



February 12, 2023

SUMMARY OF BILL: Increases, from one to two, the number of Disabled Veteran and Purple Heart license plates that may be issued, free of charge, to qualified applicants.

ESTIMATED FISCAL IMPACT:

**Decrease State Revenue – \$285,500/FY23-24 and Subsequent Years/Highway Fund
\$5,800/FY23-24 and Subsequent Years/General Fund**

Assumptions:

- Pursuant to Tenn. Code Ann. § 55-4-204(c) military cultural plates shall be issued upon the payment of the regular registration fee and a fee equal to the cost of actually designing and manufacturing the plates.
- Pursuant to Tenn. Code Ann. § 55-4-207, the first Purple Heart license plate is free of charge to qualified applicants and one additional Purple Heart license plate may be attained by such qualified applicants upon payment of the regular registration fee for plates along with payment of the registration fee pursuant to Tenn. Code Ann. § 55-4-201(c)(1).
- Pursuant to Tenn. Code Ann. § 55-4-256, the first disabled veteran license plate is free of charge to qualified applicants and one additional plate may be attained by such qualified applicants upon payment of the regular registrations fee for plates and payment of one-half of the fee pursuant to Tenn. Code Ann. § 55-4-201(c)(1).
- Providing qualified applicants with a second plate, free of charge, will result in a decrease in state revenue.
- According to the Department of Revenue (DOR), the current inventory of disabled veteran and Purple Heart registrations for a second plate are as follows:
 - Purple Heart passenger vehicle: 517;
 - Purple Heart motorcycle: 34;
 - Disabled veteran passenger vehicle: 8,860; and
 - Disable veteran motorcycle: 447.
- These plates will all be issued to qualified applicants free of charge.
- The registration fee for passenger vehicle is \$26.50 and \$19.50 for a motorcycle.
- The decrease in state revenue resulting from the current inventory is estimated to be \$257,870 [(517 x \$26.50) + (34 x \$19.50) + (8,860 x \$26.50) + (447 x \$19.50)].

- Based on information provided by the Department of Revenue, based on the number of registrations over the past year, the average increase in registrations for each plate is estimated to be as follows:
 - Purple Heart passenger vehicle: 25;
 - Purple Heart motorcycle: 2;
 - Disabled veteran passenger vehicle: 1,200; and
 - Disable veteran motorcycle: 50.
- The decrease in state revenue resulting from new registrations is estimated to be \$33,477 [(25 x \$26.50) + (2 x \$19.50) + (1,200 x \$26.50) + (50 x \$19.50)].
- The total decrease in state revenue is estimated to be \$291,347 (\$257,870 + \$33,477) in FY23-24 and subsequent years.
- Pursuant to Tenn. Code Ann. § 55-6-107(a)(1), such revenue shall be apportioned by a distribution of 98 percent to the Highway Fund and 2 percent to the General Fund.
- The recurring decrease in revenue to the Highway Fund is estimated to be \$285,520 (\$291,347 x 98%) in FY23-24 and subsequent years.
- The recurring decrease in revenue to the General Fund is estimated to be \$5,827 (\$291,347 x 2%) in FY23-24 and subsequent years.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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