



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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<b>Bill Number:</b>	H. 3695	Amended by the House of Representatives on January 21, 2020
<b>Author:</b>	Calhoon	
<b>Subject:</b>	Private Passenger Vehicles	
<b>Requestor:</b>	Senate Transportation	
<b>RFA Analyst(s):</b>	Miller and Griffith	
<b>Impact Date:</b>	February 12, 2020	

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### **Fiscal Impact Summary**

This amended bill will have no expenditure impact on the Department of Revenue (DOR) because DOR can manage any extra costs to include a valuation of motorcycles with high mileage in its private passenger valuation manual within existing appropriations.

This amended bill will result in an undetermined reduction of revenue for local entities, however due to the number of motorcycles that will qualify for the high mileage valuation within each entity, the revenue reduction is anticipated to be minimal.

The House of Representatives adopted the recommended amendments of the Committee. Therefore, there is no change in the fiscal impact analysis.

### **Explanation of Fiscal Impact**

#### **Amended by the House of Representatives on January 21, 2020**

##### **State Expenditure**

This amended bill requires the Department of Revenue (DOR) to include appropriate adjustments for high mileage in its published guides for assessed values of vehicles. If this information is not reasonably available from a specific source, the high mileage threshold for motorcycles and motorcycle three-wheel vehicles will be 2/3 of the adjustment for other private passenger motor vehicles. The House of Representatives adopted the recommended amendments of the Committee. Therefore, there is no change in the fiscal impact analysis.

DOR anticipates that the publication of the appropriate adjustments for high mileage for motorcycles and motorcycle three-wheel vehicles can be managed within existing appropriations. Therefore, this bill will have no expenditure impact on DOR.

##### **State Revenue**

N/A

##### **Local Expenditure**

N/A

##### **Local Revenue**

This amended bill will result in a lesser amount of property taxes being collected on those motorcycles and motorcycle three-wheel vehicles that currently do not receive a high mileage

adjustment to the assessed value. The House of Representatives adopted the recommended amendments of the Committee. Therefore, there is no change in the fiscal impact analysis. Revenue and Fiscal Affairs sent a request to all counties to determine the potential reduction of revenue due to this bill. The counties of Abbeville, Anderson, Barnwell, and Beaufort provided a response. All four counties anticipate the reduction of property tax revenue to be minimal. Beaufort estimated as many as 172 motorcycles or motorcycle three-wheel vehicles will receive a high mileage adjustment resulting in a potential reduction of revenue of approximately \$4,000, which is a reduction of less than 0.02 percent of the property tax revenue collected on personal property motor vehicles. The remaining three counties also estimated the potential reduction in revenue would be minimal for the high mileage adjustment for motorcycles and motorcycle three-wheel vehicles. Due to the limited number of responses from the counties, our office is unable to determine the reduction in local property tax revenue. However, we anticipate the reduction will be minimal.

**Amended by House Education and Public Works Motor Vehicle Subcommittee on April 24, 2019**

**State Expenditure**

This bill requires the Department of Revenue (DOR) to include appropriate adjustments for high mileage in its published guides for assessed values of vehicles. If this information is not reasonably available from a specific source, the high mileage threshold for motorcycles and motorcycle three-wheel vehicles will be 2/3 of the adjustment for other private passenger motor vehicles.

DOR anticipates that the publication of the appropriate adjustments for high mileage for motorcycles and motorcycle three-wheel vehicles can be managed within existing appropriations. Therefore, this bill will have no expenditure impact on DOR.

**State Revenue**

N/A

**Local Expenditure**

N/A

**Local Revenue**

This bill will result in a lesser amount of property taxes being collected on those motorcycles and motorcycle three-wheel vehicles that currently do not receive a high mileage adjustment to the assessed value. Revenue and Fiscal Affairs sent a request to all counties to determine the potential reduction of revenue due to this bill. The counties of Abbeville, Anderson, Barnwell, and Beaufort provided a response. All four counties anticipate the reduction of property tax revenue to be minimal. Beaufort estimated as many as 172 motorcycles or motorcycle three-wheel vehicles will receive a high mileage adjustment resulting in a potential reduction of revenue of approximately \$4,000, which is a reduction of less than 0.02 percent of the property tax revenue collected on personal property motor vehicles. The remaining three counties also estimated the potential reduction in revenue would be minimal for the high mileage adjustment for motorcycles and motorcycle three-wheel vehicles. Due to the limited number of responses

from the counties, our office is unable to determine the reduction in local property tax revenue. However, we anticipate the reduction will be minimal.

A handwritten signature in blue ink that reads "Frank A. Rainwater". The signature is fluid and cursive, with a long horizontal stroke extending from the end of the name.

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Frank A. Rainwater, Executive Director