

OKLAHOMA TAX COMMISSION

REVENUE IMPACT STATEMENT FIRST REGULAR SESSION, FIFTY-SEVENTH OKLAHOMA LEGISLATURE

DATE OF IMPACT STATEMENT: May 23, 2019

BILL NUMBER: SB 170 STATUS AND DATE OF BILL: Enrolled 05/15/2019

AUTHORS: House Frix & et al. Senate Standridge & Sharp

TAX TYPE (S): Motor Vehicle SUBJECT: Other

PROPOSAL: Amendatory

Section 1 proposes to amend 47 O.S. § 1135.2 by striking availability of the Veterans of Foreign Wars special license plate. It further provides that the Operation Iraqi Freedom Veteran and the Operation Enduring Freedom Veteran special license plates shall also be designed for motorcycles. It also creates the Combat Action Badge Recipient, Iraq Combat Veterans, Afghanistan Combat Veterans and Special Forces Association special license plates.

Section 2 proposes to amend 47 O.S. § 1135.3 by striking the Historic Greenwood District, Special Forces Association and Pittsburg State University special license plates. It further creates the Toastmasters International, Millwood High School Alumni, Patriot Guard Riders, and the Bixby School District special license plates.

Section 3 proposes to amend 47 O.S. § 1135.5 by reauthorizing the creation of the Folds of Honor Supporter special license plate, Sooner State ABATE special license plate and Oklahoma Music Hall of Fame Inc. special license plate. It also creates the Monarch Butterfly, Oklahoma Tennis Foundation, Veterans of Foreign Wars, Oklahoma Women Veterans Organization and FIRST (For Inspiration and Recognition of Science and Technology), Pittsburg State University and the Historic Greenwood District special license plates.

Section 4 adds a new Section 2368.32 to create the Historic Greenwood District/Juneteenth Festival Revolving Fund to be administered by the Department of Commerce.

EFFECTIVE DATE: Sections 1, 3, & 4 – November 1, 2019
Section 2 – May 23, 2019

REVENUE IMPACT:

Insert dollar amount (plus or minus) of the expected change in state revenues due to this proposed legislation.

FY 20: Minimal

FY 21: Minimal

May 29, 2019
DATE

Rick Miller
DIVISION DIRECTOR

bjs

5-29-2019
DATE

Huan Gong
HUAN GONG, ECONOMIST

5-30-19
DATE

Jimmy M. Lee
FOR THE COMMISSION

**The estimated revenue impact provided herein is an estimate of the potential impact on the collection or apportionment of tax revenues affected by the proposed legislation. It is not intended to be an estimate of the overall fiscal impact on the state budget if the proposed legislation is enacted.*

ATTACHMENT TO REVENUE IMPACT – SB 170 [Enrolled] – Prepared 05/23/2019

Section 1 of the measure proposes to amend 47 O.S. § 1135.2 by striking availability of the Veterans of Foreign Wars special license plate. It further provides that the Operation Iraqi Freedom Veteran and the Operation Enduring Freedom Veteran special license plates shall also be designed for motorcycles. The plate for motorcycles may be of similar design to the one for motor vehicles or may be a new design in order to meet space requirements for a motorcycle license plate.

Section 1 also proposes to amend 47 O.S. § 1135.2 by creating the following special license plates:

- Combat Action Badge Recipient special license plate to be designed to honor recipients of the Combat Action Badge who present proper certification from the United States Army. The plate shall include the Combat Action Badge earned by the recipient. Qualifying persons may apply for this special license plate for vehicles having a rated carrying capacity of one ton or less or for a motorcycle. The motorcycle plate may be of similar design to the one for vehicles or a new design in order to meet the space requirements of a motorcycle license plate.
- Iraq Combat Veterans special license plate to be designed and issued to any honorably discharged or present member of the United States Armed Forces who saw combat in Operation Iraqi Freedom. Qualifying persons may apply for this special license plate for vehicles having a rated carrying capacity of one ton or less or for a motorcycle. The motorcycle plate may be of similar design to the one for vehicles or a new design in order to meet the space requirements of a motorcycle license plate.
- Afghanistan Combat Veterans¹ special license plate to be designed and issued to any honorably discharged or present member of the United States Armed Forces who saw combat in Operation Enduring Freedom. Qualifying persons may apply for this special license plate for vehicles having a rated carrying capacity of one ton or less or for a motorcycle. The motorcycle plate may be of similar design to the one for vehicles or a new design in order to meet the space requirements of a motorcycle license plate.
- Special Forces Association special license plate shall be designed and issued to any honorably discharged or present member of the Army Special Forces qualified and authorized to wear upon the person's United States military uniform the Army Special Forces Tab. Persons applying for the Special Forces Association license plate will be required to provide a copy of the orders awarding the Special Forces Tab or authorizing its wear upon a United States military uniform. The special license plate shall be designed in consultation with the Special Forces Association, Chapter 32-50. It authorizes the Tax Commission to produce up to two distinct designs for the Special Forces Association license plate. Qualifying persons may select one plate design at the time of application and shall be issued in any combination of numbers and letters from one to a maximum of seven, as for personalized license plates.

