



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

STATEMENT OF ESTIMATED FISCAL IMPACT

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Bill Number:	H. 3306	Introduced on January 8, 2019
Author:	Caskey	
Subject:	Special License Plate	
Requestor:	House Education and Public Works	
RFA Analyst(s):	Griffith	
Impact Date:	February 20, 2019	Updated for Additional Agency Response

Fiscal Impact Summary

This bill will increase Other Funds expenditures of the Department of Motor Vehicles (DMV) by \$34,000 in FY 2019-20 due to the production and distribution of two special license plates for motorcycles and three special license plates for private passenger motor vehicles.

This bill will reduce General Fund revenue of the Department of Transportation (DOT) by \$30,935, reduce Other Funds revenue of DOT by \$95,207, reduce Other Funds revenue of DMV by \$6,527, and reduce Other Funds revenue of the State Transportation Infrastructure Bank by \$86,034 in FY 2019-20 as a result of removing the special license plate and biennial registration fees for the plates described within this bill.

This fiscal impact statement has been updated to include responses from DMV, DOT, and the State Transportation Infrastructure Bank.

Explanation of Fiscal Impact

Updated for Additional Agency Response on February 20, 2019

Introduced on January 8, 2019

State Expenditure

The following sections will affect state expenditures as follows:

Section 1. This section deletes the biennial registration fee pursuant to Article 5, Chapter 3, of Title 56 and the \$20 special license plate fee for Vietnam Veterans special license plates.

DMV indicates that the bill will increase non-recurring Other Funds expenditures by \$6,800 in FY 2019-20 for the production and distribution of a Vietnam Veterans special license plate for motorcycles that is not currently being produced.

Section 2. This section deletes the biennial registration fee pursuant to Article 5, Chapter 3, of Title 56 for World War II veterans special license plates.

DMV indicates that the bill will increase non-recurring Other Funds expenditures by \$6,800 in FY 2019-20 for the production and distribution of a World War II special license plate for motorcycles that is not currently being produced.

Sections 3, 4, and 5. These sections exempt the Operation Desert Storm-Desert Shield Veteran, Operation Enduring Freedom Veteran, and Operation Iraqi Freedom Veteran special license plates from the \$6,800 production requirement pursuant to Section 56-3-8100. Therefore, the bill will increase DMV's non-recurring Other Funds expenditures in FY 2019-20 by \$6,800 per type of special license plate, totaling \$20,400 for these sections of the bill.

This section of the fiscal impact statement has been updated to include a response from DMV.

State Revenue

The following sections will affect state revenue as follows:

Section 1. This section deletes the biennial registration fee pursuant to Article 5, Chapter 3, of Title 56 and the \$20 special license plate fee for Vietnam Veterans special license plates. Pursuant to Section 56-3-620(G), \$16 of the current biennial registration fee is allocated to the Infrastructure Maintenance Trust Fund, which are Other Funds of DOT. Pursuant to Section 56-3-1230(A), \$2 of the biennial registration fee is allocated to the Plate Replacement Fund, which are Other Funds of DMV. The remainder of the biennial registration fee is allocated to the State Transportation Infrastructure Bank pursuant to Section 56-3-910. Pursuant to Section 56-3-8100(F) and (G), of the \$20 special license plate fee, an amount equal to the expenses of producing and administering special license plates is allocated to the State Highway Fund, which are Other Funds of DOT. The remainder of the \$20 special license plate fee is allocated to the General Fund since no organization is listed to receive the funds.

DMV collected \$112,910 in biennial registration fees for Vietnam Veterans license plates in FY 2017-18, of which \$23,693 was allocated to the Infrastructure Maintenance Trust Fund. Of the remaining \$89,217, we estimate that \$6,259 was allocated to the Plate Replacement Fund (\$1 per plate per year for 6,259 plates) and \$82,958 was allocated to the State Transportation Infrastructure Bank. Therefore, we estimate that Other Funds revenue of DOT will decrease by \$23,693, Other Funds revenue of DMV will decrease by \$6,259, and Other Funds revenue of the State Transportation Infrastructure Bank will decrease by \$82,958 in FY 2019-20.

DMV estimates that the cost to produce and administer one special license plate is \$10.82. Thus, from the \$20 special license plate fee, approximately 54.1 percent is allocated to the State Highway Fund, while the other 45.9 percent is allocated to the General Fund of DOT. DMV indicates that \$67,397 was collected in Vietnam Veterans special plate fees in FY 2017-18. By removing the special license plate fee, this bill is expected to decrease Other Funds revenue of DOT by \$36,462 and decrease General Fund revenue by \$30,935 in FY 2019-20.

DMV indicates that a Vietnam Veterans license plate for motorcycles is not currently being produced, so revenue to the State Highway Fund, which are Other Funds of DOT, will be reduced by \$6,800.

In total, this section of the bill will reduce General Fund revenue of DOT by \$30,935, reduce Other Funds revenue of DOT by \$66,955, reduce Other Funds revenue of DMV by \$6,259, and reduce Other Funds revenue of the State Transportation Infrastructure Bank by \$82,958 in FY 2019-20.

This section of the fiscal impact statement has been updated to include information from DMV, DOT, and the State Transportation Infrastructure Bank.

