

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 1752 - HB 1799

February 13, 2016

SUMMARY OF BILL: Creates a new specialty earmarked license plate for Combat Action which will be available in the following design options: American Flag, Combat Action Badge, Combat Action Medal, Combat Action Ribbon – Coast Guard, Combat Action Ribbon – Navy and Marine Corps, Combat Infantry Badge, and Combat Medical Badge. Specifies that all license plates authorized or issued with one of these design options will be included jointly in any determinations for initial issuance and continuation of issuance.

ESTIMATED FISCAL IMPACT:

Increase State Revenue –

\$4,300/General Fund/FY16-17

\$7,700/Centerstone Military Services/FY16-17

\$7,600/SAFE: Soldiers and Families Embraced/FY16-17

\$12,300/Tennessee Arts Commission/FY16-17

\$3,100/Highway Fund/FY16-17

\$8,800/Centerstone Military Services/FY17-18 and Subsequent Years

\$8,700/SAFE: Soldiers and Families Embraced/FY17-18 and Subsequent Years

\$14,000/Tennessee Arts Commission/FY17-18 and Subsequent Years

\$3,500/Highway Fund/FY17-18 and Subsequent Years

Increase State Expenditures - \$4,300/FY6-17

Assumptions:

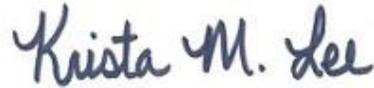
- Pursuant to Tenn. Code Ann. § 55-4-201(h)(1), new specialty earmarked license plates will be subject to a minimum order of at least 1,000 plates prior to initial issuance. The proposed legislation specifies all license plates authorized or issued with one of these design options will be included jointly in any determination for initial issuance. Any plate that does not meet the minimum order requirement within one year after passage of the authorizing act will become invalid.
- One thousand new plates will be purchased at \$35 each by individuals that currently do not have a specialty plate for each combat action design resulting in revenue of \$35,000 (1,000 plates x \$35 each).

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- One-time production costs of \$4.25 per license plate resulting in one-time expenditures of \$4,250 (1,000 x \$4.25).
- Net proceeds from the sale of the proposed plates will be allocated as follows: 25 percent to the Centerstone Military Services; 25 percent to the SAFE: Soldiers and Families Embraced; 40 percent to the Tennessee Arts Commission; and 10 percent to the state Highway Fund.
- According to the Department of Revenue, any additional programming or testing costs to create seven new class codes can be handled within existing resources without an increased appropriation or reduced reversion.

CERTIFICATION:

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



Krista M. Lee, Executive Director

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