



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: S. 1083 Introduced on March 6, 2018
Author: Grooms
Subject: License Plates
Requestor: Senate Transportation
RFA Analyst(s): Wren
Impact Date: April 16, 2018 - Updated for Additional Agency Response

Estimate of Fiscal Impact

	FY 2018-19	FY 2019-20
State Expenditure		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Full-Time Equivalent Position(s)	0.00	0.00
State Revenue		
General Fund	\$0	See Below
Other and Federal	\$0	See Below
Local Expenditure	\$0	\$0
Local Revenue	\$0	See Below

Fiscal Impact Summary

This bill will have no expenditure impact on the General Fund, Other Funds, or Federal Funds of DMV for the administration and regulation of a program for the issuance of temporary license plates. The bill specifies that registered temporary license plate distributors must be statewide dealer associations. Therefore, the dealer associations will absorb the cost of the software system and must ensure compatibility with DMV’s current system. Any expenses for DMV to test the software will be minimal and can be absorbed within current appropriations.

Existing law distributes revenue generated from fines, assessments, and surcharges imposed for convictions in the court system among the General Fund, specified state agencies and programs, and local governments. Therefore, deletion of the \$100 fee for the conviction of a casual seller that violates the provisions of the issuance of temporary license plates will reduce revenue allocated to the General Fund, specified state agencies and programs, and local governments by approximately \$4,400 in FY 2019-20. Any reduction in expenses associated with fewer cases being tried in municipal and magistrates courts as a result of the deletion of the \$100 fee is expected to be minimal.

This impact statement has been updated to include a response from DMV.

Explanation of Fiscal Impact

Updated for Additional Agency Response

Introduced on March 6, 2018

State Expenditure

This bill authorizes DMV to administer and regulate a program for the issuance of temporary license plates for newly acquired vehicles. DMV must establish the design and layout of all temporary license plates. Also, the bill authorizes DMV to administer an electronic system for county auditor offices, licensed motor vehicle dealers, leasing companies, and other entities authorized by DMV to use when issuing temporary license plates. DMV may contract with vendors to provide service connection between the issuing entities. DMV may also provide the service directly to participating entities. DMV must also develop program specifications that define the requirements of the temporary license plate program governing the issuance of temporary license plates by all authorized entities. Registered temporary license plate distributors must be statewide dealer associations. Additionally, licensed dealers and leasing companies must receive temporary license plates from registered temporary license plate dealers. Counties and other non-dealer entities may receive temporary license plates from a registered distributor or DMV. All entities authorized to issue temporary license plates must comply with all program specifications within 180 days of the effective date of this bill. The bill's effective date is twelve months after approval by the Governor.

DMV indicates that since the bill specifies that registered temporary license plate distributors must be statewide dealer associations, the dealer associations will absorb the cost of the appropriate software and must ensure compatibility with DMV's current system. Further, the expenditure impact on DMV to test the software will be minimal and can be absorbed within current appropriations. Therefore, the bill will have no expenditure impact on the General Fund, Other Funds, or Federal Funds of DMV. This section of the impact statement has been updated to include a response from DMV.

State Revenue

This bill deletes the \$100 fee and reference to a misdemeanor for the conviction of a casual seller that violates the provisions related to the issuance of a temporary license plate. Also, this bill deletes the requirement that the \$5 fee charged by DMV for the issuance of a temporary license plate is allocated to the State Highway Fund of the Department of Transportation.

Existing law distributes revenue generated from fines, assessments, and surcharges imposed for convictions in the court system among the General Fund, specified state agencies and programs, and local governments. Additionally, the Judicial Department indicates that there were 44 convictions of casual sellers violating the provisions related to the issuance of a temporary license plate in FY 2016-17. Therefore, deleting the \$100 fee will reduce revenue allocated to the General Fund, specified state agencies and programs, and local governments by approximately \$4,400 in FY 2019-20. All entities authorized to issue temporary license plates must comply with all program specifications within 180 days of the effective date of this bill. The bill's effective date is twelve months after approval by the Governor. This section of the impact statement has been updated to include a response from DMV.

