



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

Bill Number: H. 3927 As signed by the Governor on May 25, 2016
Author: Willis
Subject: License plates
Requestor: House of Representatives
RFA Analyst(s): Williams
Impact Date: October 13, 2016

Estimate of Fiscal Impact

	FY 2016-17	FY 2017-18
State Expenditure		
General Fund	\$0	\$0
Other and Federal	\$0	Undetermined
Full-Time Equivalent Position(s)	0.00	0.00
State Revenue		
General Fund	\$0	\$0
Other and Federal	\$0	Undetermined
Local Expenditure	\$0	\$0
Local Revenue	\$0	\$0

Fiscal Impact Summary

This bill would have no expenditure or revenue impact on the General Fund or Federal Funds. The expenditure and revenue impact on Other Funds is undetermined.

Explanation of Fiscal Impact

Explanation of Amendment by the Senate on May 11, 2016

State Expenditure

The amended bill authorizes the Department of Motor Vehicles (DMV) to issue special organizational license plates that retain the organizational design but are personalized with numerical and letter text selected by the vehicle owner. The personalized special organizational plates are authorized for motor vehicles and motorcycles. The amended bill also authorizes issuance of special organizational plates as souvenirs and allows the souvenir plates to be personalized. The amended bill adds a specific provision to existing statues creating the Silver Star and Bronze Star license plates to allow the two plates to be issued for motorcycles as well as motor vehicles. Finally, the amended bill authorizes a new classification of special motor vehicle and motorcycle license plate with the imprint Chase Away Childhood Cancer. The plate is subject to the same production, collection and distribution of fees applicable to special license plates created by the General Assembly after January 1, 2006, and set forth in Section 56-3-8100.

The provisions of the amended bill are effective twelve months following the Governor's approval, which is May 25, 2017.

The Department of Motor Vehicles. The Department of Motor Vehicles (DMV) may incur additional cost associated with programming, production, maintenance and distribution of personalized special organizational license plates, souvenir and personalized souvenir license plates, and Chase Away Childhood Cancer plates. DMV did not provide any data from which to make a projection of the cost. As a result, any additional expenditure associated with the provisions of this bill are undetermined and would not be incurred in a significant amount, if any, until FY 2016-17, because of the legislation's effective date.

State Revenue

The qualified applicants for the Silver and Bronze Star license plates continue to pay only the regular vehicle registration fee. As a result, this provision does not have a revenue impact on the General Fund, Federal Funds, or Other Funds.

The fee for the new Chase Away Childhood Cancer plate is set at fifty dollars biennially. Fees collected above the cost of producing the plates are distributed to the organization, Chase After a Cure. This bill specifically subjects the Chase Away Childhood Cancer plate to the provisions of section 56-3-8100, which requires an organization seeking a special license plate created by the General Assembly after January 1, 2006 to provide DMV \$6,800 before the plate may be issued. Pursuant to Section 8 of S. 1258 (Act 275 of 2016), this deposit is directed to the State Highway Fund. Section 56-3-8100 also provides for DMV to recoup its cost of production and administration for plates subject to Section 56-3-8100 from the additional fee requested by the sponsoring organization. Section 8 of S. 1258 (Act 275 of 2016) directs those funds to the State Highway Fund too. Because this is a new special license plate, Other Funds deposited to the state highway fund would increase by \$6,800 plus the cost of producing and administering the new plate. The actual amount is undetermined because data is unavailable from which to make a projection of how many of the new plates may be requested. An amount of any significance would not be realized until FY 2016-17, because of the legislation's effective date.

The amended bill deletes the twenty-dollar biennial fee for the special Korean War Veterans license plate and the regular vehicle registration fee for qualified applicants. However, section 54 of S. 1258 (Act 275 of 2016), passed subsequent to this legislation, amended the same section of the Code and essentially nullified the provisions of this bill regarding the Korean War Veterans plate. As a result, this part of H. 3927 has no revenue impact on the General Fund, Federal Funds, or Other Funds.

The amended bill sets the fee for a personalized special organizational license plate at thirty dollars biennially plus the regular biennial vehicle registration fee and any special fee associated with the selected plate design. This bill authorizes DMV to retain twenty dollars of the thirty-dollar fee with the remaining ten dollars distributed to the organization sponsoring the special plate. The fee for a personalized souvenir organizational plate is set at thirty dollars with DMV retaining twenty dollars to defray its expenses and the sponsoring organization receiving ten dollars. The fee for a souvenir organizational plate without personalization is twenty dollars, with ten dollars retained by DMV and the remaining ten dollars distributed to the sponsoring organization. The amount of increase in revenue associated with personalization of a special organizational license plate and issuance of personalized and non-personalized souvenir

organizational plates is undetermined, because the number of plates that may be requested is unknown.

Local Expenditure

N/A

Local Revenue

N/A

Explanation of Amendment by the House of Representatives on April 28, 2015

State Expenditure

The bill, as amended, authorizes the Department of Motor Vehicles (DMV) to produce, upon request souvenir license plates, both personalized and non-personalized, for any special organizational license plates produced pursuant to Section 56-3-8000 or Section 56-3-8001 or any other such plate authorized by law if the sponsoring organization agrees to make the license plate available as a souvenir license plate. Further, the bill, as amended, provides DMV the discretion whether or not to approve letter and numerical plate text format for personalized special organizational souvenir license plates requested by individuals. Finally, the bill, as amended, allows for sample and souvenir license plates to be displayed only on the front of private passenger motor vehicles as defined in Section 56-3-630 or as allowed by law in the owner's home state and prohibits sample and souvenir license plates from being displayed on the back of any vehicle registered in South Carolina or as otherwise allowed by law in the owner's home state.

Department of Motor Vehicles. The Department of Motor Vehicles (DMV) will not begin issuing special organizational license plates, personalized or non-personalized, until 2017. The full activities-based cost, which includes the per-plate production and initial upfront costs, for the personalized special organizational souvenir license plates was not provided as of the impact date.

State Revenue

The bill, as amended, authorizes the Department of Motor Vehicles (DMV) to charge a twenty-dollar fee for the issuance of a special organizational souvenir license plate. Of this fee, ten dollars is retained by DMV to defray cost and the remaining amount must be distributed to the sponsoring organization. Additionally, this bill, as amended, authorizes DMW to charge a thirty-dollar fee for the issuance of a personalized special organizational souvenir license plate. Of this fee, twenty dollars is retained by DMV to defray cost and the remaining amount must be distributed to the sponsoring organization.

Department of Motor Vehicles. The Department of Motor Vehicles (DMV) will not begin issuing special organizational souvenir license plates, personalized or non-personalized, until 2017. DMV cannot provide a revenue estimate as the number of special organizational souvenir license plates requested, personalized and non-personalized, is unknown as of the impact date.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director