The annual fee for special license plates issued pursuant to the amended section is \$8 and is in addition to all other annual vehicle registration fees. The \$8 fee is deposited into the Oklahoma Tax Commission Reimbursement Fund to be used for the administration of the Oklahoma Vehicle License and Registration Act.

Section 2 proposes to amend 47 O.S. § 1135.3 by striking the Historic Greenwood District, Special Forces Association and Pittsburg State University special license plates.

¹ The paragraph creating the Afghanistan Combat Veterans License Plate incorrectly references the Iraq Combat Veteran license plate when describing the special plate application.

Section 2 further proposes to amend 47 O.S. § 1135.3 by creating the following special license plates:

- Toastmasters International special license plate for any person wishing to demonstrate support for Toastmasters International. The license plate shall be designed in consultation with District 16 of Toastmasters International.
- Millwood High School Alumni special license plate for any person wishing to demonstrate support for the Millwood High School Alumni. The special license plate shall be designed in consultation with representatives of the Millwood High School Alumni Association.
- Patriot Guard Riders special license plate for any person wishing to demonstrate support for Patriot Guard Riders. The special license plate shall be designed in consultation with the Patriot Guard Riders of Oklahoma.
- Bixby School District special license plate for any person wishing to demonstrate support for the Bixby School District. The special license plate shall be designed in consultation with representatives of the Bixby School District.

The annual fee for special license plates authorized by this section is \$15 and shall be in addition to all other annual vehicle registration fees. Of the \$15 fee, \$8 shall be deposited into the OTC Reimbursement Fund with the remaining \$7 apportioned as motor vehicle collections pursuant to the provisions of 47 O.S. § 1104.

Section 3 proposes to amend 47 O.S. § 1135.5 by reauthorizing the creation of the Folds of Honor Supporter², Sooner State ABATE³, and Oklahoma Music Hall of Fame Inc. special license plates for any person wishing to provide support, financial or otherwise, for their respective group-the Folds of Honor, Sooner State ABATE, or Oklahoma Music Hall of Fame Inc.

Section 1135.5 of Title 47 of the Oklahoma Statutes provides that the Tax Commission shall not develop or issue any special license plates authorized by Section 1135.5 unless, within 180 days of such authorization, the Commission receives 100 prepaid applications for the authorized special license plate. None of the reauthorized special license plates have previously received the requisite number of applications. Because the monies accompanying the prepaid applications are returned to the applicant, the Motor Vehicle Division does not keep a record of the number of applications received when the total is less than the required minimum. The reauthorization will grant these groups another 180 days of opportunity from the effective date to satisfy the statutory requirements for development and issuance.

Section 3 further proposes to amend 47 O.S. § 1135.5 by creating the following special license plates:

- Monarch Butterfly special license plate for any person wishing to demonstrate support for the operations of the Nature Conservancy in Oklahoma. The special license plate shall be designed in consultation with the Oklahoma Chapter of the Nature Conservancy. It provides for a payment of \$20.00 for each license plate issued to be deposited in the Monarch Butterfly License Plate Revolving Fund created in Section 4 of this act.
- Oklahoma Tennis Foundation special license plate for any person wishing to demonstrate support for the Oklahoma Tennis Foundation. The special plate shall be designed in consultation with the Oklahoma Tennis Foundation. It authorizes the Tax Commission to enter into a licensing agreement with the Oklahoma Tennis Foundation for use of its logo or design. The licensing agreement shall provide for a payment to the Oklahoma Tennis Foundation of not more than \$20.00 for each license plate issued.

