

**STATE
FISCAL IMPACT**

Drafting Number: LLS 12-0916
Prime Sponsor(s): Sen. Aguilar
 Rep. Gerou

Date: April 23, 2012
Bill Status: Senate Local Government
Fiscal Analyst: Jonathan Senft (303-866-3523)

TITLE: CONCERNING AUTHORIZATION FOR PERSONALIZED LICENSE PLATES OF ONE POSITION TO FUND A PROGRAM THAT HELPS PERSONS WITH DISABILITIES OBTAIN BENEFITS.

Fiscal Impact Summary	FY 2012-2013	FY 2013-2014
State Revenue		
Cash Funds		
Registration Number Fund		indeterminate increase
State Expenditures		
FTE Position Change		
Effective Date: August 8, 2012, if the General Assembly adjourns on May 9, 2012, as scheduled, and no referendum petition is filed.		
Appropriation Summary for FY 2012-2013: None.		
Local Government Impact: None.		

Summary of Legislation

This bill allows personalized license plates sold by the License Plate Auction Group to have one single number or letter.

Background

House Bill 11-1216 created the License Plate Auction Group (LPAG), which auctions new and existing uniquely valuable license plates. The LPAG is authorized by statute to instruct the Department of Revenue (DOR) to hold and release available license plate numbers to be sold by the LPAG or private entities. The state receives the full amount of revenue for the sale of license plate numbers, and a 25 percent royalty on sales.

Statute currently requires personalized plates to have 2 to 7 positions for letters or numbers. In addition to the standard motor vehicle fees, personalized plates include, at a minimum, a one-time fee of \$60 with an annual renewal fee of \$25.

The sale of uniquely valuable license plate numbers is in limited practice in only a few states, including Delaware, Massachusetts, and Texas. Recent sales of license plate numbers have typically included low-digit or personalized license plate combinations, including Delaware plate number 6, which was auctioned for \$675,000 in 2008, and Texas license plates personalized with the words "ranger" and "cowboys," which sold for \$10,000 and \$11,500, respectively.

State Revenues

The bill provides a limited number of additional plate options, which may encourage potential purchasers to pay increased amounts for these plates. The state receives the full amount of revenue for the sale of unissued license plate numbers, and a 25 percent royalty on sales by private entities. All revenue generated by the LPAG is credited to the Registration Number Fund. A portion of these revenues may be used for administrative expenses, with the balance credited to the Disability-Benefit Support (DBS) Fund or General Fund. Since proceeds depend on competitive bids at auction, the increase in revenue is unknown.

State Expenditures

While license plate production costs are not affected by this bill, the Department of Revenue may experience a minimal, but indeterminate, increase in plate ordering. Any costs associated with this increase are expected to be absorbed within existing resources.

Departments Contacted

Corrections

Revenue