## NORTH CAROLINA GENERAL ASSEMBLY

 LEGISLATIVE FISCAL NOTEBILL NUMBER: Senate Bill 44
SHORT TITLE: Sports Teams Registration Plates
SPONSOR(S): Senators Odom; Winner, Blackmon, Dannelly, Hoyle, Plyler, Rand, and Lucas
FISCAL IMPACT: Expenditures: Increase ( ) Decrease ( ) Revenues: Increase ( ) Decrease ( )
No Impact (X)
No Estimate Available ( )

FUND AFFECTED: General Fund ( ) Highway Fund (X) Local Govt. ( ) Other Funds (X|Special Registration Plate Account (within Highway Fund)

BILL SUMMARY: The bill authorizes the Division of Motor Vehicles to create a new class of special registration plates. In addition to the "First in Flight" background, the plates will carry the official team logo of a professional sports team representing a city in North Carolina. Examples are the Durham Bulls and the Charlotte Hornets. At least 300 applications for this must be received before the Division is authorized to develop the new plate. This threshold has typically appeared in every special registration plate authorization enacted since 1991 where issuance of the plate is not position-specific (such as judges, legislators, or county commissioners).

The fee for the plate is $\$ 30$. The Highway Fund would retain $\$ 20$ of the $\$ 30$ fee and the Special Registration Plate Account would receive the other \$10.

The professional sports team must license the State of North Carolina to develop the plate with its official team logo. The national umbrella organization for most professional sports teams allows for a grant of a license under certain conditions for promotional purposes.

EFFECTIVE DATE: Upon ratification
PRINCIPAL DEPARTMENT(S)/PROGRAM(S) AFFECTED: Division of Motor Vehicles FISCAL IMPACT
FY96 FY97 FY98 FY99 FY00

## REVENUES <br> GENERAL FUND <br> HIGHWAY FUND <br> HIGHWAY TRUST FUND LOCAL <br> EXPENDITURES

The $\$ 3000$ in revenues generated by 300 applications would offset the first year's start-up costs of design and inventory.

In future years, Special Registration Plate Account revenues would increase by $\$ 3000$ annually.

POSITIONS: None

ASSUMPTIONS AND METHODOLOGY: The current price list from Correction Enterprises gives the cost of making plates developed for colleges and universities at $\$ 2.45$ per plate. This includes a cost per tag of $\$ .79$ for raw materials and $\$ 1.02$ for overhead.

All license tags requiring silk screenings have a set up charge of \$50 plus $\$ 25$ per each additional color regardless of quantity ordered. Logos for historical attractions are designed with two colors. If sports team plates are given the same restriction, each plate would generate a start-up design cost of \$100.

In addition to the cost of raw materials, there will be additional one-time costs of printing new application forms, postage, and telephone charges during the design development and initial issuance of plates.

SOURCES OF DATA: Correction Enterprises of the Department of Correction; the Division of Motor Vehicles

TECHNICAL CONSIDERATIONS:
FISCAL RESEARCH DIVISION 733-4910
PREPARED BY: Ruth Sappie
APPROVED BY: TOMC
DATE: February 8, 1995

## Officia

Fiscal Research Division

