

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: Senate Bill 754 (First Edition)

SHORT TITLE: Stock Car Racing Theme Special Plates

SPONSOR(S): Senator Hoyle

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2003-04</u>	<u>FY 2004-05</u>	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>FY 2007-08</u>
REVENUES					
General Fund					No Impact
Highway Fund					
-Special Registration Plate Account					*See Assumptions and Methodology*
-Collegiate & Cultural Attraction Plate Account					*See Assumptions and Methodology*
-Replacement Fee					*See Assumptions and Methodology*
EXPENDITURES					
Highway Fund					
-Special Registration Plate Account					*See Assumptions and Methodology*
-Collegiate & Cultural Attraction Plate Account					*See Assumptions and Methodology*
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED:	North Carolina Division of Motor Vehicles.				
EFFECTIVE DATE:	This act is effective when it becomes law.				

BILL SUMMARY: The proposed bill authorizes the Division of Motor Vehicles (DMV) to issue a series of Stock Car Racing Theme special license plates without a minimum number of applications. The DMV may issue any plate in this series without a minimum number of applications if the person providing the State with the license to use the words, logos, trademarks, or designs associated with the plate produces the plate for the State without a minimum order quantity. Except for the personalized plates, the DMV shall assign all plates issued pursuant to this subdivision with random numbers or lettering. The background color and design shall allow the numbers on the face of the plate to be readily distinguished. The DMV shall not develop any plate in the series without a license to use copyrighted or registered words, symbols, trademarks, or designs associated with the plate and can contract with any person authorized to provide such

licenses. The DMV or the Department of Correction may also contract for the production of blank plates in this series, provided the plates meet or exceed the State's specifications.

ASSUMPTIONS AND METHODOLOGY:

Highway Fund – Special Registration Plate Account

In addition to the normal \$20 vehicle registration fee for private passenger vehicles, each applicant for a Stock Car Racing Theme plate pays \$30 that is deposited into the Special Registration Plate Account.

According to the DMV, there is a one-time cost of approximately \$100 to design a new plate. There is also a production cost of approximately \$3.00 per plate based on one color design. The cost per plate will increase if more color is added or the design is complex. The proposed legislation allows the DMV or Department of Correction to contract out the production of the special plates. It is assumed that Race Plate Marketing, LLC will be used. The vendor will supply the state with the special plates with graphics. The state will reimburse the vendor \$4.00 per plate. The state will then emboss and package the plates for citizens. Royalties of \$7.50 for each plate (25% of the extra \$30 cost) will also be paid to the vendor. **Thus, the state retains a net profit of \$22.50 for each new plate registration and \$26.50 for each plate registration renewal.**

Because there is no way of knowing how many North Carolina citizens will apply for or annually renew the Stock Car Racing Theme plate, no accurate fiscal estimate or projection is possible on either the revenue or expenditure side of this piece of the legislation.

Replacement Fee

Section 5 of the bill adds a \$25 fee for each set of replacement registration plates issued under the revised statute. The replacement registration fee for a standard plate is \$10. Currently, the DMV replaces less than 1% of plates annually; however, the racing theme special plates might be more susceptible to theft and loss. It is not possible to estimate how many plates will need replacement.

SOURCES OF DATA: North Carolina Division of Motor Vehicles; Race Plate Marketing, LLC.

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