

South Carolina Board of Economic Advisors

Statement of Estimated State Revenue Impact

Date: January 7, 2010

Bill Number: S. B. 18

Author: Elliott

Committee Requesting Impact: Senate Transportation

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 for the issuance of Distinguished Service Medal special license plates.

REVENUE IMPACT ^{1/}

This bill is expected to raise DMV earmarked funds by \$500 in FY 2010-11. Conversely, it would reduce SIB restricted funds by \$500 in FY2010-11. This bill would not impact state General Fund Revenue.

Explanation

This bill authorizes DMV to issue a "Distinguished Service Medal (DSM)" special license plate for applicable private passenger vehicles and motor cycles in this State to a person that can verify he/she is a recipient of said military decoration. Only two plates may be issued to a person. The plate design must contain an illustration of the DSM. 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). Further, the production and issuance of this special license plate is exempt from standards for such special plates under Section 56-3-8100. If under Section 56-3-8100, prerequisites for production by DMV would require a minimum of 400 prepaid applications or a deposit of \$4,000, and the DMV would recoup its production costs from any special plate fee imposed.

We estimate first-year sales of this new, special plate at 100 total tags with a distribution of 90 autos and 10 light-duty trucks. Whereas current language does not add a "special" fee, as under customary practice we expect DMV to recoup its production cost from the regular biennial fee. Accordingly, multiplying 100 plates by an estimated cost differential (new vs. renewal) of approximately +\$5 per new plate would raise DMV earmarked funds by a total of \$500 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 \$500 (@ \$5 times 100 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).