

SJR 5 Study: Emergency Medical Services License Plates for Volunteer EMTs

Background

Creation of a specialty license plate for volunteer emergency medical technicians (EMTs) was proposed as an incentive to encourage people to volunteer. Specialty license plates can be created in one of two ways:

- **Through a law specifically authorizing the license plate** and defining who may buy it. State law currently allows special license plates for military personnel, veterans, and the surviving spouse of an eligible veteran, as well as special plates for licensed amateur radio operators.
- **Through sponsorship by a qualified organization, college, or government agency.** The sponsoring organization must pay a fee of \$4,000 to cover the initial costs of producing the plate or file at least 400 pre-paid applications for the license plate. The organizations receive \$20 to \$50 for each set of plates issued.

Earlier this year, the Richland County Ambulance Service and Sidney Health Center began sponsoring an EMS license plate that is available to all EMTs. The agencies paid the sponsorship fee and created the plate as a way to increase attention to EMS, improve morale, and address recruitment and retention issues.¹ They plan to use money from license plate sales to buy equipment and fund a statewide training conference.

Draft Legislation: LCS5-1

The legislation drafted for committee consideration would:

- Create a statutory license plate for volunteer EMTs;
- Define "volunteer" by using annual compensation levels already set in law;
- Provide a tax credit for purchase of the special plates; and
- Adjust the amount of the credit if a licensed EMT is not actively volunteering.

Committee Decision Points

In reviewing this legislation, the committee may want to consider the following questions:

- **Should the Legislature create a special license plate for EMTs?**
 - ▶ The license plate would be one of only a handful specifically authorized in law.
 - ▶ The committee may want to discuss how a new license plate would fit in with the EMS plate created by the Richland County Ambulance Service.
- **If a license plate is created, should a tax credit be allowed for its purchase?**
 - ▶ Stakeholders support providing tax incentives to volunteer EMTs.
 - ▶ A tax credit would not require an appropriation but would reduce the amount of money going into the general fund.
- **Should any tax credit be based on a volunteer's status as active or inactive?**

The current bill draft provides two levels of tax credits.

 - ▶ A varied incentive level may encourage people to actively volunteer.
 - ▶ Limiting the credit to active volunteers may encourage people to volunteer but would not recognize the amount of time a person spends in training to become licensed and to maintain a license.

¹ Interview with Josh King, Richland County Ambulance Service, April 10, 2008.

- **Should a tax credit be "refundable?"**
A refundable tax credit is given to a taxpayer even when the person owes no taxes or owes less in taxes than the amount of the credit. The current draft allows a refundable tax credit.
 - ▶ A refundable credit guarantees that all EMTs would be eligible for the incentive and receive it in the same amount.
 - ▶ A refundable tax credit means the state would provide a refund to volunteer EMTs even when the volunteers owe no money or less money to the state.

Potential Costs of a Tax Credit

The Legislative Audit Division is conducting a performance audit of the state's EMS programs. The Division reported in November 2007 that Montana had 2,462 volunteer EMTs during the audit period. The Division estimated that about 1,157 were actively volunteering.

Using those figures, the cost of the tax credit included in the bill draft would be about \$204,100, if all volunteer EMTs bought the license plate and applied for the tax credit.

Tax Credit Compared to License Plate Fees

State law sets vehicle registration fees based on the age of the vehicle. All but six counties add local option taxes to the base fee.

Following is the base fee schedule for various types of vehicles.

- Annual fee for most passenger vehicles:
 - ▶ \$217, if 4 years old or less
 - ▶ \$87, if 5 to 10 years old
 - ▶ \$28, if 11 years old or older
 - ▶ \$22.75, for trucks over 1 ton

- Annual fee for most motor homes:
 - ▶ \$282.50, if less than 2 years old
 - ▶ \$224.25, if 2 to 5 years old
 - ▶ \$132.50, if 5 to 8 years old
 - ▶ \$97.50, if 8 years old or older

- One-time permanent fee of:
 - ▶ \$53.25 for a motorcycle used only on the road and \$114.50 for a motorcycle used on and off the road
 - ▶ \$237.50 for a motor home that is 11 years old or older