



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: H. 3911 As signed by the Governor on April 21, 2016
Author: Willis
Subject: License Plates
Requestor: House of Representatives
RFA Analyst(s): Williams
Impact Date: November 8, 2016

Estimate of Fiscal Impact

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

Fiscal Impact Summary

This bill will have no expenditure or revenue impact on the General Fund or Federal Funds. This bill is expected to have an expenditure impact on Other Funds, which is determined to be an expenditure savings of approximately \$12 million over 10 years.

Explanation of Fiscal Impact

State Expenditure

This bill revises the interval in which the Department of Motor Vehicles (DMV) must provide new license plates for vehicles classified as private passenger vehicles. Pursuant to this bill, DMV must provide new plates at least every ten years, instead of every six years. The replacement schedule applies to special and personalized plates as well as regular plates for the relevant vehicles. Presently, DMV replaces license plates for private passenger vehicles every six years. By increasing the replacement interval from present practice, this bill will decrease DMV's expenditures or result in expenditure savings to DMV.

Department of Motor Vehicles. DMV reports that it costs \$6.32 to produce, process, and issue a plate by mail, and that the agency will issue approximately 1.9 million fewer plates over the next 10 years than the agency would on a 6-year replacement cycle. Based on these numbers, DMV indicates the agency will save approximately \$12 million over 10 years. DMV did not breakout the estimated reduction in plates nor the resulting expenditure savings by fiscal year.

State Revenue

This bill revises the interval in which the Department of Motor Vehicles (DMV) must provide new license plates for vehicles classified as private passenger vehicles. Pursuant to this bill, DMV must provide new plates at least every ten years, instead of every six years. The replacement schedule applies to special and personalized plates as well as regular plates for the relevant vehicles.

To cover the cost of producing and issuing new license plates, DMV receives part of the fee owners pay to register and license private passenger vehicles. Specifically, DMV receives two dollars of each biennial vehicle registration and license fee and one dollar of each annual fee. This bill does not change the amount of the fee owners pay or the frequency with which the fee is paid. Therefore, this does not have a revenue impact on the General Fund, Federal Funds, or Other Funds.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director