

South Carolina Board of Economic Advisors

Statement of Estimated State Revenue Impact

Date: May 5, 2009

Bill Number: H. B. 3762

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Committee Requesting Impact: Senate Transportation

Bill Summary

A bill to amend the Code of Laws of South Carolina, 1976, by adding Article 77 to Chapter 3, Title 56 so as to provide that the Department of Motor Vehicles (DMV) may issue "Our Farms-Our Future" special license plates.

REVENUE IMPACT ^{1/}

This bill is expected to allocate a total of \$28,000 to the 'Ag in the Classroom' Fund of the South Carolina Farm Bureau Federation in FY 2009-10. The bill would have no impact on state General Fund revenue.

Explanation

This bill authorizes DMV to issue an "Our Farms-Our Future" special license plate. A special fee of \$70 applies to each plate and is in addition to the regular biennial registration fee under Article 5, Chapter 3 of Title 56 (\$20-\$24 for autos, based on age; or \$30 for light trucks). Section 56-3-7890 (B) further specifies special fee proceeds that are net of the cost of the regular motor vehicle registration fee must be distributed to the 501(c) (3) nonprofit South Carolina Farm Bureau Federation 'Ag in the Classroom' Fund (AIC).

Based on the criterion for minimum prepaid sales of 400 tags in the initial year, at \$70 each, we expect a gross yield of \$28,000 in special fees (@ 400 total plates times \$70) in FY 2009-10. Since the bill fully allocates special fee proceeds totaling \$28,000 to the AIC Fund, the DMV could not retain any special fee revenue to recoup its costs to produce the plate as otherwise provided under Section 56-3-8100. As all proceeds from the proposed \$70 special fee would be distributed in full, this bill would not impact state General Fund revenue.

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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).