COMMITTEE REPORT

March 28, 2012

**H. 4957**

Introduced by Reps. Allison, White, Parker and Forrester

S. Printed 3/28/12--H.

Read the first time March 6, 2012.

**THE COMMITTEE ON WAYS AND MEANS**

To whom was referred a Joint Resolution (H. 4957) to provide that in 2013 and 2014, the annual fee for the automobile manufacturer standard license plate for vehicles in the manufacturer’s employee benefit program and for the testing, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass:

W. BRIAN WHITE for Committee.

**STATEMENT OF ESTIMATED STATE REVENUE IMPACT**

**REVENUE IMPACT 1/**

This JR is expected to raise motor vehicle license revenue within the state’s general fund by $1,033 in FY 2012-13, and by $2,066 in FY 2013-14. It also would raise revenue allocated to certain county jurisdictions by $11,141 in FY 2012-13, and by $22,282 in FY 2013-14.

**Explanation:** This JR resets the annual fee to register a “BM” license plate in this State at $702 for calendar years 2013 and 2014. This rate reflects an incremental increase of $3 from the current fee of $699 pursuant to Act 339 of 2010. Registration fees for state residents participating in the employee benefit program are prorated at $682 to the applicable county and the balance of $20 must go the state’s general fund. For those program vehicles registered to nonresident employees, all of the $702 fee must be credited to the state’s general fund. These tags primarily apply to vehicles manufactured by Bavarian Motor Works (BMW) with proceeds going to ten to fifteen instate counties. Receipts prorated to a county are treated as property tax and are in lieu of state sales or use taxes. Further, the use of notwithstanding language supersedes revenue allocations under Section 56-3-2332, and also DMV’s authority to retain $1 of the total annual fee of $702, to support cost of plate replacement under Section 56-3-1230(A), through the close of calendar year 2014.

Based on info provided by BMW, registrations are expected to average 2,524 in 2013 and 2014. Of this total, 2,448 apply to state residents and 76 to nonresidents. The former average was 2,500 for 2011 and 2012, prorated at 2,426 for state residents, and 74 for nonresidents. With an effective date of January 1, 2013, the higher rate applies to collections for six months in FY 2012-13, prorated at 1,224 state tags, and 38 out-of-state tags. Based on the latest estimates, total revenues are expected to increase by $12,174 in FY 2012-13, to be allocated at $11,141 to respective counties and the balance of $1,033 to motor vehicle license revenues within the state’s general fund. For the full year in FY 2013-14, the net overall gain would total $24,348, prorated at $22,282 to county jurisdictions and $2,066 to motor vehicle license revenues within the state’s general fund.

*Approved By:*

Frank A. Rainwater

Board of Economic Advisors

1/ This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, or Section 2-7-76 for a local revenue impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.

**A** **JOINT RESOLUTION**

TO PROVIDE THAT IN 2013 AND 2014, THE ANNUAL FEE FOR THE AUTOMOBILE MANUFACTURER STANDARD LICENSE PLATE FOR VEHICLES IN THE MANUFACTURER’S EMPLOYEE BENEFIT PROGRAM AND FOR THE TESTING, DISTRIBUTION, EVALUATION, AND PROMOTION OF ITS VEHICLES IS SEVEN HUNDRED TWO DOLLARS, TO PROVIDE THAT TWENTY DOLLARS OF EACH FEE IS CREDITED TO THE GENERAL FUND OF THE STATE AND THE BALANCE TO LOCAL GOVERNMENTS, AND TO PROVIDE THAT THE ENTIRE FEE AMOUNT BE CREDITED TO THE GENERAL FUND OF THE STATE FOR NONRESIDENT PARTICIPANTS IN THE EMPLOYEE BENEFIT PROGRAM.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Notwithstanding the annual fee prescribed pursuant to Section 56‑3‑2332 of the 1976 Code, for the standard license plate issued to an automobile manufacturer for vehicles used in a benefit program for the manufacturer’s employees or for testing, distribution, evaluation, and promotion, the registration fee for applications filed in 2013 and 2014 is seven hundred two dollars. In accounting for the revenue of this fee for applications filed in 2013 and 2014, twenty dollars is credited to the general fund of the State and the amount required to be remitted to a local government is six hundred eighty‑two dollars. In the case of employees participating in the benefit program who reside outside of this State, the entire fee must be credited to the general fund of the State.

SECTION 2. This joint resolution takes effect January 1, 2013.

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