~~Indicates Matter Stricken~~

Indicates New Matter

COMMITTEE REPORT

March 6, 2018

**H. 4710**

Introduced by Reps. Hill, Williams, McKnight, Yow, West, Gagnon and McCravy

S. Printed 3/6/18--H.

Read the first time January 24, 2018.

**THE COMMITTEE ON EDUCATION AND PUBLIC WORKS**

To whom was referred a Bill (H. 4710) to amend the Code of Laws of South Carolina, 1976, by adding Article 147 to Chapter 3, Title 56 so as to provide that the Department of Motor Vehicles may, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass with amendment:

Amend the bill, as and if amended, by striking all after the enacting words and inserting:

\ SECTION 1. Section 56‑3‑10110 of the 1976 Code is amended to read:

“Section 56‑3‑10110. (A) The department may issue “Operation Desert Storm‑Desert Shield Veteran” special motor vehicle license plates to owners of private passenger‑carrying motor vehicles or light pickups as defined in Section 56‑3‑630 registered in their names who are veterans of Operation Desert Storm‑Desert Shield who served on active duty in the Persian Gulf at anytime during the period of August 2, 1990, to February 28, 1991. The motor vehicle owner must present the department with a DD214, or other official documentation that states that he served on active duty during Operation Desert Storm‑Desert Shield, along with his application for this special license plate. The special license plate may have imprinted on it an emblem, a seal, or other symbol that honors veterans of Operation Desert Storm‑Desert Shield. The special license plate must be issued or revalidated for a biennial period which expires twenty‑four months from the month it is issued. The fee for this special license plate is the regular motor vehicle registration fee contained in Article 5, Chapter 3 of this title and a special motor vehicle license fee of twenty dollars.

(B) ~~Notwithstanding any other provision of law, from the fees collected pursuant to this section, the Comptroller General shall place sufficient funds into a special restricted account to be used by the Department of Motor Vehicles to defray the expenses of the department in producing and administering the special license plates. The remaining funds collected from the special motor vehicle license fee must be placed in the state’s general fund.~~ The provisions contained in Section 56‑3‑8100(A)(1) and (2) do not apply to the production and distribution of this special license plate.

~~(C)~~ ~~The guidelines for the production of a special license plate under this section must meet the requirements of Section 56‑3‑8100.~~”

SECTION 2. Section 56‑3‑10210 of the 1976 Code is amended to read:

“Section 56‑3‑10210. (A) The department may issue “Operation Enduring Freedom Veteran” special motor vehicle license plates to owners of private passenger‑carrying motor vehicles or light pickups as defined in Section 56‑3‑630 registered in their names who are veterans of Operation Enduring Freedom who served on active duty fighting against terrorism at anytime following September 11, 2001, until the operation is completed. The motor vehicle owner must present the department with a DD214, or other official documentation that states that he served on active duty during Operation Enduring Freedom, along with his application for this special license plate. The special license plate may have imprinted on it an emblem, a seal, or other symbol that honors veterans of Operation Enduring Freedom. The special license plate must be issued or revalidated for a biennial period which expires twenty‑four months from the month it is issued. The fee for this special license plate is the regular motor vehicle registration fee contained in Article 5, Chapter 3 of this title and a special motor vehicle license fee of twenty dollars.

(B) ~~Notwithstanding any other provision of law, from the fees collected pursuant to this section, the Comptroller General shall place sufficient funds into a special restricted account to be used by the Department of Motor Vehicles to defray the expenses of the department in producing and administering the special license plates. The remaining funds collected from the special motor vehicle license fee must be placed in the state’s general fund.~~ The provisions contained in Section 56‑3‑8100(A)(1) and (2) do not apply to the production and distribution of this special license plate.

