

South Carolina Board of Economic Advisors

Statement of Estimated State Revenue Impact

Date: March 30, 2009

Bill Number: S. B. 120 (As adopted by Senate, 03/26/09)

Author: Knotts and Rose

Committee Requesting Impact: Senate Transportation

Bill Summary: A bill to amend Section [56-3-9910](#), as amended, Code of Laws of South Carolina, 1976, relating to the Department of Motor Vehicles' (DMV) issuance of Gold Star Family special license plates, so as to provide that the fee for this special license plate is the Department's cost to produce it and to provide that the production of this license plate is exempt from the provisions contained in Section [56-3-8000](#)(B) and (C). (*as further amended*)

REVENUE IMPACT ^{1/}

This bill, as amended, is expected to reduce overall revenue from new plates that otherwise would be allocated in FY 2009-10 by \$1,674, prorated as follows: Motor Vehicle License revenue within the state's General Fund (GF) by \$618; earmarked funds of the Department of Motor Vehicles (DMV) by \$323; the State Transportation Infrastructure Bank (SIB) by \$270; and the State Highway Fund (SHF) within DOT by \$462. Additionally, the total loss from renewals of existing plates in FY 2010-11 would be \$3,432, prorated as follows: GF, \$1,613; DMV, \$342; SIB, \$420; and SHF, \$1,056.

Explanation: The bill, as amended, requires the DMV to issue 'Gold Star Family' special license plates in this State to certain family members of military personnel who were killed in action or while in service at no cost. The standard biennial fee currently is \$54 for an auto and \$60 for a light-duty truck, which consists of the 'regular' registration fee (\$24/auto or \$30/truck) under Sections 56-3-630, 660 and 670, and a 'special' fee of \$30 pursuant to Section 56-3-2020. Of this \$30, the DMV currently receives a cost recovery of \$9.39 per new plate or \$3.98 per renewed plate, and the remaining balance of \$20.61 or \$26.02 is allocated to Motor Vehicle License revenue within the state's General Fund. Furthermore, of the \$24 regular registration fee for an auto, \$2 is prorated to earmarked funds of the DMV to support future plate replacement, and \$22 is earmarked to the State Highway Fund (SHF) within the State Department of Transportation (DOT). The \$30 regular registration fee for a truck is fully allocated to restricted funds within the SIB. Current DMV practice requires a United States Department of Defense document as verification of death.

Based on records of the DMV, we expect that 30, new 'Gold Star Family' plates will be issued (prorated as 21 autos and 9 trucks), which would reduce state revenues by \$1,674 in FY 2009-10. We further expect that renewal of 62 existing plates (48 autos and 14 trucks) would reduce state revenues by \$3,432 in FY 2010-11. Losses by fiscal year are as follows: FY 2009-10: Motor Vehicle License revenue within the state's General Fund (GF) by \$618; earmarked funds of the Department of Motor Vehicles (DMV) by \$323; the State Transportation Infrastructure Bank (SIB) by \$270; and the State Highway Fund (SHF) within DOT by \$462; FY 2010-11: GF, \$1,613; DMV, \$342; SIB, \$420; and SHF, \$1,056.

/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).