will be available after December 31, 2003.

**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 2001.

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