



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
(803)734-3780 • RFA.SC.GOV/IMPACTS

This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number: S. 1237 Amended by House Education and Public Works on May 3, 2022
Author: McLeod
Subject: USC 2022 Women's Basketball National Champions Special License Plates
Requestor: House of Representatives
RFA Analyst(s): Griffith
Impact Date: May 9, 2022

Fiscal Impact Summary

This bill allows the Department of Motor Vehicles (DMV) to issue 'University of South Carolina (USC) 2017 and 2022 Women's Basketball National Champions' special license plates to owners of private passenger motor vehicles (PPMVs) or motorcycles. Further, DMV must issue the redesigned '2017 and 2022' license plate to each registrant of the '2017 only' plate once its ten-year lifecycle has ended.

The amended bill also allows DMV to issue US Space Force special license plates to active or prior service members and Meritorious Service Medal plates to active or prior service members who received the award. Additionally, the amended bill repeals the special license plate for Members of Foreign Consulates and adds the existing Support Our Troops plate to the list of special plates that show support for military-related organizations in Section 56-3-14980. Further, the bill exempts qualifying disabled veterans from the motor vehicle registration fee in Article 5, Chapter 3, Title 56 and requires DMV to refund any registration fees collected from May 6, 2022, to the effective date of this bill.

DMV indicates that it can manage the cost to produce the new US Space Force and Meritorious Service Medal license plates within its existing appropriations. Additionally, since the Support Our Troops plates are currently being produced and issued, there is no expenditure impact to the agency. Based on the number of 'USC 2017 Women's Basketball National Champions' plates currently registered, the department's expenditures will increase by approximately \$742 no earlier than FY 2026-27 to replace the existing '2017 only' special license plate with the redesigned '2017 and 2022' plate. Additionally, DMV intends to charge a \$350 fee for the initial redesign of the 'USC 2017 and 2022 Women's Basketball National Champions' special license plate. It is unclear as to who will be responsible for payment of the \$350 redesigning fee.

Currently, there is no 'USC 2017 Women's Basketball National Champions' special license plate for motorcycles. Assuming that a '2017 and 2022' plate is requested for motorcycles, Other Funds revenue of the Department of Transportation (DOT) will increase by at least \$7,150. However, the total amount of Other Funds revenue of DOT is undetermined because the number of additional National Champions plates for PPMVs is unknown.

Since the US Space Force and Meritorious Service Medal license plates are exempt from motor vehicle registration and special plate fees and because the Support Our Troops plates are currently in existence and being produced, there will be no increase in revenue. There will also be no decrease in revenue from exempting qualifying disabled veterans from the registration fee because any revenue collected from the fee will be refunded to the veterans. Lastly, the repeal of the Members of Foreign Consulates license plate will have no revenue impact because none of these plates have been produced or issued. Therefore, there is no impact on General Fund revenue, Other Funds revenue of DOT, Other Funds revenue of DMV, or revenue of the South Carolina Transportation Infrastructure Bank (SCTIB) for this portion of the amended bill.

Explanation of Fiscal Impact

Amended by House Education and Public Works on May 3, 2022

State Expenditure

Section 1. This section of the amended bill allows DMV to issue ‘USC 2017 and 2022 Women’s Basketball National Champions’ special license plates to owners of PPMVs or motorcycles. There is currently a ‘USC 2017 Women’s Basketball National Champions’ license plate being produced for PPMVs, but there is no motorcycle license plate for this plate class. Further, DMV must issue the redesigned ‘2017 and 2022’ license plate to each registrant of the ‘2017 only’ plate once its ten-year lifecycle has ended.

DMV reports that it costs \$7.90 per end-of-life plate replacement, and as of April 1, 2022, there were 94 active registrations of ‘USC 2017 Women’s Basketball National Champions’ license plates. Therefore, the department’s expenditures will increase by approximately \$742 no earlier than FY 2026-27 to replace the existing ‘2017 only’ special license plate with the redesigned ‘2017 and 2022’ plate.

Additionally, DMV intends to charge a \$350 fee for the initial redesign of the ‘USC 2017 and 2022 Women’s Basketball National Champions’ special license plate. Further, if a motorcycle plate is requested for the redesigned plate, DMV will charge an initial \$6,800 fee pursuant to Section 56-3-8100, which specifies that the individual or organization seeking issuance of the plate will be responsible for payment of the fee. It is unclear as to who will be responsible for payment of the \$350 redesigning fee.

Section 2. This section of the amended bill allows DMV to issue US Space Force license plates for PPMVs and motorcycles to active or prior service members. These plates are exempt from the \$6,800 application fee normally required in Section 56-3-8100(A). Therefore, DMV will be responsible for the cost of producing each new license plate, which is \$800 per plate. The agency indicates that it can manage these costs within its existing appropriations if the plates are requested. Therefore, this section of the amended bill will have no expenditure impact on DMV.

Section 4. This section of the amended bill allows DMV to issue Meritorious Service Medal license plates for PPMVs and motorcycles to active or private service members who received the

award. These plates are exempt from the \$6,800 application fee normally required in Section 56-3-8100(A)(1). Therefore, DMV will be responsible for the cost of producing each new license plate, which is \$800 per plate. The agency indicates that it can manage these costs within its existing appropriations if the plates are requested. Therefore, this section of the bill will have no expenditure impact on DMV.

Section 5. This section of the amended bill adds the existing Support Our Troops license plates for PPMVs and motorcycles to the current list of special license plates that show support for military-related organizations in Section 56-3-14980. The agency reports that since these plates currently exist, there is no expenditure impact on DMV from this section.

