

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1404 - SB 1428

January 10, 2016

SUMMARY OF BILL: Prohibits the issuance or renewal of the Sons of Confederate Veterans specialty license plates for all motor vehicles and motorcycles.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue –

\$53,600/TN Division of the Sons of Confederate Veterans Organization

\$42,900/Tennessee Arts Commission

\$10,700/Highway Fund

Assumptions:

- The fee for registering a specialty earmarked license plate is \$35 and the fee for registering a personalized specialty earmarked license plate is \$70.
- As of October 1, 2015, there were 3,008 specialty plates and 28 personalized specialty plates registered as Sons of the Confederate Veterans, both automobile and motorcycles respectively.
- Annual revenue from the sale or renewal of this plate is \$107,240 [(3,008 plates x \$35) + (28 plates x 70)].
- Prohibiting the issuance or renewal of the Sons of Confederate Veterans specialty license plates will result in a recurring decrease in revenue of \$107,240.
- Per Tenn. Code Ann. § 55-2-215, all revenue produced from the sale or renewal of a specialty earmarked plate, after deducting the departmental expense incurred in designing, manufacturing, and marketing the plates is allocated as follows: 50 percent to the nonprofit organization, state agency, or fund earmarked to receive such funds; 40 percent to the Tennessee Arts Commission; and 10 percent to the State Highway Fund.
- Assuming the effective date of the proposed legislation is July 1, 2016, the recurring decrease in revenue beginning in FY16-17 will be as follows: \$53,620 (\$107,240 x 50 %) for the Tennessee Division of the Sons of Confederate Veterans Organization; \$42,896 (\$107,240 x 40%) for the Tennessee Arts Commission; and \$10,724 (\$107,240 x 10%) for the State Highway Fund.

CERTIFICATION:

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



Krista M. Lee, Executive Director

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