~~(C)~~ ~~The guidelines for the production of a special license plate under this section must meet the requirements of Section 56‑3‑8100.~~”

SECTION 3. Section 56‑3‑10310 of the 1976 Code is amended to read:

“Section 56‑3‑10310. (A) The department may issue “Operation Iraqi Freedom Veteran” special motor vehicle license plates to owners of private passenger‑carrying motor vehicles or light pickups as defined in Section 56‑3‑630 registered in their names who are veterans of Operation Iraqi Freedom who served on active duty in Iraq or the Persian Gulf at anytime from March 20, 2003, until the operation is completed. The motor vehicle owner must present the department with a DD214, or other official documentation that states that he served on active duty in Iraq during Operation Iraqi Freedom, along with his application for this special license plate. The special license plate may have imprinted on it an emblem, a seal, or other symbol that honors veterans of Operation Iraqi Freedom. The special license plate must be issued or revalidated for a biennial period which expires twenty‑four months from the month it is issued. The fee for this special license plate is the regular motor vehicle registration fee contained in Article 5, Chapter 3 of this title and a special motor vehicle license fee of twenty dollars.

(B) ~~Notwithstanding any other provision of law, from the fees collected pursuant to this section, the Comptroller General shall place sufficient funds into a special restricted account to be used by the Department of Motor Vehicles to defray the expenses of the department in producing and administering the special license plates. The remaining funds collected from the special motor vehicle license fee must be placed in the state’s general fund.~~ The provisions contained in Section 56‑3‑8100(A)(1) and (2) do not apply to the production and distribution of this special license plate.

~~(C)~~ T~~he guidelines for the production of a special license plate under this section must meet the requirements of Section 56‑3‑8100.~~”

SECTION 4. This act takes effect upon approval by the Governor.\

(Renumber sections to conform.

Amend title to conform.

MERITA A. ALLISON for Committee.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

**Explanation of Fiscal Impact**

**Amended by House Education and Public Works Motor Vehicles Subcommittee on February 21, 2018**

**State Expenditure**

The amended bill modifies Sections 56-3-10110, 56-3-10210, and 56-3-10310, which relate to the issuance of special license plates to veterans of Operation Desert Storm-Desert Shield, Operation Enduring Freedom, and Operation Iraqi Freedom, respectively. The current fees for the special license plates pursuant to this bill are the regular registration fee set forth in Article 5, Chapter 3 of Title 56 and a special motor vehicle license fee of $20. The amended bill deletes the requirement that DMV may retain sufficient funds in a restricted account to defray the expenses associated with producing and administering these special license plates.

Since DMV will no longer be allowed to retain a portion of the $20 special fee per plate for the production and administration of the special license plates pursuant to this bill, the increase in actual Other Funds expenses in FY 2018-19 is undetermined. Data is unavailable from which to make a projection of how many of these special license plates may be requested.

**State Revenue**

The amended bill modifies Sections 56-3-10110, 56-3-10210, and 56-3-10310, which relate to the issuance of special license plates to veterans of Operation Desert Storm-Desert Shield, Operation Enduring Freedom, and Operation Iraqi Freedom, respectively. The current fees for the special license plates pursuant to this bill are the regular registration fee set forth in Article 5, Chapter 3 of Title 56 and a special motor vehicle license plate fee of $20. The amended bill deletes the requirement that DMV may retain sufficient funds in a restricted account to defray the expenses associated with producing and administering these special license plates. Also, the amended bill deletes the requirement that remaining funds collected from the $20 special motor vehicle license plate fee be allocated to the general fund. Additionally, the bill adds a requirement that the provisions of Sections 56-3-8100(A)(1) and (2) do not apply to the production and distribution of these special license plates. These sections relate to the $6,800 upfront application fee that must be submitted to DMV prior to producing plates and the marketing plan for the special plates.

DMV indicates that this bill will reduce other funds revenue by $20,400 for deletion of the requirement that DMV receive $6,800 upfront per type of plate prior to producing the special license plates pursuant to this bill. Also, DMV will no longer be allowed to retain a portion of the $20 special fee per plate for the production and administration of these special license plates. Therefore, the total reduction in other funds revenue of DMV in FY 2018-19 is undetermined since data is unavailable from which to make a projection of how many of these special license plates may be requested.

