

# OKLAHOMA TAX COMMISSION

## REVENUE IMPACT STATEMENT

### SECOND REGULAR SESSION, FIFTY-EIGHTH OKLAHOMA LEGISLATURE

DATE OF IMPACT STATEMENT: May 10, 2022

STATUS AND DATE OF BILL: Engrossed House Amendment to Engrossed Senate Bill 1387- 4/27/2022

AUTHORS: House Steagall Senate Standridge and Bergstrom

TAX TYPE (S): Motor Vehicle SUBJECT: Other

PROPOSAL: Amendatory & New

Section one of the measure creates the Diabetes Awareness License Plate Revolving Fund and provides that \$20 of the \$35 fee levied by 47 O.S. § 1135.5 for each Diabetes Awareness special license plate issued shall be deposited to the Fund.

Section two proposes to amend 47 O.S. § 1135.2 by creating the Air Medal special license plate<sup>1</sup> to be designed and issued to any Oklahoma resident who has earned the Air Medal and presents proper certification that the resident has been awarded such medal. The license plate shall include an image of the Air Medal earned by the recipient.

Section three proposes to amend 47 O.S. § 1135.5 by reauthorizing the creation of the Paramedic and Stillwater Public Schools special license plates<sup>2</sup>. This Section further proposes to amend 47 O.S. § 1135.5 by creating the Diabetes Awareness special license plate to be issued to any person wishing to provide financial support for Diabetes Solutions of Oklahoma. It also creates the Alliance of Mental Health Providers special license plate to be issued to any person wishing to demonstrate support for the Alliance of Mental Health Providers of Oklahoma.

EFFECTIVE DATE: November 1, 2022

#### REVENUE IMPACT:

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

FY 23: Potential minimal increase in motor vehicle collections<sup>3</sup>

FY 24: Potential minimal increase in motor vehicle collections<sup>3</sup>

May 10, 2022  
DATE

Rick Miller  
DIVISION DIRECTOR

bjs

5/10/2022  
DATE

Huan Gong  
HUAN GONG, ECONOMIST

5/13/2022  
DATE

Joseph P. Ayers  
FOR THE COMMISSION

*The 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.*

<sup>1</sup> Air Medal special license plate was originally authorized to be created under Section 1135.3 of Title 47 by Laws 2018, c 226 §1, effective, November 1, 2018 but did not receive the 100 prepaid applications within the 180 days of authorization required by statute for creation of the referenced special plate.

<sup>2</sup> Paramedic and Stillwater Public Schools special license plates were originally authorized by Laws 2021, c 543 § 6, effective, May 28, 2021 but did not receive the 100 prepaid applications within the 180 days of authorization required by statute for creation of the referenced special plate.

<sup>3</sup> 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. Therefore, should the 100 prepaid application requirement be met to initiate the creation and issuance of the special license plate created in this measure, a minimal increase in motor vehicle collections is estimated for FY 23 and FY 24.

Section one of the measure creates the Diabetes Awareness License Plate Revolving Fund and provides that \$20 of the \$35 fee levied by 47 O.S. § 1135.5 for each Diabetes Awareness special license plate issued shall be deposited to the Fund.

Section two proposes to amend 47 O.S. § 1135.2 by creating the Air Medal special license plate<sup>4</sup> to be designed and issued to any Oklahoma resident who has earned the Air Medal and presents proper certification that the resident has been awarded such medal. The license plate shall include an image of the Air Medal 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.

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 three proposes to amend 47 O.S. § 1135.5 by reauthorizing effective November 1, 2022, the creation of the Paramedic special license plate<sup>5</sup> to be designed and issued to any person who is a paramedic. Persons may apply for a paramedic license plate for vehicles having a rated carrying capacity of one (1) ton or less or a motorcycle upon proof of a paramedic license. The plate shall be designed in consultation with the Oklahoma State University-Oklahoma City Paramedicine Program and the state association of Emergency Medical Technicians. It removes the current language authorizing the Tax Commission to enter into a licensing agreement with the Oklahoma Emergency Medical Technicians Association to use the Association's logo or design. It further provides that the letters "PM" shall be placed on the plate followed by four random numbers, or such numbers as requested by such person applying for the plate. Additionally, it provides that \$20 of the fees collected shall be deposited in the Emergency Medical Personnel Death Benefit Revolving Fund created in Section 1-2505.2 of Title 63 of the Oklahoma Statutes. It specifies that the amendment is subject to the provisions of subsection A.

Section three further proposes to amend 47 O.S. § 1135.5 by reauthorizing the Stillwater Public Schools special license plate<sup>6</sup> to be designed and issued to any person wishing to demonstrate support for the Stillwater School District. The plate shall be designed in consultation with the administration of the Stillwater School District. It authorizes the Tax Commission to enter into a licensing agreement with the Stillwater School District to use its logo or design. The licensing agreement shall provide for a payment to the Stillwater School District of not more than \$20 for each plate issued.

Section 1135.5 (A) 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

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<sup>4</sup> Air Medal special license plate was originally authorized to be created under Section 1135.3 of Title 47 by Laws 2018, c 226 §1, effective, November 1, 2018 but did not receive the 100 prepaid applications within the 180 days of authorization required by statute for creation of the referenced special plate.

<sup>5</sup> Paramedic special license plate was originally authorized by Laws 2021, c 543 § 6, effective, May 28, 2021 but did not receive the 100 prepaid applications within the 180 days of authorization required by statute for creation of the referenced special plate.

<sup>6</sup> Stillwater Public Schools special license plate was originally authorized by Laws 2021, c 543 § 6, effective, May 28, 2021 but did not receive the 100 prepaid applications within the 180 days of authorization required by statute for creation of the referenced special plate.

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 three also proposes to amend 47 O.S. § 1135.5 by creating the following special license plates:

- Diabetes Awareness special license plate to be issued to any person wishing to provide financial support for Diabetes Solutions of Oklahoma. The special plate shall be designed in consultation with the above-named entity. It authorizes the Tax Commission to enter into a licensing agreement with this entity for any licensing fees required to use its logo or design. The licensing agreements shall provide for a deposit to the Diabetes Awareness License Plate Revolving Fund established in Section 1 of this act.
- Alliance of Mental Health Providers special license plate to be issued to any person wishing to demonstrate support for the Alliance of Mental Health Providers of Oklahoma. The license plates shall be designed in consultation with the Alliance of Mental Health Providers of Oklahoma. It authorizes the Tax Commission to enter into a licensing agreement with the referenced organization to use its logo or design. The licensing agreement shall provide for a payment to the referenced organization of not more than \$20.00 for each 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 or \$20 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.

## REVENUE IMPACT

Section one- There is no estimated revenue impact associated with the proposal to create the Diabetes Awareness License Plate Revolving Fund.

Section two- There is no estimated revenue impact associated with the proposal in 47 O. S. § 1135.2.

Section three- The estimated revenue impact associated with section three is a potential minimal increase in motor vehicle collections.<sup>7</sup>

## ADMINISTRATIVE IMPACT

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

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<sup>7</sup> 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. Therefore, should the 100 prepaid application requirement be met to initiate the creation and issuance of the special license plate created in this measure, a minimal increase in motor vehicle collections is estimated for FY 23 and FY 24.