

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 32 – SB 1152

March 26, 2013

SUMMARY OF ORIGINAL BILL: Creates a new memorial license plate to honor Legion of Valor Members. Legion of Valor members are recipients of a Congressional Medal of Honor, the Distinguished Service Cross, the Navy Cross, or the Air Force Cross. Specifies instructions for how the proposed plate is to appear and requires the state to provide and issue the plate free of charge.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures - \$11,600/One-Time

SUMMARY OF AMENDMENTS (003091, 005122): Amendment 003091 deletes the language after the enacting clause. Deletes the memorial "Air Medal" license plate found in current law and re-establishes a military plate for "Air Medal" recipients. Deletes the military "Bronze Star" plate and the military "Silver Star" plate found in current law. Establishes two new types of "Bronze Star" plates. The "Bronze Star Valor" plate is established as a memorial plate and the "Bronze Star Meritorious" plate is established as a military plate. The "Silver Star" plate is re-established as a memorial plate. Amendment 005122 corrects typographical errors found in amendment 003091.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

Increase State Revenue - \$10,600/One-Time/Department of Revenue

Net Impact - \$37,900/Arts Commission

Net Impact - \$9,500/Highway Fund

Increase State Expenditures - \$10,600/One-Time/Department of Revenue

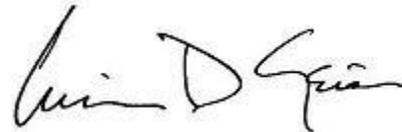
Assumptions for the bill as amended:

- Memorial type license plates are issued for free.
- Military plates carry an initial fee of \$25.75 and an annual renewal fee of \$21.50.

- Approximately 750 “Air Medal” plates that are issued free-of-charge under current law will be issued for \$25.75 in the first year and \$21.50 in subsequent years as a result of this bill as amended.
- Approximately 350 “Bronze Star Valor” plates that are issued under current law, for which fee revenue is collected, will be issued free-of-charge in subsequent years under this bill as amended.
- Approximately 123 “Silver Star” plates that are issued under current law, for which fee revenue is collected, will be issued free-of-charge in subsequent years under this bill as amended.
- The fiscal impact related to this bill as amended has been estimated utilizing numerous calculations for multiple plates issued over multiple years, some of which will be issued free-of-charge, while others are issued for a cost. For the purpose of brevity, the calculations used to arrive at the following fiscal estimates have been omitted from this fiscal note. These calculations are on file with Fiscal Review Committee staff and will be provided upon request.
- One-time state expenditures for manufacturing new plates are estimated to be \$9,371.
- One-time state expenditure of \$1,200 for notifying individuals owning current license plates that will be voided by the bill.
- The total one-time increase in state expenditures is estimated to be \$10,571 (\$9,371 + \$1,200). These expenditures will be incurred by the Department of Revenue (DOR), and DOR will recoup funds to cover the additional expenditures from first-year revenue derived from the issuance of the new plates. Therefore, a one-time increase in state revenue and a one-time increase in state expenditures of \$10,571 for DOR.
- All license plate fee revenue, after DOR retains a portion to cover the additional expenditures incurred as a result of the bill as amended, will be apportioned 80 percent to the Arts Commission and 20 percent to the Highway Fund.
- The total net recurring increase in state revenue allocated to the Arts Commission is estimated to be \$37,926. The total net recurring increase in state revenue to the Highway Fund is estimated to be \$9,482.
- The typographical errors fixed by amendment 005122 have no fiscal impact on the bill as amended.

CERTIFICATION:

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



Lucian D. Geise, Executive Director

/cce