



HOUSE COMMITTEE ON APPROPRIATIONS
2009-10 Legislative Session

FISCAL NOTE

HOUSE BILL: 575

PRINTER'S NO: 3196

PRIME SPONSOR: Adolph

FISCAL IMPACT SUMMARY	FY 2009/10	FY 2010/11
Estimated Expenditure Increase/(Decrease): Motor License Fund		\$1,500 plus \$3.50 for each plate issued
Estimated Revenue Increase/(Decrease): Motor License Fund		\$20 for each Bronze Star plate issued; \$10 for each Bronze Star for Valor plate issued; and \$10 for each Silver Star Plate issued.
Estimated Net Cost/(Savings): Motor License Fund		minimal revenue increase of an indeterminate amount

OVERVIEW:

This bill adds new sections to Title 75 (Vehicles), Pa.C.S., to create special vehicle registration plates for Silver Star recipients (§1366), Bronze Star recipients (§1367), and Bronze Star for Valor recipients (§1368). The bill establishes fees for these plates of \$10 for each Silver Star plate, \$10 for each Bronze Star with Valor plate, and \$20 for each Bronze Star plate. These fees are in addition to the normal registration fees.

The effective date is 120 days.

ANALYSIS:

According to the Department of Transportation, it costs \$500 to design a special plate and \$3.50 to make one. The cost function for each special plate, therefore, equals \$500 plus 3.5 multiplied by each new plate issued. The total cost function for all three plates, therefore, is equal to \$1,500 plus 3.5 multiplied by the number of plates issued.

The bill provides for additional \$10 fees for each Silver Star special plate issued and each Bronze Star for Valor special plate issued; and \$20 for each Bronze Star special plate issued. Solving for simultaneous equations yields the breakeven point. For the Bronze Star special plate, PennDOT must issue 31 plates in order for the Motor License Fund to receive revenue in excess of costs. If, for example, PennDOT issues 50 such plates, the Fund would net \$325. For the Silver Star and Bronze Star for Valor plates, the breakeven point is 77 plates.

In order to determine whether there will be a net revenue increase or cost due to this bill, it is necessary to estimate the number of recipients who will apply for these special plates. Unfortunately, the data on the number of such recipients in Pennsylvania is incomplete. We can surmise, however, from the available data and calculations discussed below that it is quite possible that the number of recipients who apply would exceed the breakeven thresholds.

According to data collected by the Pennsylvania Legislative Office for Research Liaison from the U.S. Department of Defense, the following medals were awarded nationally from the Vietnam War through July 21, 2009.

	Silver Star	Bronze Star for Valor	Bronze Star
Medals Awarded Nationally	22,312	175,088	684,202

The Pennsylvania Department of Military and Veterans Affairs located the following data for Pennsylvanian Marines:

	Silver Star	Bronze Star for Valor	Bronze Star
Medals Awarded to Pennsylvania Marines from 2001 to 2009	13	112	211

The other branches of the military did or could not provide similar data.

As of April 30, 2010, there were 3,508 Purple Heart special registration plates in Pennsylvania. Nationally, there were 245,233 Purple Heart awarded since the beginning of the Vietnam War. By comparing the national number with the number of Purple Heart special registration plates implies that 1.4% of Purple Heart recipients currently have a Purple Heart special registration plate in Pennsylvania. Using a similar comparison, it would require the following percentages of Pennsylvania plates to the national numbers to meet the breakeven thresholds: 0.345% of Silver medals awarded, 0.044% of Bronze Star for Valor medals awarded, and 0.005% of Bronze Star medals awarded. Considering the 1.4% value for Purple Heart medals, it appears likely that the number of applications will exceed the breakeven thresholds. In conclusion, there will likely be a net revenue increase but the amount of the increase is indeterminate.

The following sources were used in the preparation of this fiscal note: the Legislative Office for Research Liaison, the Department of Transportation, the Department of Military and Veteran Affairs, and the U.S. Department of Defense.

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House Appropriations Committee, (D)

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General Note and Disclaimer: *This Fiscal Note was prepared pursuant to House Rule 19(a), and the elements considered and reported above are required by Section 5 of the rule. Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*