

Special License Plates House File 651

Last Action:

Senate Floor

April 18, 2011

*As amended by H-1662
(Senate Amendment)*

Executive Summary Only

An Act providing for a special civil war sesquicentennial motor vehicle registration plate, special fallen peace officers plates, and special military combat plates, and, establishing fees, and making appropriations.

**Fiscal Services Division
Legislative Services Agency**

NOTES ON BILLS AND AMENDMENTS (NOBA)

Available on line at <http://www.legis.iowa.gov/LSAReports/noba.aspx>
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FUNDING SUMMARY

- *New Special License Plates Created*

- House File 651, as amended by the Senate (H-1662), creates seven new special plates in Iowa Code. The new plates and recipient funds and purposes are as follows:
 - **Civil War Sesquicentennial** - revenue generated supports the Battle Flag Restoration Project through the Department of Cultural Affairs.
 - **Fallen Peace Officers** - revenue generated transfers to the Department of Public Safety for distribution via grants that provide resources to assist in the rebuilding of lives of surviving families and affected coworkers of law enforcement officers killed in the line of duty.
 - **Combat Infantryman Badge** - revenue generated deposits in the Veterans License Fee Fund.
 - **Combat Action Badge** - revenue generated deposits in the Veterans License Fee Fund.
 - **Combat Action Ribbon** - revenue generated deposits in the Veterans License Fee Fund.
 - **Combat Medical Badge** - revenue generated deposits in the Veterans License Fee Fund.
 - **Air Force Combat Action Medal** - revenue generated deposits in the Veterans License Fee Fund.

NOTE: The Veterans License Fee Fund supports the Iowa Commission of Veterans Affairs. Recently, the Commission has expended funds from the Veterans License Fee Fund for various Veterans information-related computer software and systems to assist the Department of Veterans Affairs.

A surviving spouse of a person issued the military combat plates may continue to use the plates, unless the surviving spouse remarries.

- *Fiscal Impact*

- Programming costs for each new special plate will be approximately \$4,500. The costs are paid through the Motor Vehicles Division of the Department of Transportation (DOT). The operating budget of the Division is funded 96.0% from the Road Use Tax Fund and 4.0% from the Primary Road Fund. The estimated cost is \$30,240 from the Road Use Tax Fund and \$1,260 from the Primary Road Fund for the seven new style plates. The Motor Vehicle operating budget for estimated FY 2011 is \$35.3 million.

The DOT will make the programming changes once the legislation is enacted in anticipation of any orders for the plates, but the Department will process the actual orders on demand. The programming costs happen whether there is only one or several thousand ordered.

The approximate production cost per plate (supplies, materials, and labor) is \$4.34. The production cost is charged to the Road Use Tax Fund. In addition to the production cost, there is an administrative cost of approximately 10.0% (\$0.43) of the actual plate cost, resulting in a total cost per plate of \$4.80.

For the five military combat plates, the Department of Veterans Affairs and Department of Public Defense indicate that approximately 2,000 service members may have or soon will receive the military combat awards. If all of the service members eligible were to request the special plates, the cost to the Road Use Tax Fund would be approximately \$9,548, in addition to the programming costs mentioned above. If all eligible service members requested the special plates, the estimated revenue generated for the Veterans License Fee Fund would be approximately \$48,000 from the special plate fees.

The revenue from the special plate fees is deposited in the Road Use Tax Fund, but then transferred via the Statutory Allocations Fund (SAF) to the specified purposes of the special plates. After statutory allocations under Code Section 321.145(2), the balance from the SAF transfers annually to the Road Use Tax Fund. The additional transfer for special plates reduces the SAF balance and results in no additional revenue for roads.

Fees for personalized plates are in addition to the special plate fees. Revenue from the additional amount generated for personalized plates (\$25.00 in addition to the special plate fee) is deposited in the Road Use Tax Fund, in accordance with Code Section 321.34(5).

Counties retain 4.0% of the vehicle registration fees and issuance of plates in accordance with Code Section 321.152. The counties are not affected because they continue to retain that amount from any of the new special plates issued.