~~Indicates Matter Stricken~~

Indicates New Matter

COMMITTEE REPORT

May 22, 2013

**S. 620**

Introduced by Senator Verdin

S. Printed 5/22/13--H.

Read the first time April 23, 2013.

**THE COMMITTEE ON EDUCATION AND PUBLIC WORKS**

To whom was referred a Bill (S. 620) to amend Section 56‑3‑2335 of the 1976 Code, relating to research and development license plates, so as to include the manufacture and research and development of transmissions, etc., respectfully

**REPORT:**

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

PHILLIP D. OWENS for Committee.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

Minimal (Some additional costs expected but can be absorbed)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

$0 (No additional expenditures or savings are expected)

**EXPLANATION OF IMPACT:**

The Department of Motor Vehicles indicates that this bill will have a minimal fiscal impact on the General Fund of the State, which the agency can absorb at their current level of funding.

**SPECIAL NOTES:**

The Board of Economic Advisors is the appropriate entity to address any revenue impact associated with this or any other bill.

*Approved By:*

Brenda Hart

Office of State Budget

**STATEMENT OF ESTIMATED FISCAL IMPACT**

**REVENUE IMPACT** 1/

This bill would raise funds earmarked to the plate replacement fund within DMV by $2, per license plate; to the state highway account within the S.C. Transportation Infrastructure Bank (TIB) by $38, per plate; and also allot $160, per plate, to the respective county jurisdiction in FY 2013-14. Total proceeds should be minimal in the initial licensing year. County allocation, however, is further subject to the plate type (RD/RDF) issued.

**Explanation**

This bill provides for the S. C. Department of Motor Vehicles (DMV) to issue Research and Development (RD) and Research and Development Fleet (RDF) license plates to certain manufacturers, or contracted fleet owners, for use in testing and evaluating the performance of transmissions or transmission parts under development.

The cost to register either the “RD” or “RDF” plate is $200. Each plate is valid for a two-year term. Proceeds are distributed as follows: A $2 plate replacement fee to DMV; $38 to the state highway account within S.C. Transportation Infrastructure Bank (TIB); and balance of $160 to applicable county. Allocation for an “RD” plate is by testing facility location; whereas the address on registration card applies for an “RDF” plate. A maximum of 100 plates is authorized per business.

These plates are currently authorized for businesses that test performance of tires and tire replacement parts. Based on records of the DMV, active registrations include five “RDF” plates; whereas there are no “RD” plates in use. While we expect firms that make or test transmissions to utilize such plates, we estimate only a minimal number to be issued in FY2013-14. Since allocation by county is subject to further provisions for plate type issued, it cannot be determined until a plate is issued.

*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** **BILL**

TO AMEND SECTION 56‑3‑2335 OF THE 1976 CODE, RELATING TO RESEARCH AND DEVELOPMENT LICENSE PLATES, SO AS TO INCLUDE THE MANUFACTURE AND RESEARCH AND DEVELOPMENT OF TRANSMISSIONS IN THIS STATE IN THE DEFINITION OF “RESEARCH AND DEVELOPMENT BUSINESS”, TO DEFINE THE TERM “TRANSMISSIONS”, TO PROVIDE THAT THE DEPARTMENT OF MOTOR VEHICLES MAY ISSUE RESEARCH AND DEVELOPMENT LICENSE PLATES FOR THE PURPOSE OF TESTING AND EVALUATING THE PERFORMANCE OF THE RESEARCH AND DEVELOPMENT BUSINESS’ TRANSMISSIONS ON THE MOTOR VEHICLE, AND THE DEPARTMENT MAY ENTER INTO RECIPROCAL AGREEMENTS WITH OTHER STATES CONCERNING THE REGISTRATION AND OPERATION OF VEHICLES OWNED BY A RESEARCH AND DEVELOPMENT BUSINESS FOR THE PURPOSE OF TESTING AND EVALUATING THE PERFORMANCE OF THE RESEARCH AND DEVELOPMENT BUSINESS’ TRANSMISSIONS, TO PROVIDE IT IS THE SOLE RESPONSIBILITY OF THE RESEARCH AND DEVELOPMENT BUSINESS OR CONTRACTED FLEET OWNER TO TAKE ANY OTHER ACTIONS REQUIRED BY ANOTHER STATE THAT ARE NECESSARY FOR THE RESEARCH AND DEVELOPMENT BUSINESS OR CONTRACTED FLEET OWNER, AND TO LEGALLY TEST AND EVALUATE THE PERFORMANCE OF THE RESEARCH AND DEVELOPMENT BUSINESS’ TRANSMISSIONS IN THAT STATE.

