



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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*This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.*

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**Bill Number:** H. 3805 Amended by House Education and Public Works Motor Vehicle Subcommittee on February 23, 2021  
**Author:** Erickson  
**Subject:** Special License Plates  
**Requestor:** House Education and Public Works  
**RFA Analyst(s):** Griffith and Gallagher  
**Impact Date:** February 26, 2021

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### **Fiscal Impact Summary**

This bill will have an undetermined expenditure impact on the Department of Motor Vehicles (DMV) because the number of newly authorized special license plates that will be requested is unknown. It will also have no expenditure impact on the Department of Veterans' Affairs because the letters that must be provided to show the appropriate disability rating for certain special license plates are required to come from the United States Department of Veterans' Affairs, not the state Department of Veterans' Affairs.

*The individual sections of the bill will affect revenues in the following manner:*

**Section 1.** This section standardizes the benefits of special license plates for veterans, active service members, and their families. It creates seven categories related to military service and awards: valorous awards, distinguished service awards, exemplary service awards, service-connected disabilities, campaign medals, meritorious service, and military service. Because of the standardization, biennial registration fees and special license plate fees are removed for certain special license plates that are currently produced and distributed in the state.

This section, as amended, will reduce:

- General Fund revenue by at least \$157,924 in FY 2022-23,
- Other Funds revenue of DOT by at least \$127,951 in FY 2022-23,
- Other Funds revenue of DMV by at least \$610 in FY 2022-23, and
- Other Funds revenue of the State Transportation Infrastructure Bank by at least \$1,258 in FY 2022-23.

Additionally, this section will increase the General Fund and Other Funds revenue of DOT and DMV by an undetermined amount due to the addition of several newly created special license plates. The total increase in revenue for each fund is undetermined because it is unknown how many of the special license plates that are newly authorized in the bill will be requested.

The revenue impact on local municipalities is undetermined because there is no data with which to estimate the impact of exempting registrants of certain special license plates from parking fines and fees.

While portions of this section of the bill are quantifiable, the overall impact to the General Fund revenue, Other Funds revenue of DOT, Other Funds revenue of DMV, revenue of the State Transportation Infrastructure Bank, and local municipality revenues are undetermined. Please see the “Explanation of Fiscal Impact” below for more information.

**Section 2.** This section repeals articles of Chapter 3, Title 56 of the South Carolina Code of Laws in order to establish the standardization of special license plates for veterans, active service members, and their families. Eight of these special license plates are currently being produced and registered by DMV. All of these are currently subjected to biennial registration fees, and four are currently subjected to special license plate fees. With the repeal of the articles, revenue collected from these fees will be removed.

Therefore, this section will reduce:

- Other Funds revenue of DOT by \$129,864,
- Other Funds revenue of DMV by \$15,592, and
- Revenue of the State Transportation Infrastructure Bank by \$58,711

in FY 2022-23.

## **Explanation of Fiscal Impact**

**Amended by House Education and Public Works Motor Vehicle Subcommittee on  
Amended by House Education and Public Works Motor Vehicle Subcommittee on  
February 23, 2021 February 23, 2021  
State Expenditure**

**Section 1.** The following proposed code sections will affect state expenditures as follows:

**Section 56-3-14710.** This section authorizes owners of private passenger motor vehicles (PPMVs) and motorcycles to obtain special license plates reflective of the following valorous awards: Medal of Honor- Army, Medal of Honor- Navy, Medal of Honor- Air Force, Distinguished Service Cross- Army, Distinguished Service Cross- Navy, Distinguished Service Cross- Air Force, SC Medal of Valor, Silver Star, Bronze Star (with valor), and Soldier’s Medal. Currently, the Silver Star plate, all three distinct Medal of Honor plates, and all three distinct Distinguished Service Cross plates are authorized in current code and being produced by DMV for PPMVs. Additionally, the Silver Star plate for motorcycles is authorized in current law and is being produced.

The three distinct Distinguished Service Cross plates for motorcycles are currently authorized but not being produced. The remaining six plates in this section are newly authorized in this bill for motorcycles. Additionally, the SC Medal of Valor, Bronze Star (with valor), and Soldier’s Medal plates are newly authorized for PPMVs. These plates are exempt from the \$6,800 application fee required in Section 56-3-8100(A). Therefore, DMV will be responsible for the cost of producing each new license plate. Since the number of each license plate that will be requested is unknown, the total expenditure impact on Other Funds of DMV is undetermined.

