

# South Carolina Board of Economic Advisors

## Statement of Estimated State Revenue Impact

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**Date:** March 1, 2010

**Bill Number:** H. B. 4601

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**Committee Requesting Impact:** House E&PW

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### Bill Summary

A bill to amend Section [56-3-6500](#), Code of Laws of South Carolina, 1976, relating to the issuance of "United States Naval Academy" special license plates, so as to provide that a widow or widower of a graduate of the United States Naval Academy may be issued this special license plate.

### REVENUE IMPACT <sup>1/</sup>

This bill is expected to raise earmarked funds of the DMV by \$504, and also allocate \$1,146 to the United States Naval Academy Alumni Association in FY 2010-11. The bill would have no impact on state General Fund revenue.

### Explanation

This bill expands eligibility for the Department of Motor Vehicles (DMV) to issue a "United States Naval Academy" special license plate to either a widow or widower of a graduate of that military academy. There is no change in current biennial fee of \$30 or revenue distribution for this existing special license plate. All proceeds net of DMV production costs are directed to the United States Naval Academy (USNA) Alumni Association.

Of the special plate fee of \$30, DMV recoups \$9.16 as its cost, leaving a balance of \$20.84 per plate for allocation to the USNA Alumni Association. Based on information provided by a state alumni association chapter, 110 widows of USNA alumni are state residents. We estimate no more than one half, or 55 widows, would purchase this special license plate in FY2010-11. Multiplying 55 times \$30 yields \$1,650 in FY 2010-11. Of this amount, DMV would recoup \$504 in costs and the balance of \$1,146 must be distributed to the USNA Alumni Association. Since no fee proceeds are allocated to the state's General Fund, the bill would have no impact on General Fund revenue.

/s/ William C. Gillespie

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<sup>1/</sup> 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).