

**NORTH CAROLINA GENERAL ASSEMBLY
LEGISLATIVE FISCAL NOTE**

BILL NUMBER: Senate Bill 754 (Second Edition)

SHORT TITLE: Stock Car Racing Theme Special Plates.

SPONSOR(S): Senator Hoyle

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2004-05</u>	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>FY 2007-08</u>	<u>FY 2008-09</u>
REVENUES					
General Fund			No Fiscal Impact		
Highway Fund					
-Special Registration					
Plate Account			See Assumptions and Methodology		
-Replacement Fee			See Assumptions and Methodology		
Collegiate and Cultural					
Attraction Plate Acct.			See Assumptions and Methodology		
EXPENDITURES					
Highway Fund					
Special Registration					
Plate Account			See Assumptions and Methodology		
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Department of Transportation - Division of Motor Vehicles; Department of Correction					
EFFECTIVE DATE: The act becomes effective October 1, 2004.					

BILL SUMMARY: The bill authorizes the Division of Motor Vehicles (DMV) to issue a series of Stock Car Racing Theme special license plates with no plate application minimum. The Stock Car Racing Theme license plates are exempt from using the "First in Flight" plate background. 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. DMV shall not pay a royalty for the use of the copyrighted or registered words, symbols, trademarks, or designs associated with the plate. DMV and/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:

Plate Fee

In addition to the normal \$20 vehicle registration fee for private passenger vehicles, each applicant for a Racing Theme plate pays \$30. Of this amount, \$10 is deposited into the Special Registration Plate Account to pay for plate expenses. The remaining \$20 fee is deposited into the Collegiate and Cultural Attraction Plate Account then transferred to the North Carolina Motor Sports Foundation, Inc.

The Special Registration Plate Account should net up to \$6 after expenses for each Stock Car Racing Theme plate. The proposed legislation allows the DMV and/or Department of Correction to contract out the production of the Stock Car Racing Theme plates. It is assumed that Race Plate Marketing, LLC, the main vendor of racing specialty plates, will be used. Race Plate Marketing, LLC currently offers plates for 28 NASCAR drivers and will supply the state with the special plates with graphics for a fee of approximately \$4 per plate. The state will then emboss and package the plates for citizens. Given the colors and the design of the Stock Car Racing Theme plate, the \$4 charge is in line with expected state cost. For the typical special plate, the production cost is approximately \$3 per plate based on one color design. The cost per plate increases if more color is added or the design is complex. For renewals, the entire \$10 plate fee goes into the Special Registration Plate Account.

How many Stock Car Racing Theme plates will be sold? While the stock car racing fan base is large in North Carolina, it is unknown how many fans will be willing to pay the annual \$50 price of this specialty plate. Other North Carolina professional sport plates have not sold well. According DMV statistics for 2003, the agency has sold 1,405 Carolina Panthers football plates and 1,074 Hurricanes hockey plates. The proponents of the bill project 48,000 stock car racing plates sold the first year and 76,000 plates sold the second year based on sales in West Virginia and Mississippi. In 2003, West Virginia had 9,238 cars with NASCAR license plates or .57% of the total vehicles registered. If this .57% rate is applied to the 6.6 million registered passenger cars and trucks in North Carolina, the number would be approximately 38,000 plates sold.

Replacement Fee

Section 6 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: NC Division of Motor Vehicles; Race Plate Marketing, LLC; West Virginia DMV FY 2003 Annual Report

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Signed Copy Located in the NCGA Principal Clerk's Offices