Under current law, award recipients are allowed no more than one Medal of Honor special license plate. This bill raises the maximum to three, but no expenditures are anticipated as a result of potential requests for additional Medal of Honor license plates.

**Section 56-3-14720.** This section authorizes owners of private passenger motor vehicles (PPMVs) and motorcycles to obtain special license plates reflective of the following distinguished service awards: Distinguished Service Medal- Army, Distinguished Service Medal- Navy, Distinguished Service Medal- Air Force, Distinguished Service Medal- Marine Corps, Distinguished Service Medal- Coast Guard, Distinguished Flying Cross, Legion of Merit, and Palmetto Cross. All special plates in this section are currently authorized in Articles 112, 132, 143, and 144 of Title 56, Chapter 3. However, none of these plates are currently being produced for motorcycles, and the Legion of Merit special plate is not being produced for PPMVs either. Additionally, the Distinguished Service Medal- Coast Guard plate has been produced for PPMVs, but no vehicles with the plate are registered with DMV.

The plates in this section are all exempt from the \$6,800 application fee required in Section 56-3-8100(A). Therefore, DMV will be responsible for the cost of producing each new license plate. Since the number of each license plate that will be requested is unknown, the total expenditure impact on Other Funds of DMV is undetermined.

Under current law, award recipients are allowed no more than one Distinguished Flying Cross special license plate. This bill raises the maximum to three, but no expenditures are anticipated as a result of potential requests for additional Distinguished Flying Cross license plates for PPMVs.

**Section 56-3-14730.** This section authorizes owners of private passenger motor vehicles (PPMVs) and motorcycles to obtain special license plates reflective of the following exemplary service awards: Gold Star Family, Gold Star Family Personalized, Prisoner of War, Purple Heart, and Purple Heart Wheelchair. These special license plates are currently authorized for PPMVs in Sections 56-3-9910, 56-3-1150, and 56-3-3310 of the South Carolina Code of Laws. Purple Heart and Purple Heart Wheelchair special license plates for motorcycles are currently authorized in Section 56-3-3310. All of the plates authorized at present are being produced and distributed by DMV.

Gold Star Family, Gold Star Family Personalized, and Prisoner of War special license plates for motorcycles are newly authorized in this bill. These plates are exempt from the \$6,800 application fee required in Section 56-3-8100(A). Therefore, DMV will be responsible for the cost of producing each new license plate. Since the number of each license plate that will be requested is unknown, the total expenditure impact on Other Funds of DMV is undetermined.

**Section 56-3-14740.** This section authorizes Disabled Veteran and Disabled Veteran (Wheelchair) special license plates for private passenger motor vehicles (PPMVs) and motorcycles. These special license plates are currently authorized in Section 56-3-1120 of the South Carolina Code of Laws, and plates for both PPMVs and motorcycles are currently being produced and distributed by DMV. Currently, a wartime disabled veteran may be issued no

more than two Disabled Veteran plates. This section increases the number that may be issued to three. Because the number of disabled veterans who have two of these special license plates and will request a third is unknown, the total cost to DMV to produce extra license plates is undetermined.

Additionally, this section requires the application for one of these special military license plates to include a letter indicating the appropriate disability rating from the Department of Veterans' Affairs (department). The department reports that this proposed section will not have any expenditure impact on the agency because this type of letter must come from the United States Department of Veterans' Affairs, not the state department.

**Section 56-3-14750.** This section authorizes owners of private passenger motor vehicles (PPMVs) and motorcycles to obtain special license plates reflective of the following campaign medals: World War II Veteran, Pearl Harbor Survivor, Normandy Invasion Survivor, the Korean War, the Vietnam War, Operation Desert Shield/Desert Storm, Operation Iraqi Freedom, and Operation Enduring Freedom. Under current law, plates for all of these military campaign medals are authorized for private passenger motor vehicles (PPMVs), but only four of them are being produced. For motorcycles, only three special plates are authorized in current law, and the other five are newly authorized in this section of the bill. These plates are exempt from the \$6,800 application fee required in Section 56-3-8100(A). Therefore, DMV will be responsible for the cost of producing each new license plate. Since the number of each license plate that will be requested is unknown, the total expenditure impact on Other Funds of DMV is undetermined.

