

OKLAHOMA TAX COMMISSION

REVENUE IMPACT STATEMENT

FIRST REGULAR SESSION, FIFTY-EIGHTH OKLAHOMA LEGISLATURE

DATE OF IMPACT STATEMENT: March 16, 2021

BILL NUMBER: SB 144 **STATUS AND DATE OF BILL:** Engrossed 03/11/2021

AUTHORS: House Mize Senate Standridge and Hall

TAX TYPE (S): Motor Vehicle **SUBJECT:** Other

PROPOSAL: Amendatory

Section 1 of the measure proposes to 47 O.S. § 1135.2 to create the Veterans of the United States Armed Forces and Navy Chief special license plates.

Section 2 proposes to amend 47 O.S. § 1135.5 to provide that the Veterans of Foreign Wars Foundation (“VFW Foundation”) special license plate licensing agreement fee of \$20 may be paid to the Oklahoma Chapter of the Veterans of Foreign Wars if such an arrangement is made under the licensing agreement. Current statutory language which was not stricken in the measure provides for a \$20 payment to the “VFW Foundation” for each plate issued pursuant to a licensing agreement.

It also creates the Guthrie Street Kings, Epilepsy Foundation and America First special license plates and designed in consultation with the referenced organizations or the designated entity for any person wishing to provide support for their respective groups. It authorizes the Tax Commission to enter into a licensing agreement with the referenced organizations or the designated entity for the use of its logo or design. The licensing agreement shall provide for a payment to the referenced organizations of not more than \$20 for each license plate issued.¹

EFFECTIVE DATE: November 1, 2021

REVENUE IMPACT:

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

FY 22 & FY 23: [See attached analysis]

ADMINISTRATIVE IMPACT:

Insert the estimated cost or savings to the Tax Commission due to this proposed legislation.

FY 22: Minimal administrative costs would be incurred as a result of this request.

<u>Mar. 17, 2021</u>	<u>Rick Miller</u>	<u>bjs</u>
DATE	DIVISION DIRECTOR	
<u>3/17/2021</u>	<u>Huan Gong</u>	
DATE	HUAN GONG, ECONOMIST	
<u>3/17/21</u>	<u>JDA</u>	
DATE	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.

¹ In relation to the America First special license plate the licensing agreement shall provide for a payment to the Honoring America’s Warriors Foundation of not more than \$10 and a payment to the Warriors for Freedom Foundation of not more than \$10.00 for each license plate issued.

Attachment to Revenue Impact- SB 144-[Engrossed] - Prepared March 16, 2021

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

- Veterans of the United States Armed Forces special license plate to be designed for veterans of the United States Armed Forces and shall identify which branch of service, carry the emblem and name of either the Army, Navy, Air Force, Marines or Coast Guard, according to the branch of service to which the member belonged and shall reflect veteran status. Former members who have been dishonorably discharged shall not be eligible for such plates. Persons applying for this license plate must show proof of past military service by presenting a valid United States Department of Defense Form (DD) 214 upon initial application but shall not be required to provide proof of eligibility annually.
- Navy Chief special license plate to be designed and issued to any resident of Oklahoma who has achieved the rank of E7 through E9 in the United States Navy and presents proper certification of such rank and was either honorably discharged or is an active or retired member of the United States Navy. Persons may apply for this special license plate for vehicles having a rated carrying capacity of one (1) 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.

Section 2 proposes to amend 47 O.S. § 1135.5 to provide that the Veterans of Foreign Wars Foundation (“VFW Foundation”) special license plate licensing agreement fee of \$20 may be paid to the Oklahoma Chapter of the Veterans of Foreign Wars if such an arrangement is made under the licensing agreement. Current statutory language which was not stricken in the measure provides for a \$20 payment to the “VFW Foundation” for each plate issued pursuant to a licensing agreement. The Veterans of Foreign Wars special license plate previously authorized in Section 1135.5 of Title 47 pursuant to passage of Section 3 of SB 170 effective November 1, 2019 did not obtain the 100 prepaid applications required for creation of the plate. While amendments to the paragraph relating to the VFW plate have been proposed, specific language reauthorizing the creation of the VFW plate has not been provided. If the intent is to reauthorize the VFW plate, specific language to clearly indicate that intent should be added.

Section 2 further proposes to amend 47 O.S. § 1135.5 by creating the following special license plates:

- Guthrie Street Kings special license plate to be designed and issued to any person wishing to demonstrate support for the Guthrie Street Kings. The special plate shall be designed in consultation with the above-named organization. It authorizes the Tax Commission to enter into a licensing agreement with this organization for any licensing fees required to use its logo or design. The licensing agreement shall provide for a payment to the Guthrie Street Kings of not more than \$20 for each license plate issued.
- Epilepsy Foundation special license plate to be designed and issued to any person wishing to demonstrate support for Epilepsy Foundation. The Oklahoma Tax Commission shall be authorized to enter into a licensing agreement with the Epilepsy Foundation for any licensing fees which may be required in order to use the organization’s logo or design. The licensing agreement shall provide for a payment to the Epilepsy Foundation of not more than Twenty Dollars (\$20.00).
- America First special license plate to be designed and issued to any person wishing to demonstrate support for the proclamation of “America First”. The plate is to be designed in consultation with Warriors for Freedom and the Honoring America’s Warriors Foundations. It authorizes the Tax Commission to enter into a licensing agreement with the Warriors for Freedom and Honoring America’s Warriors Foundations to use the Foundations’ logos or

designs. The licensing agreement shall provide for a payment to the Honoring America's Warriors Foundation of not more than \$10 and a payment to the Warriors for Freedom Foundation of not more than \$10.00 for each license plate issued.

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 organizations 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.

REVENUE IMPACT

Section 1- There is no estimated revenue impact associated with this measure.

Section 2- A minimal increase in motor vehicle collections for FY 22 and FY 23 should the 100 prepaid application requirement be met to initiate the creation and issuance of the above-mentioned organizations' special license plates.

ADMINISTRATIVE IMPACT

Minimal administrative costs would be incurred as a result of this measure.