Section 2. This section deletes the biennial registration fee pursuant to Article 5, Chapter 3, of Title 56 for World War II Veterans special license plates. Pursuant to Section 56-3-620(G), \$16 of the current biennial registration fee is allocated to the Infrastructure Maintenance Trust Fund, which are Other Funds of DOT. Pursuant to Section 56-3-1230(A), \$2 of the biennial registration fee is allocated to the Plate Replacement Fund, which are Other Funds of DMV. The remainder of the biennial registration fee is allocated to the State Transportation Infrastructure Bank pursuant to Section 56-3-910.

DMV collected \$4,396 in biennial registration fees for World War II Veterans license plates in FY 2017-18, of which \$1,052 was allocated to the Infrastructure Maintenance Trust Fund. Of the remaining \$3,344, we estimate that \$268 was allocated to the Plate Replacement Fund (\$1 per plate per year for 268 plates) and \$3,076 was allocated to the State Transportation Infrastructure Bank. Therefore, we estimate that Other Funds revenue of DOT will decrease by \$1,052, Other Funds revenue of DMV will decrease by \$268, and Other Funds revenue of the State Transportation Infrastructure Bank will decrease by \$3,076 in FY 2019-20.

DMV indicates that a WWII Veterans license plate for motorcycles is not currently being produced, so revenue to the State Highway Fund, which are Other Funds of DOT, will be reduced by \$6,800.

In total, this section of the bill will reduce Other Funds of DOT by \$7,852, reduce Other Funds revenue of DMV by \$268, and reduce Other Funds revenue of the State Transportation Infrastructure Bank by \$3,076 in FY 2019-20.

This section of the fiscal impact statement has been updated to include information from DMV, DOT, and the State Transportation Infrastructure Bank.

Sections 3, 4, and 5. These sections exempt the Operation Desert Storm-Desert Shield Veteran, Operation Enduring Freedom Veteran, and Operation Iraqi Freedom Veteran special license plates from the \$6,800 production requirement pursuant to Section 56-3-8100.

Each section will reduce revenue to the State Highway Fund, which are Other Funds of DOT, by \$6,800. Therefore, these sections will reduce Other Funds of DOT by a total of \$20,400 in FY 2019-20.

This section of the fiscal impact statement has been updated to include information from DMV and DOT.

Local Expenditure

N/A

Local Revenue

N/A

Introduced on January 8, 2019

State Expenditure

The following sections will affect state expenditures as follows:

Section 1. This section deletes the biennial registration fee pursuant to Article 5, Chapter 3, of Title 56 and the \$20 special license plate fee for Vietnam Veterans special license plates.

While we anticipate that this section of the bill will have no expenditure impact on DMV, the expenditure impact is pending, contingent upon a response from the agency.

Section 2. This section deletes the biennial registration fee pursuant to Article 5, Chapter 3, of Title 56 for World War II special license plates.

While we anticipate that this section of the bill will have no expenditure impact on DMV, the expenditure impact is pending, contingent upon a response from the agency.

Sections 3, 4, and 5. These sections exempt the Operation Desert Storm-Desert Shield Veteran, Operation Enduring Freedom Veteran, and Operation Iraqi Freedom Veteran special license plates from the \$6,800 production requirement pursuant to Section 56-3-8100.

While we anticipate that these sections of the bill will have no expenditure impact on DMV, the expenditure impact is pending, contingent upon a response from the agency.

State Revenue

The following sections will affect state revenue as follows:

Section 1. This section deletes the biennial registration fee pursuant to Article 5, Chapter 3, of Title 56 and the \$20 special license plate fee for Vietnam Veterans special license plates. Pursuant to Section 56-3-620(G), \$16 of the current biennial registration fee is allocated to the Infrastructure Maintenance Trust Fund, which are Other Funds, of DOT. The remainder of the biennial registration fee is allocated to the State Transportation Infrastructure Bank pursuant to Section 56-3-910. Pursuant to Section 56-3-8100(F) and (G), of the \$20 special license plate fee, an amount equal to the expenses of producing and administering special license plates is allocated to the State Highway Fund, or Other Funds of DOT. The remainder of the \$20 special license plate fee will be allocated to the General Fund since no organization is listed to receive the funds.

The revenue impact on Other Funds of DOT, Other Funds of the State Transportation Infrastructure Bank, and the General Fund is pending, contingent upon data from DMV.

Section 2. This section deletes the biennial registration fee pursuant to Article 5, Chapter 3, of Title 56 for World War II special license plates. Pursuant to Section 56-3-620(G), \$16 of the current biennial registration fee is allocated to the Infrastructure Maintenance Trust Fund, which

are Other Funds, of DOT. The remainder of the biennial registration fee is allocated to the State Transportation Infrastructure Bank pursuant to Section 56-3-910.

The revenue impact on Other Funds of DOT and Other Funds of the State Transportation Infrastructure Bank is pending, contingent upon data from DMV.

Sections 3, 4, and 5. These sections exempt the Operation Desert Storm-Desert Shield Veteran, Operation Enduring Freedom Veteran, and Operation Iraqi Freedom Veteran special license plates from the \$6,800 production requirement pursuant to Section 56-3-8100.

While we anticipate that these sections of the bill will have no revenue impact on DMV, the revenue impact is pending, contingent upon additional information from the agency.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director