

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 76 - SB 1489

March 8, 2019

SUMMARY OF ORIGINAL BILL: Authorizes military and memorial license plates to be personalized. Requires payment of any other required fees and a fee to defray the cost of designing and manufacturing the personalized plates.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue – \$52,500

Other Fiscal Impact – The Department of Revenue will retain approximately \$4,950 from the sale of 1,500 personalized license plates each year to compensate TRICOR for production costs. TRICOR will receive approximately \$750 in net revenue from the sale of every 1,500 license plates.

SUMMARY OF AMENDMENT (004902): Adds language to the original bill to specify that the removal or redesign of any required legends or letters is not authorized by this legislation.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- According to the Department of Revenue (DOR), there are approximately 66,055 memorial and 86,238 military plates currently issued for a total of 152,293 plates. This number is assumed to remain constant into perpetuity.
- It is reasonably assumed that at least 1,500 registrants (slightly less than one percent) will request personalized plates each year as a result of this legislation.
- Based on information provided by DOR, there is a personalization fee equal to \$35, which is charged annually for the plate, and the fee applicable to producing the license plate is estimated to be \$3.30 per plate, which is a one-time fee. Given that at least 1,500 registrants each year are assumed to request personalized plates, the total fee is estimated to be \$38.30 (\$35.00 + \$3.30).

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- The recurring increase in state revenue is estimated to be \$57,450 (\$38.30 fee x 1,500 plates). However, \$4,950 (\$3.30 x 1,500 plates) will be distributed to TRICOR to fund production of the personalized plates. The remaining \$52,500 (\$35 x 1,500 plates) will be deposited to the state General Fund.

CERTIFICATION:

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

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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