State Revenue

Section 1. This section of the amended bill allows DMV to collect the regular registration fee pursuant to Article 5, Chapter 3, of Title 56, plus an additional \$70 fee for the issuance of the ‘USC 2017 and 2022 Women’s Basketball National Champions’ special license plate. Of that additional \$70 fee, the amount equal to the cost of the production and distribution of the license plates is deposited into the State Highway Fund, which are Other Funds of DOT. DMV estimates that it costs approximately \$10.82 to produce and distribute a special license plate initially. The remaining \$59.18 of the \$70 fee will be distributed to the fund established for USC pursuant to Section 56-3-3710(B) to be used for the purposes provided in that section. Every two years after the initial production and distribution, the cost to produce and distribute a special license plate will be \$4.77, and the remaining \$65.23 will be distributed to the USC fund. Since this is a redesigned special license plate, it is unknown how many additional plates will be requested, and therefore, the amount of revenue generated from the fee is undetermined.

The funds received for the production and distribution of the motorcycle special license plate will be distributed to the State Highway Fund. Additionally, the \$350 fee for the redesign of the PPMV license plate will be distributed to the State Highway Fund. Therefore, assuming that a special plate is requested for motorcycles, Other Funds revenue of DOT will increase by at least \$7,150.

Sections 2 and 4. The new license plates in this section are exempt from the biennial registration fee and special plate fee required in Section 56-3-8100(D). These fees are apportioned to the Plate Replacement Fund of DMV, the Infrastructure Maintenance Trust Fund (IMTF) and the State Highway Fund of DOT, and the SCTIB. Since the amended bill exempts the license plates from these fees, there is no impact on General Fund revenue, Other Funds revenue of DOT, Other Funds revenue of DMV, or revenue of the SCTIB.

Section 3. This section eliminates the motor vehicle registration fee for disabled veterans with a service-connected disability who apply for a special purpose license plate. These veterans will be subject to this fee beginning May 6, 2022, pursuant to Act 38 of 2021. Prior to this enactment, disabled veterans were not required to pay the motor vehicle registration fee when obtaining a disabled veteran’s special license plate. This section of the amended bill also requires DMV to refund any registration fees collected from these disabled veterans from May 6,

2022, to the effective date of this bill. Therefore, this section of the bill will have no revenue impact.

Section 5. The license plates in this section are subject to the biennial registration fee and special plate fee required in Section 56-3-8100(D). These fees are apportioned to the Plate Replacement Fund of DMV, the IMTF and the State Highway Fund of DOT, and the SCTIB. However, since these plates currently exist and are being produced, there is no impact on General Fund revenue, Other Funds revenue of DOT, Other Funds revenue of DMV, or revenue of the SCTIB.

Section 8. This section repeals the Members of Foreign Consulates license plates for motor vehicles. These plates are subject to the motor vehicle registration fee set forth in Title 56, Chapter 3, Article 5 and an additional \$30 special plate fee. DMV reports that this plate has never been produced or issued. Since none of these plates have been issued, the repeal of this section of the bill will have no impact on General Fund revenue, Other Funds revenue of DOT, Other Funds revenue of DMV, or revenue of the SCTIB.

Local Expenditure

N/A

Local Revenue

N/A

Amended by the Senate on April 7, 2022

State Expenditure

This amended bill allows DMV to issue ‘USC 2017 and 2022 Women’s Basketball National Champions’ special license plates to owners of PPMVs or motorcycles. There is currently a ‘USC 2017 Women’s Basketball National Champions’ license plate being produced for PPMVs, but there is no motorcycle license plate for this plate class. Further, DMV must issue the redesigned ‘2017 and 2022’ license plate to each registrant of the ‘2017 only’ plate once its ten-year lifecycle has ended.

DMV reports that it costs \$7.90 per end-of-life plate replacement, and as of April 1, 2022, there were 94 active registrations of ‘USC 2017 Women’s Basketball National Champions’ license plates. Therefore, the department’s expenditures will increase by approximately \$742 no earlier than FY 2026-27 to replace the existing ‘2017 only’ special license plate with the redesigned ‘2017 and 2022’ plate.

Additionally, DMV intends to charge a \$350 fee for the initial redesign of the ‘USC 2017 and 2022 Women’s Basketball National Champions’ special license plate. Further, if a motorcycle plate is requested for the redesigned plate, DMV will charge an initial \$6,800 fee pursuant to Section 56-3-8100, which specifies that the individual or organization seeking issuance of the plate will be responsible for payment of the fee. It is unclear as to who will be responsible for payment of the \$350 redesigning fee.

State Revenue

This bill allows DMV to collect the regular registration fee pursuant to Article 5, Chapter 3, of Title 56, plus an additional \$70 fee. Of that additional \$70 fee, the amount equal to the cost of the production and distribution of the license plates is deposited into the State Highway Fund, which are Other Funds of DOT. DMV estimates that it costs approximately \$10.82 to produce and distribute a special license plate initially. The remaining \$59.18 of the \$70 fee will be distributed to the fund established for USC pursuant to Section 56-3-3710(B) to be used for the purposes provided in that section. Every two years after the initial production and distribution, the cost to produce and distribute a special license plate will be \$4.77, and the remaining \$65.23 will be distributed to the USC fund. Since this is a redesigned special license plate, it is unknown how many additional plates will be requested, and therefore, the amount of revenue generated from the fee is undetermined.

The funds received for the production and distribution of the motorcycle special license plate will be distributed to the State Highway Fund. Additionally, the \$350 fee for the redesign of the PPMV license plate will be distributed to the State Highway Fund. Therefore, assuming that a special plate is requested for motorcycles, Other Funds revenue of DOT will increase by at least \$7,150.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director