

- There is no direct fiscal effect on other political subdivisions at this time. However, if the bill's provisions result in an increase in revenue (compared to costs), then local governments would gain money distributed through the Auto Registration Distribution Fund. Should costs exceed revenue, local governments could lose money.

Detailed Fiscal Analysis

The bill provides for the issuance of Professional Sports Team license plates. Such plates would be available for a voluntary contribution of \$25, a fee of \$10 for compensating the BMV for issuing the plates, the regular \$20 license tax, plus any local permissive tax. The \$10 Bureau fee would be deposited into the Bureau of Motor Vehicles Fund. The contribution would be transmitted from the Bureau to the Treasurer of State for deposit into the Professional Sports Teams License Plate Fund, created by the bill.

The plates could be combined with a request for a special reserved license plate. Under existing law, reserved plates contain three or fewer characters (letters and/or numbers), and cost an additional \$10. Of this money, the Bureau retains \$7.50 and \$2.50 is paid into the Roadside Park and Beautification Fund. Personalized plates contain between four and six characters and cost an additional \$35, of which \$5 is kept by the BMV and \$30 goes to roadside park improvements.

It can not be estimated how many plates would be sold. Some special plate designs have far exceeded others in sales. According to the Bureau, the *entire* special plate program breaks even, more or less. However, the BMV has determined that it takes an average of seven years for *individual* special plate programs to be self-supporting. In fact, nearly 2,000 plates must be sold to recoup programming costs alone. Should the \$10 charge ever become insufficient to cover program costs, the Bureau would need to rely on moneys that eventually are distributed to local governments (counties, municipalities, and townships) via the Auto Registration Distribution Fund. Any dollars collected by the BMV over and above operational costs are redistributed back to local governments. So, local governments may get more or less money back depending on the cost of Bureau operations, and the number of plates sold.

The bill requires any professional sports team that wishes to have its logo appear on license plates to enter into a contract with the designated sports commission within their county. The bill further provides, once an agreement is entered into, that the designated sports commission receive the \$25 per plate contribution. In addition, the bill requires any sports commission receiving in excess of \$10,000 in one year to report to the Director of Development the amount received.

The bill specifies that the contributions received by each sports commission are to be used to attract sporting events and to promote tourism. In addition, the bill requires that an economic analysis be conducted by the sports commission and specifies that only those events which are determined to have a positive economic effect may be supported using moneys received from the professional sports teams license plate program.

The following table gives several examples of annual sales scenarios.

<i>Estimated Units Sold</i>	<i>\$10 BMV Fee</i>	<i>\$25 Contribution</i>
1,000	\$10,000	\$25,000
10,000	\$100,000	\$250,000
50,000	\$500,000	\$1,250,000
100,000	\$1,000,000	\$2,500,000

□ *LBO staff: Joshua N. Slen, Budget/Policy Analyst*

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