

South Carolina Board of Economic Advisors

Statement of Estimated State Revenue Impact

Date: March 4, 2009

Bill Number: H. B. 3134

Author: Bowers

Committee Requesting Impact: House E&PW

Bill Summary

A bill to amend Section [56-3-9910](#), as amended, Code of Laws of South Carolina, 1976, relating to the issuance of Gold Star Family special license plates, so as to reduce the fee for this special license plate.

REVENUE IMPACT ^{1/}

This bill is expected to reduce Motor Vehicle License revenue within the state's General Fund by \$618.30, earmarked funds of the State Highway Fund (SHF) within DOT by \$197.19, and restricted funds of the State Transportation Infrastructure Bank (SIB) by \$84.51 in FY 2009-10. The bill would have no impact on revenue allocations to the Department of Motor Vehicles (DMV).

Explanation

The DMV may issue 'Gold Star Family' special license plates in this State to family members of military personnel who were killed in action or while in service as verified at application by a United States Department of Defense document. This bill would waive the 'special' fee of \$30 that applies to each plate under Section 56-3-2020 but otherwise sustain recovery of plate production costs by the DMV. Of this \$30 special plate fee, \$9.39 is currently prorated to earmarked funds of the DMV, as recovery of production cost per new plate, and the balance of \$20.61 is allocated to Motor Vehicle License revenue within the state's General Fund. The bill would affect revenue distributions otherwise applicable to the 'regular' registration fee portion of the total plate cost, at \$24 per auto or \$30 per light-duty truck, since the DMV would recoup its costs from this source.

Based on records maintained by the DMV, we expect no more than thirty, new 'Gold Star Family' plates (prorated as 21 autos and 9 trucks) would be issued in FY 2009-10. Multiplying 30 times \$30 yields \$900. This bill would therefore reduce collections from the special plate fee in FY 2009-10 by \$900 overall. By removing this revenue source, Motor Vehicle License revenue within the state's General Fund would be reduced by \$618.30, and earmarked funds within the DMV would otherwise be reduced by \$281.70. A notwithstanding clause would, however, enable the DMV to still recoup that production cost (at \$9.39 per plate) from 'Regular' registration fees as follows: SHF: loss of \$197.19 (21 autos times \$9.39); SIB: loss of \$84.51 (9 trucks times \$9.39).

/s/ William C. Gillespie

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^{1/} This statement meets revenue impact requirements of Section 2-7-71 for a state impact by BEA, Section 2-7-76 for a local impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by Office of Economic Research (OER).