

Statement of Estimated State Revenue Impact

Date: April 29, 2013

Bill Number: S.B. 620

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Committee Requesting Impact: House E&PW

Bill Summary: A bill to amend Section 56-3-2335 of the 1976 Code, relating to research and development license plates, so as to include the manufacture and research and development of transmissions in this State in the definition of "research and development business", to define the term "transmissions", to provide that the Department of Motor Vehicles may issue research and development license plates for the purpose of testing and evaluating the performance of the research and development business' transmissions on the motor vehicle, and the department may enter into reciprocal agreements with other states concerning the registration and operation of vehicles owned by a research and development business for the purpose of testing and evaluating the performance of the research and development business' transmissions, to provide it is the sole responsibility of the research and development business or contracted fleet owner to take any other actions required by another state that are necessary for the research and development business or contracted fleet owner, and to legally test and evaluate the performance of the research and development business' transmissions in that state.

REVENUE IMPACT ^{1/}

This bill would raise funds earmarked to the plate replacement fund within DMV by \$2, per license plate; to the state highway account within the S.C. Transportation Infrastructure Bank (TIB) by \$38, per plate; and also allot \$160, per plate, to the respective county jurisdiction in FY 2013-14. Total proceeds should be minimal in the initial licensing year. County allocation, however, is further subject to the plate type (RD/RDF) issued.

Explanation

This bill provides for the S. C. Department of Motor Vehicles (DMV) to issue Research and Development (RD) and Research and Development Fleet (RDF) license plates to certain manufacturers, or contracted fleet owners, for use in testing and evaluating the performance of transmissions or transmission parts under development.

The cost to register either the "RD" or "RDF" plate is \$200. Each plate is valid for a two-year term. Proceeds are distributed as follows: A \$2 plate replacement fee to DMV; \$38 to the state highway account within S.C. Transportation Infrastructure Bank (TIB); and balance of \$160 to applicable county. Allocation for an "RD" plate is by testing facility location; whereas the address on registration card applies for an "RDF" plate. A maximum of 100 plates is authorized per business.

These plates are currently authorized for businesses that test performance of tires and tire replacement parts. Based on records of the DMV, active registrations include five "RDF" plates; whereas there are no "RD" plates in use. While we expect firms that make or test transmissions to utilize such plates, we estimate only a minimal number to be issued in FY2013-14. Since allocation by county is subject to further provisions for plate type issued, it cannot be determined until a plate is issued.


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