

Statement of Estimated State Revenue Impact

Date: January 31, 2013

Bill Number: H.B. 3233

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Committee Requesting Impact: House Ways and Means

Bill Summary

A bill to amend the Code of Laws of South Carolina, 1976, by adding Section 56-3-930 so as to provide that a thirty dollar surcharge must be imposed on each motor vehicle required to be registered in this State in addition to any other biennial registration fee, and to provide that this surcharge must be used for the repair, paving, and resurfacing of roads and bridges throughout the state.

REVENUE IMPACT ^{1/}

This bill is expected to raise revenue allocated to the state General Fund by \$51,700,000 in FY2013-14, and by \$56,400,000 in FY 2014-15.

Explanation

This bill would impose a thirty dollar surcharge on motor vehicle registrations in this State, which is in addition to any other biennial registration fee. All proceeds from this new surcharge must go to the state General Fund for use to repair, pave, and resurface roads and bridges throughout the state.

For reference, the term of registration by class/type of motor vehicle varies by statute and can be permanent, one-time, semi-annual, annual or biennial. For purpose of intent, this assessment is restricted to only those motor vehicles that are required to be registered biannually.

According to a review of applicable vehicles by the Department of Motor Vehicles (DMV), approximately 3,760,000 vehicles currently undergo biennial registration. Of this total amount, we expect new and renewal registrations to average 1,880,000, annually, during two-year cycle beginning in FY 2013-14. Based on eleven reporting months in the initial year, we expect collections of \$51,700,000 (@ \$30 X 1,880,000 X 11/12^{ths}) in FY 2013-14, and \$56,400,000 (@ \$30 X 1,880,000) in FY 2014-15. Adoption of the bill would therefore raise General Fund revenue by \$51,700,000 in FY 2013-14, and by \$56,400,000 in FY 2014-15.



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^{1/} This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, or Section 2-7-76 for a local revenue impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.