

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 533 - SB 713**

March 3, 2015

**SUMMARY OF BILL:** Exempts any Air Medal (Meritorious) license plate issued or renewed to any recipient of the Air Medal (Meritorious) on or after May 13, 2013, from the regular registration fee. Such plates shall be free of charge if prior to May 13, 2013, the recipient was stationed on active-duty service outside Tennessee and the recipient provides a copy of the official orders related to the stationing of the recipient to the Department of Revenue.

**ESTIMATED FISCAL IMPACT:**

**Decrease State Revenue - \$185,400/FY15-16  
\$154,800/FY16-17 and Subsequent Years**

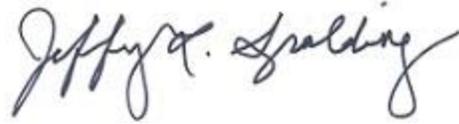
Assumptions:

- Currently, any Air Medal (Meritorious or Valor) license plate issued to any recipient of the Air Medal prior to May 13, 2013, are free of charge and not subject to the initial registration or renewal fee.
- In 2012 there were 10,000 soldiers in Tennessee area with an Air Medal. According to the Department of Revenue (DOR) approximately 2,800 recipients met the requirements of current law and received a free license plate.
- Air Medal (Meritorious) license plates issued after May 13, 2013, are considered military cultural plates and are subject to the initial registration fee of \$25.75 and a renewal fee of \$21.50.
- The Department of Revenue (DOR) estimates the remaining 7,200 (10,000 – 2,800) Air Medal (Meritorious) recipients would be eligible to register or renew the license plate for free as a result of this proposed legislation.
- There would be a one-time decrease in state revenue of \$185,400 (\$25.75 registration fee x 7,200 recipients) for recipients who will no longer have to pay the initial registration fee.
- Assuming the number of recipients remain constant at 7,200, DOR estimates a recurring decrease in state revenue of \$154,800 (\$21.50 renewal fee x 7,200 recipients) for renewals in FY16-17 and subsequent years.

**CERTIFICATION:**

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

**HB 533 - SB 713**



Jeffrey L. Spalding, Executive Director

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