

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

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7321

BILL NUMBER: HB 1301

NOTE PREPARED: Feb 24, 2004

BILL AMENDED: Feb 23, 2004

SUBJECT: Lewis and Clark Bicentennial; Riley Children's Foundation.

FIRST AUTHOR: Rep. Bottorff

FIRST SPONSOR: Sen. Merritt

BILL STATUS: 2nd Reading - 2nd House

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill: (1) converts the Lewis and Clark Bicentennial Commission to a permanent commission. (Under current law the Commission expires January 1, 2008.); (2) permits the Commission to establish a nonprofit corporation to carry out the duties of the Commission; (3) requires the Bureau of Motor Vehicles (BMV) to design and issue special group recognition license plates for the Lewis and Clark Bicentennial and the Riley Children's Foundation Trust; (4) provides that a person who is eligible to register a vehicle may obtain a Lewis and Clark Bicentennial license plate or a Riley Children's Foundation Trust license plate upon completing an application and paying the appropriate fee; (5) provides for the distribution of fees from the plates to the Lewis and Clark Bicentennial Commission and the Riley Children's Foundation Trust; and (6) allows a special group that sells at least 5,000 license plates during a calendar year to petition the BMV to design and issue a license plate that will be available through the BMV's branches upon completing an application and paying the appropriate fee

Effective Date: (Amended) Upon passage; May 1, 2004; July 1, 2004.

Explanation of State Expenditures: *Lewis and Clark Bicentennial Commission:* The 19-member Lewis and Clark Bicentennial Commission established by this proposal is the successor in interest to all property, rights, contracts, liabilities, obligations, and duties of the Lewis and Clark Bicentennial Commission established under P.L. 7-2001.

The Department of Natural Resources (DNR) shall staff the Commission. Expenses of the Commission must be paid from money transferred to the Commission from the Lewis and Clark Bicentennial Fund. Expenditure levels will be determined by the Commission.

The Commission may do the following:

- (1) Educate Indiana residents and the nation about Indiana's important role in the Lewis and Clark expedition.
- (2) Assist local governments and organizations with planning, preparation, and grant applications for bicentennial events and projects.
- (3) Coordinate state, local, and nonprofit organizations' bicentennial activities occurring in Indiana.
- (4) Act as a point of contact for national bicentennial organizations wishing to distribute information to state and local groups about grant opportunities, meetings, and national events.
- (5) Plan and implement appropriate events to commemorate the bicentennial.
- (6) Seek federal grants and philanthropic support for bicentennial activities.
- (7) Perform other duties necessary to highlight Indiana's role in the Lewis and Clark expedition.
- (8) Recommend the establishment of a nonprofit corporation as authorized by the bill.
- (9) Transfer funds received under IC 9-18-47 and other property to a nonprofit corporation authorized to be established by the bill.

The Commission may recommend the establishment of a nonprofit corporation that is:

- (1) tax exempt; and
 - (2) historically oriented;
- to assist in the duties and purposes of the Commission.

Lewis and Clark Bicentennial Commission License Plate: The Lewis and Clark Bicentennial Commission license plate currently exists, and in CY 2003, 1,131 license plates were sold. The bill will allow a person to purchase the Lewis and Clark Bicentennial Commission license plate at the state license branches. Making the plate easier to purchase may increase sales of the plate.

Riley Children's Foundation Plate: This license plate already exists. This proposal creates the Riley Children's Foundation Trust Fund. The bill provides that the Commissioner of the Bureau of Motor Vehicles shall administer the Riley Children's Foundation Trust Fund. Expenses of administering the Fund shall be paid from the Fund.

(Revised) Special Group Plates and the Petitioning of the BMV: The bill allows a special group that sells at least 5,000 license plates during a calendar year to petition the BMV to design and issue a license plate. This plate will be available through the BMV license branches throughout the state. This is a "may" provision. The special groups are not required to do this. For the BMV, there will be computer and accounting costs to set up the appropriate accounts for each special group that requests the BMV to handle their total transactions. This one-time cost is estimated at \$10,000 for each group. The fund affected is the Motor Vehicle Highway Account, which supports the BMV.

The Treasurer of State is to establish a Trust Fund for each special group for which the BMV collects the fees. This will be done in the same manner as the Treasurer of State currently establishes funds. There will be no additional expenditures for the Treasurer of State. The Commissioner of the BMV is to administer the trust funds established. Expenses of administering the funds shall be paid from the particular trust fund. On June 30 of each year, the Commissioner shall distribute the money in the fund to the special group for which the BMV collected the fee.

Explanation of State Revenues: *Lewis and Clark Bicentennial Fund:* The Lewis and Clark Bicentennial Fund is established. Expenses of the Fund shall be paid from the Fund. The Fund is administered by the

Commissioner of the BMV. The BMV Commissioner is to monthly distribute money in the Fund to the Lewis and Clark Bicentennial Commission. Money in the Fund at the end of a state fiscal year does not revert to the state General Fund. In CY 2003, 1,131 Lewis and Clark Bicentennial Commission license plates were sold. There is a \$25 fee for this plate which is to be deposited into the newly created Fund. Based on 2003 plate sales, \$28,275 in revenue were raised.

Riley Children's Foundation Trust Fund: The bill provides for a \$25 annual fee for the license plate. The Riley Children's Foundation Trust Fund also is established into which the revenue is deposited. Revenue resulting from the \$25 annual fee ranged from \$1,250 to \$2,502,075 for the 54 special plates. Based on the 4,650 Riley Hospital plates sold in CY 2003, the \$25 fee would generate about \$116,250. Money in the Riley Children's Foundation Trust Fund is continuously appropriated. Money in the Fund at the end of a state fiscal year does not revert to the state General Fund. The Riley Children's Foundation license plate will be available after December 31, 2004. On June 30 of each year, the Commissioner of the BMV is to distribute the money in the Trust Fund to the Riley Children's Foundation.

Revenue from Administrative Fee of \$15: An administrative fee of \$15 is charged for each of the Riley Children's Foundation license plate and each Lewis and Clark Bicentennial Plate. 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 2003, sales of the existing 54 special plates ranged from 50 Food Bank Trust plates to 100,083 Children's Trust plates, with revenue resulting from the existing \$15 administrative fee ranging from a minimum of \$750 to a maximum of \$1,501,245. Sales of the Riley Hospital plate were 4,650 plates, resulting in revenue from the administrative fee of about \$69,750. Sales of Lewis and Clark Bicentennial plates were 1,131, resulting in revenue from the administrative fee of approximately \$16,965.

It should be noted that it is possible that any additional sales of these special plates could, to some extent, supplant the sales of other existing special plates.

(Revised) Special Group Plates and the Petitioning of the BMV: The BMV will collect \$25 for each trust plate and retain \$2 for each plate until the cost of issuing the plate is recovered. This amounts to an estimated \$10,000 for each group for which the BMV collects fees. Based on CY 2003 plate sales, there were 12 special groups which had plate sales of at least 5,000 license plates. The fees collected will depend upon the number of special groups which have the BMV collect their fees. Money in the trust funds is continuously appropriated for the purposes for which the special license plate was created. Money in the funds does not revert to the state General Fund at the end of a state fiscal year.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Bureau of Motor Vehicles; Bureau of Motor Vehicles Commission; Department of Natural Resources.

Local Agencies Affected:

Information Sources: BMV Plate sales data for 2003; Marilyn Cage, Director of Legislative Affairs for the BMV, 317-232-1218.

Fiscal Analyst: James Sperlik, 317-232-9866; Bernadette Bartlett, 317-232-9586.