**Section 56-3-14760.** This section authorizes owners of private passenger motor vehicles (PPMVs) and motorcycles to obtain special license plates reflective of the following meritorious service: Air Medal or Bronze Star (service). While there is currently a Bronze Star plate being produced and distributed for both PPMVs and motorcycles, DMV indicates that the distinction between Bronze Star (with valor) and Bronze Star (service) will authorize a completely new plate for each of the two classes of motor vehicles.

Both the two new PPMV plates and the two new motorcycle plates are exempt from the \$6,800 application fee required in Section 56-3-8100(A). Therefore, DMV will be responsible for the cost of producing each new license plate. Since the number of each license plate that will be requested is unknown, the total expenditure impact on Other Funds of DMV is undetermined.

**Section 56-3-14770.** This section, as amended, authorizes owners of private passenger motor vehicles (PPMVs) and motorcycles to obtain special license plates reflective of the following military service: Veteran, Veteran (Wheelchair), Combat-Related Disabled Veteran, Army, Marine Corps, Navy, Air Force, Coast Guard, National Guard- Army, National Guard- Air, National Guard- Retired, US Military Reserve- Army, US Military Reserve- Marine Corps, US Military Reserve- Navy, US Military Reserve- Air Force, US Military Reserve- Coast Guard, US Armed Forces Retired, and State Guard. Of these, eleven plates are currently being produced by DMV for PPMVs, and two plates are currently being produced for motorcycles. Five plates are authorized in current code for PPMVs but are not being produced, and ten are authorized for motorcycles but are not produced. The State Guard license plates for both PPMVs and

motorcycles have been produced but are no longer issued, and the Combat-Related Disabled Veteran license plate for PPMVs has been produced, but none are registered with DMV. The remaining five plates are newly authorized for motorcycles.

All of the plates are exempt from the \$6,800 application fee required in Section 56-3-8100(A). Therefore, DMV will be responsible for the cost of producing each new license plate. Since the number of each license plate that will be requested is unknown, the total expenditure impact on Other Funds of DMV is undetermined.

Under current law, award recipients are allowed no more than four Veteran or Veteran (Wheelchair) special license plates, no more than two Combat-Related Disabled Veteran and US Armed Forces Retired plates, and no more than one US Military Reserve plate of each type. This bill sets the maximum at three, but no expenditures are anticipated as a result of potential requests for additional special license plates.

This section requires the Department of Veterans' Affairs to provide a letter as evidence that a Combat-Related Disabled Veteran license plate registrant has at least a 50% combat-related disability. The department reports that this proposed section will not have any expenditure impact on the agency because this type of letter must come from the United States Department of Veterans' Affairs, not the state department.

**Section 56-3-14780.** This section authorizes owners of private passenger motor vehicles (PPMVs) and motorcycles to obtain special license plates showing support for the following military-related private organizations: Blue Star Family, Veterans of Foreign Wars, American Legion, Disabled American Veterans, American Veterans, Marine Corps League, and Chief Petty Officer. While DMV currently issues Marine Corps League and Chief Petty Officer special license plates for PPMVs, they are available only to members of these organizations. This bill allows any member of the general public to obtain one of these plates.

Of the remaining special license plates authorized in this section of the bill, the following four are currently authorized in code but not being produced: American Legion for PPMVs, American Legion for motorcycles, Marine Corps League for motorcycles, and Chief Petty Officer for motorcycles. The eight other special plates authorized in this section of the bill are newly authorized.

The license plates in this proposed section are subject to the provisions of Section 56-3-8100. Pursuant to this code section, DMV must receive \$6,800 from the individual or organization seeking issuance of each license plate prior to production and distribution of the plate. That amount is allocated to the State Highway Fund. In addition, these plates are subject to the biennial registration fee and a special plate fee set by the sponsoring organization. The actual increase in expenses to DMV is undetermined because data is unavailable from which to make a projection of how many plates will be requested.

**Section 2.** This section of the bill repeals the following Articles of Chapter 3, Title 56: 7, 8, 14, 15, 16, 33, 38, 43, 53, 55, 56, 57, 59, 63, 68, 74, 84, 88, 99, 101, 102, 103, 104, 106, 107, 110,

111, 112, 115, 116, 117, 129, 131, 132, 143, and 144. Many of these articles are replaced by Section 1 of the bill and are therefore addressed in the proposed sections above. However, Articles 15, 38, 57, 59, 63, 84, 107, 110, 111, 116, and 117 do not have corresponding license plates being continued in Section 1 of the bill. These articles pertain to the following twelve special license plates: National Guard, National Guard Retired, American Legion, US Naval Academy, US Air Force Academy, Support Our Troops, Marine Corps League, Bronze Star, US Navy Chief Petty Officer, US Marine Corps, Department of the Navy, and Parents and Spouses of Active Duty Overseas Veterans.