Pursuant to Section 56-3-8100 (D)(F)(G), a portion of the special $20 fee equal to the expenses of producing and administering these special plates must be directed to the State Highway Fund, and the remainder is distributed to the organization requesting the special plate. Further, since the remaining portion of the $20 special fee may no longer be allocated to the general fund, general fund revenue will be reduced by an undetermined amount. The actual increase in other funds revenue allocated to the State Highway Fund and reduction in general fund revenue are undetermined for FY 2018-19 since data is unavailable from which to make a projection of how many of these plates may be requested. Any remainder of the $20 fee will be distributed to the organization requesting the plate.

**Introduced on January 24, 2018**

**State Expenditure**

This bill authorizes DMV to issue Persian Gulf War Veteran special license plates to owners of private passenger-carrying motor vehicles or light pickups registered in their names who are veterans who served on active duty in the Persian Gulf at any time from September 11, 2011, until the operation is completed. The motor vehicle owner must present DMV with a DD214 or other official documentation that states the individual served on active duty in the Persian Gulf from September 11, 2011, or until the operation is completed. The bill subjects the Persian Gulf War Veteran license plate to the provisions of Section 56-3-8100, which requires an amount equal to the expenses of producing and administering special license plates to be allocated to the State Highway Fund of the Department of Transportation. DMV may no longer retain these expenses.

The increase in general fund expenses of DMV, as a result of producing and administering the new license plate, is undetermined since data is unavailable from which to make a projection of how many of the new Persian Gulf War Veteran plates may be requested.

**State Revenue**

This bill subjects the new Persian Gulf War Veteran license plate to the provisions of Section 56-3-8100, which requires an organization seeking a special license plate to provide $6,800 to DMV before the plate may be issued. The $6,800 is directed to the State Highway Fund of the Department of Transportation. Since the organization did not request a fee for the plate, DMV may collect a $10 fee pursuant to Section 56-3-8100. The costs to produce the Persian Gulf War Veteran plate are directed to the State Highway Fund. Any remaining portion of the $10 fee that is not used to produce and administer the new plate must be credited to the general fund. Since this is a new plate, other funds revenue allocated to the State Highway Fund would increase by $6,800 plus the cost of producing the plate. The actual increase in general fund revenue and other funds revenue to the State Highway Fund is undetermined since data is unavailable from which to make a projection of how many of the plates may be requested.

Frank A. Rainwater, Executive Director

Revenue and Fiscal Affairs Office

**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING ARTICLE 147 TO CHAPTER 3, TITLE 56 SO AS TO PROVIDE THAT THE DEPARTMENT OF MOTOR VEHICLES MAY ISSUE PERSIAN GULF WAR VETERAN SPECIAL LICENSE PLATES.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Chapter 3, Title 56 of the 1976 Code is amended by adding:

“Article 147

Persian Gulf War Veteran Special License Plates

Section 56‑3‑14710. (A) The department may issue ‘Persian Gulf War Veteran’ special motor vehicle license plates to owners of private passenger‑carrying motor vehicles or light pickups as defined in Section 56‑3‑630 registered in their names who are veterans who served on active duty in the Persian Gulf at anytime from September 11, 2001, until the operation is completed. The motor vehicle owner must present the department with a DD214, or other official documentation that states that he served on active duty in the Persian Gulf from September 11, 2001, until the operation is completed, along with his application for this special license plate. The special license plate may have imprinted on it an emblem, a seal, or other symbol that honors veterans of the Persian Gulf War. The special license plate must be issued or revalidated for a biennial period which expires twenty‑four months from the month it is issued.

(B) The guidelines for the production, collection and distribution of fees of a special license plate under this section must meet the requirements of Section 56‑3‑8100.”

SECTION 2. This act takes effect upon approval by the Governor.

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