**A** **BILL**

TO AMEND SECTION 56‑3‑2332, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO LICENSE PLATES FOR CERTAIN MANUFACTURERS, SO AS TO REVISE THE METHOD BY WHICH THE LICENSE PLATE FEE IS CALCULATED AND CREDITED; AND TO SET THE LICENSE PLATE FEE FOR 2017 AND 2018.

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

SECTION 1. Section 56‑3‑2332 of the 1976 Code is amended to read:

“Section 56‑3‑2332. (A) Upon application and payment of the required fee, the Department of Motor Vehicles may issue a standard license plate to a manufacturer for vehicles it has manufactured and which are used in a benefit program for the manufacturer’s employees or used by the manufacturer for testing, distribution, evaluation, and promotion.

(B) The annual registration fee ~~for this plate is eight hundred eighty dollars~~ provided for by this section is derived by computing the average price of the vehicle manufacturer’s fleet times the property tax rates times the average millage for all purposes statewide for the preceding calendar year.

~~(1)~~(C) The plates issued in connection with an employee benefit program may be used only on vehicles provided for the applicant’s employees. In the application, the manufacturer shall notify the department in which county the employee assigned the vehicle resides. Twenty dollars ~~and fifty cents~~ of the fee must be credited to the general fund of the State and ~~eight hundred fifty‑ nine dollars and fifty cents~~ the remainder must be remitted to the county noted on the application. Amounts received by a county pursuant to this subsection must be credited to the accounts of taxing entities in the county as if it were a county property tax and are instead of state sales or use taxes. If the employee resides outside this State, the fee must be credited ~~pro rata to all other counties due amounts under this section~~ to the general fund of the State. ~~The names and addresses of the employees are not required to be submitted to the department, but the department may require the documentation it determines necessary to ensure compliance with the provisions of this section.~~

~~(2)~~(D) The plates issued in connection with testing, distribution, evaluation, and promotion, not to exceed fifty plates, may be used only for those purposes. Twenty dollars ~~and fifty cents~~ of the fee must be credited to the general fund of the State and ~~eight hundred fifty‑nine dollars and fifty cents~~ the remainder must be remitted to the county in which the principal facility of the manufacturer is located. Amounts received by a county pursuant to this subsection must be credited to the accounts of taxing entities in the county as if it were a county property tax and are instead of state sales or use taxes. The department may require the documentation it determines necessary to ensure compliance with the provisions of this subsection.

~~(C)~~(E) ~~The annual registration fee provided for in this section is derived by computing the average price of the vehicle manufacturer’s fleet times the property tax rate times the state’s average millage rate.~~ Before December thirty‑first of each odd numbered year, the manufacturer shall review the average price of its fleet and submit the cost to the ~~House Ways and Means Committee and the Senate Finance Committee. The annual registration fee must be adjusted to reflect changes in the average cost of the manufacturer’s fleet, the state’s average millage rate, and the property tax rate. Any adjustment must be reflected in the annual appropriations act~~ Department of Revenue. The Department of Revenue shall determine the annual registration fee pursuant to subsection (B) and then notify the Department of Motor Vehicles of the adjusted fee amount, which is effective for the next two years.”

SECTION 2. Notwithstanding Section 56‑3‑2332(B), for 2017 and 2018, the annual registration fee for license plates issued pursuant to Section 56‑3‑2332 is seven hundred eighty‑nine dollars.

SECTION 3. This act takes effect upon approval by the Governor.

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