

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2647 – SB 2999

February 24, 2012

SUMMARY OF BILL: Re-introduces the Sigma Gamma Rho specialty license plate and allows Sigma Gamma Rho until July 1, 2013, to meet the minimum issuance requirements.

ESTIMATED FISCAL IMPACT:

Increase State Revenue –

\$4,200/General Fund/One-Time/FY12-13

\$30,800/Sigma Gamma Rho/FY12-13

\$35,000/Sigma Gamma Rho/FY13-14 and Subsequent Years

Increase State Expenditures - \$4,200/One-Time/FY12-13

Assumptions:

- According to the Department of Revenue, specialty earmarked plates introduced after 2002 are required to have 1,000 plates for reissuance.
- One hundred percent of the proceeds less the cost of manufacturing and design of the plate will go to the fund designated in Tenn. Code Ann. § 55-4-261.
- Revenue (1,000 plates at \$35.00 each).
- Expenditures (Production cost: 1,000 plates at \$4.25 each = \$4,250 one-time). According to the Department of Revenue, the cost of production has increased from \$3.76 per plate to \$4.25 per plate.
- Pursuant to Tenn. Code Ann. § 55-4-201(h)(1), specialty earmarked license plates require a minimum order of 1,000 plates prior to initial issuance. Any plate not meeting the minimum order requirement within one year after passage of the act authorizing the plate will become invalid.
- If a sufficient number of plates are not sold by July 1, 2013, the revenue for Sigma Gamma Rho in FY13-14 and subsequent fiscal years will not be realized. For the purposes of the fiscal impact, it is assumed that a sufficient number of plates will be sold and that Sigma Gamma Rho will receive revenue.
- This plate is currently obsolete and must be re-introduced.
- The proceeds from the fees paid for the sale of such plates, less the expense the state has incurred in designing and manufacturing these plates, shall be deposited in a fund to benefit Tennessee historically black colleges (Fisk University, Knoxville College, Lane College and LeMoyne-Owen College).

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

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