

BILL: **H.B. 123**

DATE: **June 22, 1999**

STATUS: **As Enacted – Effective October 29, 1999**

SPONSOR: **Rep. Cates**

LOCAL IMPACT STATEMENT REQUIRED: **Yes**

CONTENTS: **Eliminates \$10 fee to BMV for veterans who served in certain combat zones**

State Fiscal Highlights

STATE FUND	FY 2000	FY 2001	FUTURE YEARS
Bureau of Motor Vehicles Fund (4W4)			
Revenues	\$177,000 loss	\$236,000 loss	\$236,000 loss declining over time
Expenditures	- 0 -	- 0 -	- 0 -

Note: The state fiscal year is July 1 through June 30. For example, FY 2000 is July 1, 1999 – June 30, 2000.

- Loss of approximately \$236,000 annually to the Bureau of Motor Vehicles Fund (4W4). To make up for this revenue loss the BMV would instead draw from the automobile registration fund money that otherwise would be distributed to local governments.
- Assuming the bill is effective October 1, 1999, the loss in FY 2000 would be about \$177,000.

Local Fiscal Highlights

LOCAL GOVERNMENT	FY 1999	FY 2000	FUTURE YEARS
Local governments			
Revenues	\$59,000 loss	\$236,000 loss	\$236,000 loss declining over time
Expenditures	- 0 -	- 0 -	- 0 -

Note: For most local governments, the fiscal year is the calendar year. The school district fiscal year is July 1 through June 30.

- Loss to counties, municipalities, and townships of approximately \$236,000 annually statewide.
- Assuming the bill is effective October 1, 1999, the loss in calendar year 1999 would be about \$59,000.



Detailed Fiscal Analysis

The bill would eliminate the additional \$10 fee that a person pays to compensate the Bureau of Motor Vehicles (BMV) for the actual costs when issuing or renewing special plates to those who served in certain combat zones. Since these represent actual costs incurred by the Bureau, the loss would have to be made up somewhere. The BMV would draw a larger portion of the automobile registration dollars that otherwise would be distributed to local governments. According to records at the BMV, approximately 23,600 special plates are issued or renewed to veterans annually. Therefore, the loss to local governments would be approximately \$236,000 (23,600 X \$10) annually statewide.

□ *LBO staff: Clifford Marsh, Budget/Policy Analyst*

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