



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
(803)734-0640 • RFA.SC.GOV/IMPACTS

Bill Number:	H. 3050	Introduced on January 8, 2019
Author:	McCravy	
Subject:	DMV	
Requestor:	House Education and Public Works	
RFA Analyst(s):	Griffith and Miller	
Impact Date:	April 25, 2019	

Fiscal Impact Summary

The fiscal impact of this bill is pending, contingent upon a response from the Department of Motor Vehicles (DMV).

This bill may result in an undetermined impact of local expenditures and revenue beginning in FY 2019-20, depending on DMV's implementation of the collection of motor vehicle property tax and any administrative fees DMV chooses to charge.

Explanation of Fiscal Impact

Introduced on January 8, 2019

State Expenditure

This bill requires the Department of Motor Vehicles (DMV) to implement a procedure whereby the department collects the motor vehicle property taxes owed to local governmental entities at the same time a person registers the vehicle with the department. DMV will remit all local taxes collected to the appropriate governmental entity. The department may collect an administrative fee, not to exceed the actual cost of administration, from the local entities for collecting these taxes.

This fiscal impact statement is pending, contingent upon a response from DMV.

State Revenue

N/A

Local Expenditure

This bill shifts the responsibility of collecting property taxes on registered motor vehicles from the local entities to DMV. The taxes will be collected at the same time as a person registers their vehicle. DMV may collect administrative fees from local entities for collecting these taxes. Revenue and Fiscal Affairs (RFA) contacted all counties and received a response from the counties of Anderson and Barnwell on the potential fiscal impact of this bill.

Both counties do not anticipate any cost savings due to this bill, as staff is still needed to collect the property taxes on most renewed registered vehicles. Additionally, the counties stated there is a possible increase in local expenditures to pay any administrative fees the DMV may charge. However, the DMV may choose how much, if any, administrative fees to charge. Therefore, this

bill will increase local expenditures by an undetermined amount beginning in FY 2019-20, dependent upon the administrative fees DMV may charge.

Local Revenue

This bill shifts the responsibility of collecting property taxes on registered motor vehicles from the local entities to DMV. The taxes will be collected at the same time as a person registers their vehicle. DMV may collect administrative fees from local entities for collecting these taxes. The two counties that responded to RFA's request stated there may be a loss in revenue due to the valuation of motor vehicles by DMV. However, it is possible that DMV may also place a higher value on vehicles, resulting in higher property taxes collected. As this valuation is unknown, the impact to local revenue is undetermined, beginning in FY 2019-20.



Frank A. Rainwater, Executive Director