

than \$5,000 for any affected county, city, or township with a population of 5,000 or more, and (2) no more than \$1,000 for any affected village or township with a population of less than 5,000.

Detailed Fiscal Analysis

Overview

For the purposes of this fiscal analysis, the bill most notably: (1) permits certain persons to apply to the state's Registrar of Motor Vehicles to request the display of a combat star on a special combat or military license plate, and (2) requires the Registrar to adopt rules to determine the license plates that are appropriate for the display of the combat star, the design for each approved plate, and the documentary evidence that a person must present.

State fiscal effects

Expenditures. The fiscal effects on the state, in particular the Department of Public Safety's Bureau of Motor Vehicles (BMV) and its primary source of operating moneys (Fund 4W4), will be dependent on the number of special combat or military license plates with a combat battle star actually issued. As of this writing, LSC fiscal staff is unable to estimate the demand and production costs for the combat star license plates. This means that the potential magnitude of any related increase in operating expenses is uncertain.

Revenues. The issuance of combat battle star license plates will not generate any additional state revenues, in particular registration-related revenues that would be deposited to the credit of Fund 4W4, as the bill does not authorize the BMV to collect an additional fee to compensate the Bureau for the additional services required in the issuing of such license plates.

Local fiscal effects

Redistributed Public Safety revenues

Whenever BMV's Fund 4W4 cash flow changes, local governments may also be affected in some manner. Most collected local and state motor vehicle license taxes are deposited into a Department of Public Safety holding account. Monthly, an assessment of Fund 4W4 occurs and cash is transferred from the holding account to Fund 4W4 in order to cover BMV's monthly operating expenses. Any remaining funds in the holding account are then forwarded to local governments (counties, municipalities, and townships) to use for transportation-related needs such as roads and bridges. As BMV's expenses or revenues increase or decrease, moneys available for redistribution to local governments may increase or decrease.

As of this writing, however, the manner in which the bill may affect that cash flow dynamic, if at all, is uncertain. That said, LSC fiscal staff has not gathered any information suggesting that the potential

magnitude of the annual fiscal effect on any local government would be more than minimal, if that. In this context, "minimal" means an estimated annual revenue

gain or loss of: (1) no more than \$5,000 for any affected county, city, or township with a population of 5,000 or more, and (2) no more than \$1,000 for any affected village or township with a population of less than 5,000.

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