² Folds of Honor Support License Plate was originally authorized by Laws 2009, c 311 §3, effective November 1, 2009. Folds of Honor special license plate did not receive the 100 prepaid applications within the 180 days of authorization required by statute for creation and issuance of the special license plate. The plate was reauthorized by Laws 2018, c 339 § 1, effective November 1, 2018. The 180 day timeframe in which to receive prepaid applications pursuant to the reauthorization will expire May 1, 2019. The Folds of Honor Supporter special license plate may be issued to a vehicle or motorcycle. The special plate may be of similar design to the one for vehicles or a new design in order to meet the space requirements of a motorcycle license plate.

³ Sooner State ABATE License Plate was originally authorized by Laws 2017, c 339 § 1, effective November 1, 2017.

- Veterans of Foreign Wars special license plate for any person wishing to demonstrate support for the Veterans of Foreign Wars Foundation. The special plate shall be designed in consultation with the Veterans of Foreign Wars Foundation. It authorizes the Tax Commission to enter into a licensing agreement with the Veterans of Foreign Wars Foundation for use of its logo or design. The licensing agreement shall provide for a payment to the Veterans of Foreign Wars Foundation of not more than \$20.00 for each license plate issued.
- Oklahoma Women Veterans Organization special license plate shall be designed and issued to any female veteran of any branch of the United States Armed Forces wishing to demonstrate support for the Oklahoma Women Veterans Organization. The special plate shall be designed in consultation with the Oklahoma Veterans Organization. It authorizes the Tax Commission to enter into a licensing agreement with the Oklahoma Women Veterans Organization for use of its logo or design. The licensing agreement shall provide for a payment to the referenced organization of not more than \$20.00 for each license plate issued.
- FIRST (For Inspiration and Recognition of Science and Technology) special license plate for any person wishing to demonstrate support for FIRST Robotics Programs. The special license plate shall be designed in consultation with the administration of FIRST. It authorizes the Tax Commission to enter into a licensing agreement with the FIRST for use of its logo or design. The licensing agreement shall provide for a payment to FIRST of not more than \$20.00 for each license plate issued.
- Pittsburg State University special license plate to be designed and issued to any person wishing to demonstrate support for Pittsburg State University. The special plate shall be designed in consultation with Pittsburg State University. It authorizes the Tax Commission to enter into a licensing agreement with Pittsburg State University for use of its school foundation's logo or design. The licensing agreement shall provide for a payment to the Pittsburg State University of not more than \$20.00 for each license plate issued.
- Historic Greenwood District special license plate⁴ for any person wishing to demonstrate support for the Historic Greenwood District Juneteenth Festival held in the Historic Greenwood District in Tulsa, Oklahoma. The plate is to be designed in consultation with the Black Wall Street Chamber of Commerce. The measure further provides that \$25 of the \$35 fee authorized pursuant to Section 1135.5 of Title 47 shall be deposited to the Historic Greenwood District/Juneteenth Festival Revolving Fund established in Section 4 along with \$2 of the \$35 fee deposited in the Public School Classroom Support Revolving Fund for expenditure as provided in Section 1-123 of Title 70 of the Oklahoma Statutes. The amendment also creates the Historic Greenwood District/Juneteenth Festival Revolving Fund to be administered by the Oklahoma Department of Commerce.

The annual fee for special license plates issued pursuant to the amended section is \$35 and is in addition to all other annual vehicle registration fees. Of the \$35 fee, a specified amount shall be paid to the referenced organization pursuant to a licensing agreement or deposited in a designated fund with \$8 deposited in the OTC Reimbursement Fund to be used for administrative purposes associated with issuance of the special license plate and any remaining amounts of the \$35 fee apportioned as motor vehicle collections pursuant to 47 O.S. § 1104.

Section 4 adds a new Section 2368.32 to create the Historic Greenwood District/Juneteenth Festival Revolving Fund to be administered by the Department of Commerce.

The estimated revenue impact is minimal/positive.

⁴ Historic Greenwood District License Plate was originally authorized by Law 2010, c 504 § 12, effective November 1, 2010.