Although the bill deletes the requirement that the \$5 fee charged by DMV for the issuance of a temporary license plate is allocated to the State Highway Fund, Section 11-43-167 directs fees imposed pursuant to Section 56-3-210(B) to the State Highway Fund. Therefore, this portion of the impact statement will have no revenue impact on the State Highway Fund. This section of the impact statement has been updated to include a response from DMV.

Local Expenditure

The deletion of the \$100 fee for a casual seller that violates the provisions related to the issuance of temporary license plates could result in a cost savings to municipal and magistrates courts. However, any reduction in expenses associated with fewer cases being tried in municipal and magistrates courts is expected to be minimal. This section of the impact statement has been updated to include a response from DMV.

Local Revenue

Existing law distributes revenue generated from fines, assessments, and surcharges imposed for convictions in the court system among the General Fund, specified state agencies and programs, and local governments. The Judicial Department indicates that there were 44 convictions of casual sellers violating the provisions related to the issuance of temporary license plates in FY 2016-17. Therefore, deleting the \$100 fee will reduce revenue allocated to the General Fund, specified state agencies and programs, and local governments by approximately \$4,400 in FY 2019-20. This section of the impact statement has been updated to include a response from DMV.

Introduced on March 6, 2018

State Expenditure

This bill authorizes DMV to administer and regulate a program for the issuance of temporary license plates for newly acquired vehicles. DMV must establish the design and layout of all temporary license plates. Also, the bill authorizes DMV to administer an electronic system for county auditor offices, licensed motor vehicle dealers, leasing companies, and other entities authorized by DMV to use when issuing temporary license plates. DMV may contract with vendors to provide service connection between the issuing entities. DMV may also provide the service directly to participating entities. DMV must also develop program specifications that define the requirements of the temporary license plate program governing the issuance of temporary license plates by all authorized entities. Additionally, licensed dealers and leasing companies must receive temporary license plates from registered temporary license plate dealers. Counties and other non-dealer entities may receive temporary license plates from a registered distributor or DMV. All entities authorized to issue temporary license plates must comply with all program specifications within 180 days of the effective date of this bill. The bill's effective date is twelve months after approval by the Governor. Therefore, any expenditure impact will be realized in FY 2019-20.

The expenditure impact of this bill on DMV is pending, contingent upon a response from the agency.

State Revenue

This bill deletes the \$100 fee and reference to a misdemeanor for the conviction of individuals that violate the provisions related to the issuance or use of a temporary license plate. Also, this

bill deletes the requirement that the \$5 fee charged by DMV for the issuance of a temporary license plate is allocated to the State Highway Fund of the Department of Transportation.

Existing law distributes revenue generated from fines, assessments, and surcharges imposed for convictions in the court system among the General Fund, specified state agencies and programs, and local governments. The revenue impact on the General Fund and Other Funds associated with the deletion of the \$100 fee for an individual that violates the provisions related to the issuance of temporary license plates is pending, contingent upon a response from DMV. All entities authorized to issue temporary license plates must comply with all program specifications within 180 days of the effective date of this bill. The bill's effective date is twelve months after approval by the Governor. Therefore, any revenue impact will be realized in FY 2019-20.

The reduction in revenue to the State Highway Fund relating to the \$5 fee for the issuance of temporary license plates is pending, contingent upon a response from DMV.

Local Expenditure

The deletion of the \$100 fee for an individual that violates the provisions related to the issuance of temporary license plates could result in a cost savings to municipal and magistrates courts. However, any reduction in expenses associated with a reduction in court costs for local governments is expected to be minimal.

Local Revenue

Existing law distributes revenue generated from fines, assessments, and surcharges imposed for convictions in the court system among the General Fund, specified state agencies and programs, and local governments. The revenue impact on local governments associated with the deletion of the \$100 fee for an individual that violates the provisions related to the issuance of temporary license plates is pending, contingent upon a response from DMV.



Frank A. Rainwater, Executive Director