All of these twelve plates except the American Legion, US Marine Corps, Department of the Navy, and Parents and Spouses of Active Duty Overseas Veterans plates are currently being produced by DMV. The agency does not intend to require owners of the eight plates that have current registrations to return them. However, no more of those plates will be produced, thus resulting in a possible decrease in expenditures of DMV. Since there is no data with which to project the number of these special plates that would be requested, the expenditure impact on the agency is undetermined.

### **State Revenue**

**Section 1.** The following proposed code sections will affect state revenue as follows:

**Section 56-3-14710.** This section authorizes owners of private passenger motor vehicles (PPMVs) and motorcycles to obtain special license plates reflective of the following valorous awards: Medal of Honor- Army, Medal of Honor- Navy, Medal of Honor- Air Force, Distinguished Service Cross- Army, Distinguished Service Cross- Navy, Distinguished Service Cross- Air Force, SC Medal of Valor, Silver Star, Bronze Star (with valor), and Soldier's Medal. Currently, the Silver Star plate, all three distinct Medal of Honor plates, and all three distinct Distinguished Service Cross plates are authorized in code and being produced by DMV for PPMVs. Additionally, the Silver Star plate for motorcycles is authorized in current code and being produced.

Under current law, the Silver Star plates and the three distinct Distinguished Service Cross plates are subject to the biennial registration fee set forth in Article 5, Chapter 3 of Title 56. The proposed legislation exempts all four plates from the fee. Pursuant to Section 56-3-620(G), \$16 of the biennial registration fee is allocated to the Infrastructure Maintenance Trust Fund, which are Other Funds of DOT. Pursuant to Section 56-3-1230(A), \$2 of the biennial registration fee is allocated to the Plate Replacement Fund, which are Other Funds of DMV. The remainder of the biennial registration fee is allocated to the State Transportation Infrastructure Bank pursuant to Section 56-3-910. As of February 16, 2021, DMV reported 101 plate registrations for these five license plates, and \$2,500 was collected in biennial registration fees. Assuming the same number of registrations in FY 2022-23, we expect a decrease in revenue to the Infrastructure Maintenance Trust Fund of \$1,616, a decrease in revenue to the Plate Replacement Fund of \$202, and a decrease in revenue to the State Transportation Infrastructure Bank of \$682 in FY 2022-23.

**Section 56-3-14720.** This section authorizes owners of private passenger motor vehicles (PPMVs) and motorcycles to obtain special license plates reflective of the following distinguished service awards: Distinguished Service Medal- Army, Distinguished Service Medal- Navy, Distinguished Service Medal- Air Force, Distinguished Service Medal- Marine Corps, Distinguished Service Medal- Coast Guard, Distinguished Flying Cross, Legion of Merit, and Palmetto Cross. All special plates in this section are currently authorized in Articles 112, 132, 143, and 144 of Title 56, Chapter 3. However, none of these plates are currently being produced for motorcycles, and the Legion of Merit special plate is not being produced for PPMVs either. Additionally, the Distinguished Service Medal- Coast Guard plate has been produced for PPMVs, but no vehicles with the plate are registered with DMV.

Under current law, all special license plates in this section except the Palmetto Cross are subject to the biennial registration fee set forth in Article 5, Chapter 3 of Title 56. Palmetto Cross recipients are subject to the biennial registration fee only for the third plate they request. The proposed legislation exempts all plates from the fee. Pursuant to Section 56-3-620(G), \$16 of the biennial registration fee is allocated to the Infrastructure Maintenance Trust Fund, which are Other Funds of DOT. Pursuant to Section 56-3-1230(A), \$2 of the biennial registration fee is allocated to the Plate Replacement Fund, which are Other Funds of DMV. The remainder of the biennial registration fee is allocated to the State Transportation Infrastructure Bank pursuant to Section 56-3-910. As of February 16, 2021, DMV reported 155 plate registrations for the plates in this section subject to the biennial fee, and \$3,366 was collected in biennial registration fees. Assuming the same number of registrations in FY 2022-23, we expect a decrease in revenue to the Infrastructure Maintenance Trust Fund of \$2,480, a decrease in revenue to the Plate Replacement Fund of \$310, and a decrease in revenue to the State Transportation Infrastructure Bank of \$576 in FY 2022-23.

