

# Department of Finance and Administration

## Legislative Impact Statement

**Bill: HB1699**

**Bill Subtitle: TO PROVIDE FOR THE CREATION AND ISSUANCE OF A SPECIAL LICENSE PLATE AND SPECIAL MOTORCYCLE LICENSE PLATE FOR MEMBERS OF VETERANS OF FOREIGN WARS.**

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### **Basic Change :**

Representatives Vines, J. Edwards

The bill creates a special passenger type license plate and a special motorcycle license plate for members of the Veterans of Foreign Wars (VFW), members of Ladies Auxiliary to the VFW, Men's Auxiliary to the VFW, Auxiliary to the VFW, Junior Girls of the Ladies Auxiliary to the VFW, and Sons of the VFW. Members of Ladies Auxiliary to the VFW, Men's Auxiliary to the VFW, Auxiliary to the VFW, Junior Girls of the Ladies Auxiliary to the VFW, and Sons of the VFW would be issued a plate with a decal "Veterans of Foreign Wars". A veteran of a war or conflict authorized under current law could choose either a decal across the bottom of the plate indicating the war or conflict or a decal "Veterans of Foreign Wars".

The Department is required to design the plates in consultation with the Department of Arkansas Veterans of Foreign Wars. Applicants must establish they are eligible for the plates by presenting their membership card or Lifetime Membership Card of the organization of which they are a member. The base registration fee for the issuance of the first plate is \$1.00. Additional passenger type plates may be obtained at the regular fee for the vehicle. The bill establishes a fund raising fee of ten dollars (\$10.00) for initial issuance and renewal of the passenger type plate to be deposited to the Nick Bacon VFW Special Veterans Scholarship Fund.

### **Revenue Impact :**

Plates issued at the reduced fee for members of the Veterans of Foreign Wars organization could create a loss in registration fees to the Arkansas Highway and Transportation Department of up to \$352,000. Additional unknown increases would occur depending on the number of members of Ladies Auxiliary to the VFW, Men's Auxiliary to the VFW, Auxiliary to the VFW, Junior Girls of the Ladies Auxiliary to the VFW, and Sons of the VFW chose to register vehicles with the reduced fee plate for the passenger type plate, and the number of members who own motorcycles and choose to register with the reduced fee motorcycle plate. There will be an unknown increase in revenue to the Nick Bacon VFW Special Veterans Scholarship Fund depending on the number of eligible applicants choose to register their vehicle with the special plate.

### **Taxpayer Impact :**

Members of the organizations listed in the bill could register their passenger cars, pickups, and motorcycles with special plates at a fee of one dollar (\$1.00).

### **Resources Required :**

No additional programming required. A supply of decals and special plates will be maintained.

### **Time Required :**

Adequate time is provided.

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### Procedural Changes :

Program the motor vehicle computer system for the special plates and revise Motor Vehicle Procedures Manual and distribute to Revenue Offices.

### Other Comments :

None

### Legal Analysis :

HB1699 authorizes DFA to issue a motor vehicle license plate and a motorcycle license plate that is available to a person who can prove by membership card that he or she is a member of the Veterans of Foreign Wars or any of 5 affiliated organizations.

The sections that provide for the issuance of both the motor vehicle and the motorcycle plate are new sections that are added to Subchapter 2 of Title 27, Chapter 24. Subchapter 2 is the subchapter authorizing special plates or branch decals for military service or veterans. The ability to have a special design plate with a decal identifying a war conflicts with current law in Subchapter 2 that provides for either a special license plate issued to a veteran of a specific war or branch or medal decals, all of which have requirements regarding input either from the Department of Veterans' Affairs or the Adjutant General for the State of Arkansas, or both.

The first motor vehicle special license plate issued to an applicant under this bill requires payment of a \$10 fundraising fee that is remitted monthly to the Nick Bacon VFW Special Veterans Scholarship Fund. DFA can charge an annual renewal fee not to exceed \$1.00. Additional plates (apparently unlimited) may be obtained by an eligible applicant upon payment of the regular registration and renewal fee for a motor vehicle. There is no provision for a design fee, administrative fee, or any other fee, other than the \$1.00 annual renewal fee. The motorcycle license plate is also free of charge with an annual renewal fee of \$1.00. The motorcycle plate can continue from year to year upon payment of the renewal fee. Motorcycles are not motor vehicles for purposes of Title 27, Chapter 24, and motorcycle license plate provisions are codified in Chapter 15 of Title 27.

Page 2, line 15 "(7)" should be "(6)"

The bill provides an effective date of January 1, 2014.