

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6997

BILL NUMBER: HB 1274

NOTE PREPARED: Feb 13, 2024

BILL AMENDED: Jan 16, 2024

SUBJECT: Indiana Semiquincentennial License Plate.

FIRST AUTHOR: Rep. Lehman

FIRST SPONSOR: Sen. Raatz

BILL STATUS: CR Adopted - 2nd House

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides for a semiquincentennial license plate. It also establishes the Semiquincentennial Trust Fund.

Effective Date: January 1, 2025.

Explanation of State Expenditures: The Bureau of Motor Vehicles (BMV) reports a cost to design a special group license plate of \$38,000. These up-front expenses would be financed from the BMV Commission Fund and could be recovered from administrative fees collected from license plate sales.

Additionally, the bill will increase the workload of (1) the BMV to administer the Semiquincentennial Trust Fund (created by the bill) and (2) the Treasurer of State to determine and execute an investment strategy for funding deposited in the Semiquincentennial Trust Fund. Increases in BMV workload and/or expenditures to administer the Trust Fund would be financed from the \$25 special group fee paid by individuals who request the special group license plate. Increases in Treasurer of State workload are within the routine administrative function of the agency and are expected to be accomplished within existing resource and funding levels.

Explanation of State Revenues: *Summary* - This bill could increase revenue to the BMV Technology Fund, Crossroads 2000 Fund, Integrated Public Safety Communication Fund, BMV Commission Fund, and State Highway Fund (by way of the Motor Vehicle Highway Account) from the collection of the \$15 administrative fee collected on each Semiquincentennial license plate sold. The bill would also increase revenue to the newly created Semiquincentennial Trust Fund from special group fees collected from license plate sales. The bill's net impact on state revenue is indeterminable.

Additional Information - Offering a new special group license plate could impact license plate sales where the state currently collects (1) a special group fee and an administrative fee, (2) only a special group fee, (3) only an administrative fee, or (4) no special group or administrative fees.

The following impacts can be expected for the aforementioned scenarios:

- In scenario (1) the state would experience no revenue impact.
- Scenario (2) results in the state receiving more annual revenue from administrative fees.
- Scenario (3) results in the state receiving revenue increases from special group fees.
- Scenario (4) results in an increase in state revenue from administrative and special group fees.

Semiquincentennial Trust Fund - The bill establishes the Semiquincentennial Trust Fund to receive the \$25 group fee collected from license plate sales. Funding received from special group license plate sales is forwarded to the Semiquincentennial Commission of Indiana at least once a month. Any balance that remains in the Trust Fund at the end of the fiscal year does not revert to the General Fund.

BMV Administrative Fees - The following table shows the fee distribution breakdown from special group license plate administrative fees.

Distribution	Fee
BMV Technology Fund	\$0.50
Crossroads 2000 Fund	\$1.00
Integrated Public Safety Communication Fund	\$1.25
BMV Commission Fund	\$5.00
Motor Vehicle Highway Account	\$7.25
Total	\$15.00

Changes in revenue to the MVHA will impact distributions to the State Highway Fund (INDOT). The State Highway Fund receives 62% of revenue deposited in the MVHA. The bill's impact on the State Highway Fund is indeterminable.

Explanation of Local Expenditures:

Explanation of Local Revenues: To the extent this bill impacts revenue deposited in the MVHA from special group license plate administrative fees, the bill will impact revenue local units of government revenue through the MVHA funding formula. The bill's impact on local MVHA revenue is indeterminable.

State Agencies Affected: BMV; INDOT.

Local Agencies Affected: All.

Information Sources: Cody Eckart, BMV.

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