

Good morning

Honorable (co-Chairmen) and Honorable members,

What is proposed House Bill No. 5458 ?

It is a new way to raise enormous new revenues for the State of Conn.

How can this be done ?

Right now, Conn. is sitting on millions of pieces of state owned property from which it collects not a single penny

What are these State owned properties?

Registered Vehicle License Plates

How many are there in Conn. ?

3.1 million

What is the cost to the owner under this Plan ?

3 cents a day or, \$1 a month or, \$12 a year

Why should a plate owner pay the 3 cents a day ?

They don't have to - it is 100% **voluntary**

Just like state **gambling** is voluntary

Just like the state **lottery** is voluntary

The only major segment of our depressed economy that showed any increase in revenue last year was the Lottery. Last year, it outperformed casinos

Delaware recently sold plate #9 for \$675,000 at auction. The Delaware

DMV collected only \$21.00

Under this Bill, Delaware State would have collected $\$675,000 \times 25\% = \$168,750$ and the local City or Town in which the vehicle was domiciled would collect

$\$12/M \times 675 = \$8,100$ every single year

Last year, Mass. placed 179 expired 3 and 4 digit plates in a Drawing and collected $179 \times \$20.00 = \$3,580$ for the transfers. That's all the State got. Under

this Bill, the State would get \$1,986,990 from the 25% transfer fee and the local City or Town \$95,280 every single year, forever, on just 179 out of 6.3 million

plates in Mass.

New York sold a 3 digit plate for \$250,000 and collected a \$20.00 transfer fee vs \$62,500 plus \$3,000/yr for the local City or Town it would have collected under

this Bill

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2.

How does a plate owner join this program ?

By checking a box on the Registration renewal to "OPT IN"

So, why should they do this and how do we know they will do this?

on October 1, 2010, the Conn.Lottery began a new online game called, "Super Draw" which was a big and risky "First" for the Lottery. Each ticket was sold for \$10 and good for only ONE (1) drawing on January 1, 2011. The Lottery limited sales to 275,000 tickets @ \$10.00 each. The entire 275,000 tickets SOLD OUT in less than 3 months. The odds offered were 275,000 to 1 to win vs 14,000 to 1 for a winner under this Bill being proposed now

So, what's your risk to pass this Bill ?

NONE

Why ?

Because it is 100% voluntary

Why should a license plate holder pay 3 cents a day ?

1. It creates a market value for the license plate which can then be traded for **thousands of dollars and**

2. It gives the license plate holder 208 chances to win \$5,000 to \$10,000 every week for only 3 cents a day - no lottery can match those odds

What's involved to implement this program ?

1st: A Bill that permits registered license plates to be classified as Personal Property

a. The State will collect 25% of the sale price from each trade

b. The local city and town will collect annual revenues at the rate of \$12/M for the life of every vehicle Registered

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3.

For Example:

Bridgeport - 72,030 vehicles - \$864,360 - every year
New Haven - 54,601 vehicles - \$ 655,212 - every year
Danbury - 63,651 vehicles - \$763,812 - every year
Bristol - 53,979 vehicles - \$647,748 - every year
Stonington - 18,625 vehicles = \$223,500 every year
Wethersfield - 23,054 vehicles = \$276,648 every year

- c. This revenue received by the Cities and Towns relieves the State from sending that much more to the Cities and Towns - every year
2nd: We add a new Auction page within the existing State web site
3rd: We have a new Drawing within the existing 96 State Lottery drawings (which will be called a "promotional drawing")
and 4th: We add a new Property value category within the existing local City and Town Assessments

WHAT IS THE COST TO THE STATE ?

ZERO

What is the administrative burden to the State or Lottery or City and Town?

Almost ZERO

The infrastructure I have just outlined already exists in Conn. to absorb this Plan

We do not have to create any new infrastructure

Why ?

Because what I have just proposed is 98% computerized

All we have to do is interface with existing State programs with your I T people by what we call a "piggy-back" program

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4.

What is the additional administrative burden on the DMV to process this program ?

None

The DMV will continue to do what it always does to transfer registrations and add on more personnel, as needed

Honorable members - The more people pay voluntarily, the less you have to raise taxes

Last year \$312 million was paid to your General Fund by the Lottery

Every single penny of that \$312 million was raised voluntarily
That meant \$312 million LESS taxes you had to raise

This Bill can raise \$37.2 million just on day 1 - all voluntarily - plus an additional \$75 million from State collections on transfers = \$ 100 million +

The CLC paid 28.5% to the General Fund - this Bill will pay 81.5%

$(3.1 \times 12/M = 37.2MM \text{ less License fees, start-up, prizes} = + - 30.32=81.5\%)$

Thank you.