



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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**Bill Number:** H. 4710 Amended by House Education and Public Works Motor Vehicles Subcommittee on February 21, 2018

**Author:** Hill

**Subject:** Special License Plates

**Requestor:** House Education and Public Works

**RFA Analyst(s):** Wren

**Impact Date:** February 27, 2018

**Estimate of Fiscal Impact**

	<b>FY 2018-19</b>	<b>FY 2019-20</b>
<b>State Expenditure</b>		
General Fund	\$0	\$0
Other and Federal	See Below	\$0
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	See Below	\$0
Other and Federal	See Below	\$0
<b>Local Expenditure</b>	\$0	\$0
<b>Local Revenue</b>	\$0	\$0

**Fiscal Impact Summary**

This bill will result in a reduction in Other Funds revenue for the Department of Motor Vehicles (DMV) in FY 2018-19 because the bill precludes DMV from receiving the \$6,800 application fee per special license plate. This portion of the bill reduces Other Funds revenue by a total amount of \$20,400 in FY 2018-19 because it corresponds to the three special license plates referenced in the bill.

In addition, this bill reduces Other Funds revenue by an undetermined amount in FY 2018-19 for the DMV since they may no longer retain a portion of the \$20 special license plate fee for the production and administration of these special license plates. Therefore, the total reduction in Other Funds revenue is undetermined because there is no way to project how many of these special license plates will be requested.

Pursuant to Section 56-3-8100(D)(F)(G), a portion of the special \$20 fee equal to the expenses of producing and administering these special plates must be directed to the State Highway Fund, and the remainder is distributed to the organization requesting the special plate. The actual increase in Other Funds revenue allocated to the State Highway Fund in FY 2018-19 is undetermined since data is unavailable from which to make a projection of how many of these special plates may be requested.

This bill will result in a reduction of General Funds revenue in FY 2018-19 because a portion of the \$20 special license fee will no longer be allocated to the General Fund. The reduction in General Fund revenue is undetermined because there is no way to project how many of these special license plates will be requested.

## **Explanation of Fiscal Impact**

### **Amended by House Education and Public Works Motor Vehicles Subcommittee on February 21, 2018**

#### **State Expenditure**

The amended bill modifies Sections 56-3-10110, 56-3-10210, and 56-3-10310, which relate to the issuance of special license plates to veterans of Operation Desert Storm-Desert Shield, Operation Enduring Freedom, and Operation Iraqi Freedom, respectively. The current fees for the special license plates pursuant to this bill are the regular registration fee set forth in Article 5, Chapter 3 of Title 56 and a special motor vehicle license fee of \$20. The amended bill deletes the requirement that DMV may retain sufficient funds in a restricted account to defray the expenses associated with producing and administering these special license plates.

Since DMV will no longer be allowed to retain a portion of the \$20 special fee per plate for the production and administration of the special license plates pursuant to this bill, the increase in actual Other Funds expenses in FY 2018-19 is undetermined. Data is unavailable from which to make a projection of how many of these special license plates may be requested.

#### **State Revenue**

The amended bill modifies Sections 56-3-10110, 56-3-10210, and 56-3-10310, which relate to the issuance of special license plates to veterans of Operation Desert Storm-Desert Shield, Operation Enduring Freedom, and Operation Iraqi Freedom, respectively. The current fees for the special license plates pursuant to this bill are the regular registration fee set forth in Article 5, Chapter 3 of Title 56 and a special motor vehicle license plate fee of \$20. The amended bill deletes the requirement that DMV may retain sufficient funds in a restricted account to defray the expenses associated with producing and administering these special license plates. Also, the amended bill deletes the requirement that remaining funds collected from the \$20 special motor vehicle license plate fee be allocated to the General Fund. Additionally, the bill adds a requirement that the provisions of Sections 56-3-8100(A)(1) and (2) do not apply to the production and distribution of these special license plates. These sections relate to the \$6,800 upfront application fee that must be submitted to DMV prior to producing plates and the marketing plan for the special plates.

DMV indicates that this bill will reduce Other Funds revenue by \$20,400 for deletion of the requirement that DMV receive \$6,800 upfront per type of plate prior to producing the special license plates pursuant to this bill. Also, DMV will no longer be allowed to retain a portion of the \$20 special fee per plate for the production and administration of these special license plates. Therefore, the total reduction in Other Funds revenue of DMV in FY 2018-19 is undetermined since data is unavailable from which to make a projection of how many of these special license plates may be requested.

Pursuant to Section 56-3-8100 (D)(F)(G), a portion of the special \$20 fee equal to the expenses of producing and administering these special plates must be directed to the State Highway Fund, and the remainder is distributed to the organization requesting the special plate. Further, since the remaining portion of the \$20 special fee may no longer be allocated to the General Fund, General Fund revenue will be reduced by an undetermined amount. The actual increase in Other

Funds revenue allocated to the State Highway Fund and reduction in General Fund revenue are undetermined for FY 2018-19 since data is unavailable from which to make a projection of how many of these plates may be requested. Any remainder of the \$20 fee will be distributed to the organization requesting the plate.

**Local Expenditure**

N/A

**Local Revenue**

N/A

**Introduced on January 24, 2018**

**State Expenditure**

This bill authorizes DMV to issue Persian Gulf War Veteran special license plates to owners of private passenger-carrying motor vehicles or light pickups registered in their names who are veterans who served on active duty in the Persian Gulf at any time from September 11, 2011, until the operation is completed. The motor vehicle owner must present DMV with a DD214 or other official documentation that states the individual served on active duty in the Persian Gulf from September 11, 2011, or until the operation is completed. The bill subjects the Persian Gulf War Veteran license plate to the provisions of Section 56-3-8100, which requires an amount equal to the expenses of producing and administering special license plates to be allocated to the State Highway Fund of the Department of Transportation. DMV may no longer retain these expenses.

The increase in General Fund expenses of DMV, as a result of producing and administering the new license plate, is undetermined since data is unavailable from which to make a projection of how many of the new Persian Gulf War Veteran plates may be requested.

**State Revenue**

This bill subjects the new Persian Gulf War Veteran license plate to the provisions of Section 56-3-8100, which requires an organization seeking a special license plate to provide \$6,800 to DMV before the plate may be issued. The \$6,800 is directed to the State Highway Fund of the Department of Transportation. Since the organization did not request a fee for the plate, DMV may collect a \$10 fee pursuant to Section 56-3-8100. The costs to produce the Persian Gulf War Veteran plate are directed to the State Highway Fund. Any remaining portion of the \$10 fee that is not used to produce and administer the new plate must be credited to the General Fund. Since this is a new plate, Other Funds revenue allocated to the State Highway Fund would increase by \$6,800 plus the cost of producing the plate. The actual increase in General Fund revenue and Other Funds revenue to the State Highway Fund is undetermined since data is unavailable from which to make a projection of how many of the plates may be requested.

**Local Expenditure and Revenue**

N/A



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