



January 27, 2023

SUMMARY OF BILL: Discontinues the honorary consular license plate. Removes the disabled license plate fee for a parent or guardian of an individual who is permanently and totally confined to a wheelchair. Effective January 1, 2024.

ESTIMATED FISCAL IMPACT:

**Decrease State Revenue – \$27,700/FY23-24/Highway Fund
\$600/FY23-24/General Fund**

**\$55,300/FY24-25 and Subsequent Years/Highway Fund
\$1,100/FY24-25 and Subsequent Years/General Fund**

Assumptions:

- Based on information provided by DOR, the number of honorary consular license plates registered are less than five per year. It can be reasonably assumed that individuals who would otherwise be issued an honorary consular license plate will be issued an alternative license plate with a similar fee; therefore, the net fiscal impact of discontinuing issuance of the honorary consular license plate will be not significant.
- Currently, an owner or lessee of a motor vehicle who is the parent or legal guardian of an individual who is permanently disabled and incapable of operating a motor vehicle will receive a disabled license plate upon payment of the registration fee.
- The proposed legislation exempts parents of individuals permanently and totally confined to a wheelchair from this fee.
- According to 2019 Census Data, there are 41,089,958 individuals in the United States with a disability.
- Based on information from 2019 Census Data, there are approximately 344,585 individuals in the United States under the age of 18 who have an ambulatory disability, consisting of a serious difficulty walking or climbing stairs; therefore, 0.839 percent (344,585 / 41,089,958) of individuals with disabilities in the United States have an ambulatory disability and are under the age of 18.
- Based on information provided by DOR, there are 188,091 vehicles registered with a disabled license plate as of January 2023.
- It is unknown how many of the registrants are the parents or legal guardians of a minor who is permanently and totally confined to a wheelchair.

- According to 2020 Census Data, approximately 70 percent of minors under the age of 18 live with two parents. For the purposes of this analysis, it is assumed that 50 percent of two-parent households have obtained two disabled license plates for their child who is permanently and totally confined to a wheelchair; therefore, it is assumed that 35 percent (70% x 50%) of individuals under the age of 18 who are permanently and totally confined to a wheelchair have two disabled license plates issued to their parents or guardians.
- For the purposes of this analysis it is assumed that 2,130 (188,091 x 0.00839 x 1.35), of current registrants with a disabled license plate are the parents or legal guardians of an individual who is permanently and totally confined to a wheelchair.
- The registration fee for a disabled license plate is \$26.50.
- Pursuant to Tenn. Code Ann. § 55-6-107(a)(1), such revenue shall be apportioned by a distribution of 98 percent to the Highway Fund and 2 percent to the General Fund.
- The proposed legislation is effective on January 1, 2024; therefore, the fiscal impact to FY23-24 is a half-year impact.
- The total decrease in state revenue is estimated to be \$28,223 (2,130 x \$26.50 x 50%) in FY23-24.
- The decrease in state revenue to the Highway Fund is estimated to be \$27,659 (\$28,223 x 98%) in FY23-24.
- The decrease in state revenue to the General Fund is estimated to be \$564 (\$28,223 x 2%) in FY23-24.
- The total recurring decrease in state revenue is estimated to be \$56,445 (2,130 x \$26.50) in FY24-25 and subsequent years.
- The recurring decrease in state revenue to the Highway Fund is estimated to be \$55,316 (\$56,445 x 98%) in FY24-25 and subsequent years.
- The recurring decrease in state revenue to the General Fund is estimated to be \$1,129 (\$56,445 x 2%) in FY24-25 and subsequent years.

CERTIFICATION:

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



Krista Lee Carsner, Executive Director

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