

South Carolina Board of Economic Advisors

Statement of Estimated State Revenue Impact

Date: January 7, 2010

Bill Number: H. B. 4280

Author: M.A. Pitts

Committee Requesting Impact: House E&PW

Bill Summary

A bill to amend the Code of Laws of South Carolina, 1976, by adding Article 108 to Chapter 3, Title 56 so as to provide that the Department of Motor Vehicles (DMV) may issue South Carolina Highway Patrol-Retired license plates.

REVENUE IMPACT ^{1/}

This bill is expected to raise DMV earmarked funds by \$2,000 in FY 2010-11. Conversely, it would reduce SIB restricted funds by \$2,000 in FY 2010-11. This bill would not impact state General Fund Revenue.

Explanation

This bill authorizes DMV to issue a "SCHP-Retired" special license plate for applicable private passenger vehicles and motor cycles in this State that are registered in the name of a retiree of the S.C. Highway Patrol (SCHP). Only two plates may be issued to a person. The biennial fee for this special plate is the regular registration fee set forth in Article 5, Chapter 3 of this Title (\$20-\$24 for autos, based on age; \$30 for light trucks; or \$10 for motor cycles). On these special plates, the DMV shall imprint 'SCHP-Retired,' the SCHP emblem, the letters 'HP' and numbers as the DMV may determine. Upon application and approval by the DMV, the plate may be transferred to another vehicle of the same weight class owned by the same person.

Under Section 56-3-8100, prerequisites for production by DMV are a minimum of 400 prepaid applications, or a deposit of \$4,000. We estimate first-year sales of 400 tags with a distribution of 260 autos and 140 light-duty trucks. Although current language does not add a "special" fee, as in current practice we expect DMV to recoup its cost. Accordingly, multiplying 400 plates by an estimated cost differential (new vs. renewal) of +\$5 per new plate would raise DMV earmarked funds by a total of \$2,000 in FY2010-11. Revenue allocated to the S. C. Transportation Infrastructure Bank (SIB) pursuant to Section 56-3-910 is net of DMV's costs as applicable. That proration would, conversely, be reduced by \$5 per new plate in FY2010-11. Thus, restricted funds within the SIB would be reduced by a total of \$2,000 (@ \$5 times 400 special plates) in FY2010-11. Since the General Fund receives no revenue from standard, biennial registration fees, the bill would have no impact on state General Fund revenue.

/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).