NORTH CAROLINA GENERAL ASSEMBLY LEGISLATIVE FISCAL NOTE

BILL NUMBER: Senate Bill 44

SHORT TITLE: Sports Teams Registration Plates

Senators Odom; Winner, Blackmon, Dannelly, Hoyle, SPONSOR(S):

Rand, and Lucas Plyler,

FISCAL IMPACT: Expenditures: Increase () Decrease ()

> Increase () Revenues: Decrease ()

No Impact (X)

No Estimate Available ()

General Fund () Highway Fund (X) Local Govt. () FUND AFFECTED:

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 The \$3000 in revenues generated by 300 GENERAL FUND applications would offset the first year's

HIGHWAY FUND start-up costs of design and inventory.

HIGHWAY TRUST FUND In future years, Special Registration LOCAL

Plate Account revenues would increase

by \$3000 annually.

POSITIONS: None

EXPENDITURES

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

Official

Fiscal Research Division
Publication

Signed Copy Located in the NCGA Principal Clerk's Offices