Additionally, the Distinguished Flying Cross license plate and the third requested Palmetto Cross plate are subject to a \$30 special plate fee. Pursuant to Sections 56-3-8100(D), (F), and (G), a portion of the special license plate fee equal to the expenses of producing and administering special license plates must be directed to the State Highway Fund, which are Other Funds of DOT. DMV estimates that it costs approximately \$4.77 to produce and administer a license plate currently in circulation. The remaining \$25.23 is distributed to the General Fund. As of February 16, 2021, DMV reports 127 Distinguished Flying Cross plates registered, and no person in the state had three Palmetto Cross plates registered. Assuming the same number of registrations in FY 2022-23, we expect a decrease in revenue to the State Highway Fund of approximately \$606 and a decrease in General Fund revenue of approximately \$3,204 in FY 2022-23.

In total, this section of the bill will decrease Other Funds revenue of DOT by \$3,086, Other Funds revenue of DMV by \$310, General Fund revenue by \$3,204, and revenue to the State Transportation Infrastructure Bank by \$576 in FY 2022-23.

**Section 56-3-14730.** This section authorizes owners of private passenger motor vehicles (PPMVs) and motorcycles to obtain special license plates reflective of the following exemplary service awards: Gold Star Family, Gold Star Family Personalized, Prisoner of War, Purple Heart,

and Purple Heart Wheelchair. These special license plates are currently authorized for PPVs in Sections 56-3-9910, 56-3-1150, and 56-3-3310 of the South Carolina Code of Laws. Purple Heart and Purple Heart Wheelchair special license plates for motorcycles are currently authorized in Section 56-3-3310. All of the plates authorized at present are being produced and distributed by DMV.

Under current law, award recipients are allowed no more than three Purple Heart or Purple Heart Wheelchair special license plates. The first two plates are exempt from the biennial registration fee and any special plate fees. The third plate is subject to the biennial registration fee and a special fee of \$30. The proposed legislation exempts all three plates from all fees. Pursuant to Section 56-3-620(G), \$16 of the biennial registration fee is allocated to the Infrastructure Maintenance Trust Fund, which are Other Funds of DOT. Pursuant to Section 56-3-1230(A), \$2 of the biennial registration fee is allocated to the Plate Replacement Fund, which are Other Funds of DMV. The remainder of the biennial registration fee is allocated to the State Transportation Infrastructure Bank pursuant to Section 56-3-910. Additionally, pursuant to Sections 56-3-8100(D), (F), and (G), a portion of the special license plate fee equal to the expenses of producing and administering special license plates must be directed to the State Highway Fund of DOT. DMV estimates that it costs approximately \$4.77 to produce and administer a license plate currently in circulation. The remaining \$25.23 is distributed to the General Fund. As of February 16, 2021, DMV reports that 49 vehicle owners with Purple Heart license plates registered in the state had all three allowed plates, but the amount collected in biennial registration fees for the third plate is unknown. Assuming the same number of registrations in FY 2022-23, we expect a decrease in revenue to the Infrastructure Maintenance Trust Fund of \$784, a decrease in revenue to the Plate Replacement Fund of \$98, a decrease in revenue to the State Transportation Infrastructure Bank of an undetermined amount, a decrease in revenue to the State Highway Fund of approximately \$234, and a decrease in General Fund revenue of approximately \$1,236.

In total, we expect a decrease in Other Funds revenue of DOT of approximately \$1,018, a decrease in Other Funds revenue of DMV of \$98, a decrease in General Fund revenue of approximately \$1,236, and a decrease in revenue to the State Transportation Infrastructure Bank of an undetermined amount in FY 2022-23.

**Section 56-3-14740.** This section authorizes Disabled Veteran and Disabled Veteran (Wheelchair) special license plates for private passenger vehicles and motorcycles. These special license plates are currently authorized in Section 56-3-1120 of the South Carolina Code of Laws and are currently being produced and distributed by DMV. Currently, a wartime disabled veteran may be issued no more than two Disabled Veteran plates. This section increases the number that may be issued to three. Because these plates are already in production and are exempt from any registration fees under current and proposed law, this proposed section will have no revenue impact on Other Funds of DMV or Other Funds of DOT.

