

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 13 – HB 718

February 18, 2019

SUMMARY OF BILL: Creates a new cultural license plate for honorably discharged veterans who served in South Korea after the signing of the Korean Armistice Agreement in support of the defense of the South Korean state and who qualify for the Korea Defense Service Medal. Requires the license to read "Korean Defense Service", and to include an identification legend distinctive to recipients of the Korea Defense Service Medal.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impacts – The Department of Revenue will retain approximately \$3,300 from the sale of every 1,000 license plates to compensate TRICOR for production, warehousing, and distribution costs. TRICOR will receive \$500 in net revenue for every 1,000 new specialty license plates produced.

Assumptions:

- Pursuant to Tenn. Code Ann. § 55-4-202(h)(1), cultural license plates will be subject to a minimum order of at least 1,000 plates prior to initial issuance. Any plate that does not meet the minimum order requirement within one year after passage of the authorizing act will become invalid.
- Pursuant to Tenn. Code Ann. § 55-4-204(c) military cultural plates shall be issued upon the payment of the regular registration fee and a fee equal to the cost of actually designing and manufacturing the plates.
- No change to the total or timing of regular registration fee revenue collections.
- The Department of Revenue will collect \$3.30 per license plate for a total of \$3,300 per 1,000 plates (1,000 plates x \$3.30), which will be paid to TRICOR.
- TRICOR's actual cost to produce, warehouse, and distribute these specialty license plates is estimated to be \$2.80 per license plate, resulting in \$0.50 net revenue per plate for a one-time increase in net revenue to TRICOR of \$500 (1,000 plates x \$0.50) for each 1,000 plates produced.

CERTIFICATION:

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

Handwritten signature of Krista Lee Carsner in black ink.

Krista Lee Carsner, Executive Director

/ntp