HB 145-FN – AS INTRODUCED

$2013\ {\rm SESSION}$

13-0315 03/09

HOUSE BILL145-FNAN ACTauthorizing multi-use number plates.SPONSORS:Rep. Umberger, Carr 2; Rep. Hinch, Hills 21; Rep. Rhodes, Hills 30COMMITTEE:Transportation

ANALYSIS

This bill authorizes multi-use number plates, which entitle eligible entities to place a design on the plates.

Explanation:Matter added to current law appears in **bold italics.**
Matter removed from current law appears [in brackets and struckthrough.]
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

HB 145-FN – AS INTRODUCED

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Thirteen

AN ACT authorizing multi-use number plates.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1	1 New Chapter; Multi-Use Plates. Amend RSA by inserting after chapter 261-A the following
2	new chapter:
3	CHAPTER 261-B
4	MULTI-USE PLATES
5	261-B:1 Multi-Use Plates Authorized. The department shall issue multi-use plates upon receipt
6	of an application meeting the requirements of RSA 261-B:3. Except as otherwise provided in this
7	chapter, multi-use plates shall have the same effect and be issued in the same manner as other
8	number plates. Multi-use number plates shall include the design submitted by the applicant and
9	bear a registration number beginning with a letter of the alphabet designated by the director for the
10	applicant. Multi-use number plates shall retain the "live free or die" logo. The department shall not
11	issue vanity multi-use plates.
12	261-B:2 Eligibility. The department shall only accept an application for multi-use plates from
13	an entity that is determined by the Internal Revenue Service to be a tax exempt organization
14	pursuant to section $501(c)(3)$ of the Internal Revenue Code and registered with the attorney general.
15	261-B:3 Application.
16	I. An application for multi-use plates shall provide:
17	(a) Verification of the applicant's eligibility under RSA 261-B:2.
18	(b) A design to be placed on the applicant's plate series, which shall occupy an area no
19	more than 3 inches wide by 4 inches high on the plate surface.
20	(c) A statement from the entity that it owns or is authorized to use the design.
21	(d) The owner's name and vehicle registration information for at least 1,000 vehicles,
22	which will be issued the initial multi-use plates in the applicant's plate series.
23	(e) Fifty dollars for each vehicle listed pursuant to subparagraph (d).
24	II. After successful submission of the application information under paragraph I, the
25	applicant shall verify annually the applicant's continuing eligibility. The department may terminate
26	a multi-use plate series if the number of plates in use falls below 500. Failure to verify eligibility
27	shall result in the termination of the applicant's multi-use plate series.
28	261-B:4 Issuance and Renewal; Fees.
29	I. The fee for multi-use number plates shall be \$50 per year per set, which shall be in
30	addition to any other registration and number plate fees. Plates issued for vehicles listed by the

31 applicant under RSA 261-B:3, I(d) shall be exempt from this fee for the first year.

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1 II. Multi-use plates shall be issued only upon application for a new registration or renewal of 2 an existing registration. Persons shall not be permitted to transfer an existing registration to a 3 multi-use plate registration except during the registration renewal month.

- 4 III. Multi-use plates shall only be issued by the division and shall not be available from 5 municipal clerks or other agents of the division.
 - IV. Multi-use plates may be used on passenger motor vehicles and recreation vehicles.
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2 Effective Date. This act shall take effect July 1, 2013.

LBAO 13-0315 12/18/12

HB 145-FN - FISCAL NOTE

AN ACT authorizing multi-use number plates.

FISCAL IMPACT:

The Department of Safety states this bill, <u>as introduced</u>, will have an indeterminable impact on state revenues and expenditures in FY 2014 and each year thereafter. There is no fiscal impact on county or local revenues and expenditures.

METHODOLOGY:

The Department of Safety states this bill establishes multi-use plates to be issued in a minimum block of 1,000 sets of plates to eligible tax exempt organizations and state agencies. Entities must submit an application with verification of their eligibility, a 3" x 4" design to be applied to the plates, a list containing the owner's name and vehicle registration information for at least 1,000 vehicles to be issued, and a fee of \$50 for each owner listed. The multi-use plate fee of \$50 is an annual fee and is in addition to any other registration or plate fees. The bill also states that the Department shall not issue vanity multi-use plates.

The Department estimates that regardless of whether any multi-use plates are issued as a result of this bill, it will incur \$91,800 in start-up costs in FY 2014 related to programming changes to the Municipal Agent Automation Project, a vehicle registration and title computer program connecting the Department of Motor Vehicles to towns and cities throughout the state. The Department further estimates that for each batch of 1,000 plates, it will incur additional costs of \$10,000 to create an emblem design to attach to the plates, as well as \$2,410 in mailing costs, for a total of \$12,410 in per-batch variable costs. The Department points out these estimates assume that one multi-use plate type will be manufactured and individual emblems will be attached to that one plate type. If a new plate type needs to be manufactured for each eligible organization that applies, state expenditures would increase significantly due to the programming consultant costs.

The Department states it is unable to estimate how many organizations will apply for the multi-use plates proposed by the bill, or how many individuals within the organization will choose to retain the plate in years subsequent to the initial purchase. For purposes of illustration, the Department states that if one organization purchases 1,000 multi-use plates in FY 2014, the state will see revenues of \$50,000 (\$50 * 1,000) and expenses of \$104,210 (\$91,800)

one-time programming costs + \$12,410 per-batch variable costs), resulting in a net loss to the state of \$54,210 in FY 2014. Revenues in subsequent years would depend not only on the number of new organizations applying for multi-use plates, but also on the number of individuals who choose to retain the plate in the years subsequent to the initial purchase. For example, if all 1,000 individuals from the scenario presented above chose to retain the plate in year two, the state would see an additional \$50,000 in revenue in FY 2015 (\$50 annual renewal fee * 1,000) with no associated costs.

The Department points out that the bill does not specify whether the Department would be allowed to recover initial expenditures related to start-up costs in subsequent fiscal years. The Department also states that since the bill prevents it from issuing vanity multi-use plates, there may be some revenue loss from individuals converting from vanity plates to multi-use plates.