

OKLAHOMA TAX COMMISSION

**REVENUE IMPACT STATEMENT
SECOND REGULAR SESSION, FIFTY-EIGHTH OKLAHOMA LEGISLATURE**

DATE OF IMPACT STATEMENT: March 29, 2022

BILL NUMBER: SB 1387 **STATUS AND DATE OF BILL:** Engrossed 03/24/2022

AUTHORS: House Steagall Senate Standridge and Bergstrom

TAX TYPE (S): Motor Vehicle **SUBJECT:** Other

PROPOSAL: Amendatory & New

Section one of the measure creates the Diabetes Awareness License Plate Revolving Fund and provides that \$20 of the \$35 fee levied by 47 O.S. § 1135.5 for each Diabetes Awareness special license plate issued shall be deposited to the Fund.

Section two proposes to amend 47 O.S. § 1135.2 by creating the Air Medal special license plate to be designed and issued to any Oklahoma resident who has earned the Air Medal and presents proper certification that the resident has been awarded such medal. The license plate shall include an image of the Air Medal earned by the recipient. Qualifying persons may apply for this special license plate for vehicles having a rated carrying capacity of one ton or less or for a motorcycle. The motorcycle plate may be of similar design to the one for vehicles or a new design in order to meet the space requirements of a motorcycle license plate.

Section three proposes to amend 47 O.S. § 1135.5 by creating the Diabetes Awareness special license plate to be issued to any person wishing to provide financial support for Diabetes Solutions of Oklahoma. The special plate shall be designed in consultation with the above-named entity. It authorizes the Tax Commission to enter into a licensing agreement with this entity for any licensing fees required to use its logo or design. The licensing agreements shall provide for a deposit to the Diabetes Awareness License Plate Revolving Fund established in Section 1 of this act.

EFFECTIVE DATE: November 1, 2022

REVENUE IMPACT:

Insert dollar amount (plus or minus) of the expected change in state revenues due to this proposed legislation.

FY 23: Potential minimal increase in motor vehicle collections¹

FY 24: Potential minimal increase in motor vehicle collections¹

Mar. 30, 2022
DATE

Rick Miller
DIVISION DIRECTOR

bjs

3/30/2022
DATE

Huan Gong
HUAN GONG, ECONOMIST

4/1/2022
DATE

Joseph P. Hanna
FOR THE COMMISSION

The revenue impact provided herein is an estimate of the potential impact on the collection or apportionment of tax revenues affected by the proposed legislation. It is not intended to be an estimate of the overall fiscal impact on the state budget if the proposed legislation is enacted.

¹ Section 1135.5 of Title 47 of the Oklahoma Statutes provides that the Tax Commission shall not develop or issue any special license plates authorized by Section 1135.5 unless, within 180 days of such authorization, the Commission receives 100 prepaid applications for the authorized special license plate. Therefore, should the 100 prepaid application requirement be met to initiate the creation and issuance of the special license plate created in this measure, a minimal increase in motor vehicle collections is estimated for FY 23 and FY 24.

ATTACHMENT TO REVENUE IMPACT- SB 1836 - [Engrossed] - Prepared 03/30/2022

Section one of the measure creates the Diabetes Awareness License Plate Revolving Fund and provides that \$20 of the \$35 fee levied by 47 O.S. § 1135.5 for each Diabetes Awareness special license plate issued shall be deposited to the Fund.

Section two proposes to amend 47 O.S. § 1135.2 by creating the Air Medal special license plate to be designed and issued to any Oklahoma resident who has earned the Air Medal and presents proper certification that the resident has been awarded such medal. The license plate shall include an image of the Air Medal earned by the recipient. Qualifying persons may apply for this special license plate for vehicles having a rated carrying capacity of one ton or less or for a motorcycle. The motorcycle plate may be of similar design to the one for vehicles or a new design in order to meet the space requirements of a motorcycle license plate.

The annual fee for special license plates issued pursuant to the amended section is \$8 and is in addition to all other annual vehicle registration fees. The \$8 fee is deposited into the Oklahoma Tax Commission Reimbursement Fund to be used for the administration of the Oklahoma Vehicle License and Registration Act.

There is no estimated revenue impact associated with section two.

Section three proposes to amend 47 O.S. § 1135.5 by creating the Diabetes Awareness special license plate to be issued to any person wishing to provide financial support for Diabetes Solutions of Oklahoma. The special plate shall be designed in consultation with the above-named entity. It authorizes the Tax Commission to enter into a licensing agreement with this entity for any licensing fees required to use its logo or design. The licensing agreements shall provide for a deposit to the Diabetes Awareness License Plate Revolving Fund established in Section 1 of this act.

The annual fee for special license plates issued pursuant to Section 1135.5 of Title 47 is \$35 and is in addition to all other annual vehicle registration fees. Of this amount, \$20 shall be deposited in the Diabetes Awareness License Plate Revolving Fund pursuant to a licensing agreement with \$8 deposited in the OTC Reimbursement Fund to be used for administrative purposes associated with issuance of the special license plates and any remaining amounts of the \$35 fee apportioned pursuant to the provisions of 47 O.S. § 1104.

The estimated revenue impact associated with section three is a potential minimal increase in motor vehicle collections.²

² Section 1135.5 of Title 47 of the Oklahoma Statutes provides that the Tax Commission shall not develop or issue any special license plates authorized by Section 1135.5 unless, within 180 days of such authorization, the Commission receives 100 prepaid applications for the authorized special license plate. Therefore, should the 100 prepaid application requirement be met to initiate the creation and issuance of the special license plate created in this measure, a minimal increase in motor vehicle collections is estimated for FY 23 and FY 24.