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

SECTION 1. Section 56‑3‑2335 of the 1976 Code is amended to read:

“Section 56‑3‑2335. (A) As used in this section:

(1) ‘Research and development business’ or ‘business’ means a person who manufacturers tires or transmissions in this State for use as original or replacement equipment on motor vehicles and who conducts research and development activities on tires or transmissions in conjunction with the person’s manufacturing activities in South Carolina.

(2) ‘Contracted fleet owner’ or ‘contractor’ means a person or company in the business of operating a group of vehicles driven by their employees for the purpose of testing and evaluating the performance of a research and development business’ tires or transmissions.

(3) ‘Tires’ include tires and tire replacement parts.

(4) ‘Transmissions’ include transmissions and transmission parts.

(B)(1) Upon application and payment of the required fee, the Department of Motor Vehicles may issue research and development license plates to a research and development business. The license plates must be used exclusively on motor vehicles, including motorcycles, provided by a motor vehicle manufacturer to the research and development business for the purpose of testing and evaluating the performance of the research and development business’ tires or transmissions on the motor vehicle.

(2) Application for research and development license plates must be made by the research and development business on a form prescribed by the department and submitted with proof of the applicant’s status as a bona fide research and development business. The cost of each research and development license plate issued is two hundred dollars, of which one hundred sixty dollars must be remitted by the department to the county in which the testing facility of the business is located. Each plate is valid for two years. A maximum of one hundred research and development license plates may be issued for the two‑year period.

(C)(1) Upon application and payment of the required fee, the Department of Motor Vehicles may issue fleet research and development plates to a research and development business or to a contracted fleet owner. The license plates will be registered to a specific vehicle owned by the research and development business, or owned by a contracted fleet owner under contract with the research and development business.

(2) Application for fleet research and development license plates must be made by the contractor on a form prescribed by the department and submitted with certification from the research and development business establishing the applicant’s status as a bona fide contracted fleet owner under contract with the research and development business. The cost of each fleet research and development license plate is two hundred dollars, of which one hundred sixty dollars must be remitted by the department to the county in which the vehicle is sited, as evidenced by the address on the registration card. Each plate is valid for two years. A maximum of one hundred fleet research and development license plates may be issued to a contracted fleet owner for the two‑year period.

(D) Vehicles with research and development plates or fleet research and development plates may be operated on the state’s streets and highways or another state’s streets and highways pursuant to a reciprocity agreement with that state. The vehicles may be operated pursuant to this section only for the purpose of testing and evaluating the performance of the research and development business’ tires or transmissions on the motor vehicle.

(E) The Department of Motor Vehicles may enter into reciprocal agreements with other states concerning the registration and operation of vehicles owned by a research and development business, provided to the research and development business by a contractor under contract with the research and development business, or provided by a motor vehicle manufacturer to the research and development business for the purpose of testing and evaluating the performance of the research and development business’ tires or transmissions.

(F) It is the sole responsibility of the research and development business, or contracted fleet owner, to take any other actions required by another state that are necessary for the research and development business, or contracted fleet owner, to legally test and evaluate the performance of the research and development business’ tires or transmissions in that state. The research and development business must comply with any other requirements associated with the operation of the vehicle on the other state’s roads and highways.”

SECTION 2. This act takes effect upon approval by the Governor.

‑‑‑‑XX‑‑‑‑