**Section 56-3-14750.** This section authorizes owners of private passenger motor vehicles (PPMVs) and motorcycles to obtain special license plates reflective of the following campaign medals: World War II Veteran, Pearl Harbor Survivor, Normandy Invasion Survivor, the Korean



War, the Vietnam War, Operation Desert Shield/Desert Storm, Operation Iraqi Freedom, and Operation Enduring Freedom. Under current law, plates for all of these military campaign medals are authorized for private passenger motor vehicles (PPMVs), but only four of them are being produced. For motorcycles, only three special plates are authorized in current law, and the other five are newly authorized in this section of the bill.

All special license plates in this section will be subject to the biennial motor vehicle registration fee but no specialty plate fee. Of the four plates currently being produced by DMV, the only one not subject to the biennial registration fee in current code is the Korean War plate. As of February 16, 2021, there were 295 Korean War Veterans plates registered in the state. Because biennial registration fees vary by age of the registrant and weight of the vehicle, the total amount collected in new fees for these 295 plates is undetermined. It is also unknown how many of the newly authorized plates will be requested, and therefore, the revenue collected from new biennial registration fees is undetermined.

Additionally, of the four plates currently being produced, two have special plates fees under current law that are removed by this bill. The Pearl Harbor Survivors plate has a special fee of \$15, and the Vietnam War Veterans plate has a special fee of \$20. Pursuant to Section 56-3-8100 (D)(F)(G), a portion of the special 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 General Fund. DMV reports that it costs approximately \$4.77 to produce and administer a license plate currently in circulation. Thus, \$4.77 of every plate is currently directed to the State Highway Fund, and \$10.23 and \$15.23 of each Pearl Harbor and Vietnam War plate is distributed to the General Fund, respectively. As of February 16, 2021, 3 vehicles with Pearl Harbor Survivors plates and 6,138 vehicles with Vietnam War plates are registered with DMV. Thus, removing specialty plate fees in this section of the bill will result in a decrease in Other Funds revenue of DOT by approximately \$29,293 and a decrease in General Fund revenue of approximately \$93,512 in FY 2022-23.

**Section 56-3-14760.** This section authorizes owners of private passenger motor vehicles (PPMVs) and motorcycles to obtain special license plates reflective of the following meritorious service: Air Medal or Bronze Star (service). While there is currently a Bronze Star plate being produced and distributed for both PPVs and motorcycles, DMV indicates that the distinction between Bronze Star (with valor) and Bronze Star (service) will authorize a completely new plate for each of the two classes of motor vehicles.

The new plates in this section are subject to the biennial motor vehicle registration fee as set forth in Article 5, Chapter 3, Title 56. Pursuant to Section 56-3-620(G), \$16 of the biennial registration fee is allocated to the Infrastructure Maintenance Trust Fund, which are Other Funds of DOT. Pursuant to Section 56-3-1230(A), \$2 of the biennial registration fee is allocated to the Plate Replacement Fund, which are Other Funds of DMV. The remainder of the biennial registration fee is allocated to the State Transportation Infrastructure Bank pursuant to Section 56-3-910. Since it is unknown how many of each plate will be requested, the actual increase in Other Funds revenue of DOT, Other Funds revenue of DMV, and revenue to the State Transportation Infrastructure Bank is undetermined.

**Section 56-3-14770.** This section, as amended, authorizes owners of private passenger motor vehicles (PPMVs) and motorcycles to obtain special license plates reflective of the following military service: Veteran, Veteran (Wheelchair), Combat-Related Disabled Veteran, Army, Marine Corps, Navy, Air Force, Coast Guard, National Guard- Army, National Guard- Air, National Guard- Retired, US Military Reserve- Army, US Military Reserve- Marine Corps, US Military Reserve- Navy, US Military Reserve- Air Force, US Military Reserve- Coast Guard, US Armed Forces Retired, and State Guard. Of these, eleven plates are currently being produced by DMV for PPMVs, and two plates are currently being produced for motorcycles. Five plates are authorized in current code for PPMVs but are not being produced, and ten are authorized for motorcycles but are not produced. The State Guard license plates for both PPMVs and motorcycles have been produced but are no longer issued, and the Combat-Related Disabled Veteran license plate for PPMVs has been produced, but none are registered with DMV. The remaining five plates are newly authorized for motorcycles.

The Army, Marine Corps, Navy, Air Force, Coast Guard, US Armed Forces Retired, and US Military Reserve plates are currently subject to a \$30 special plate fee. This bill removes that fee. Pursuant to Section 56-3-8100 (D)(F)(G), a portion of the special 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 General Fund. DMV reports that it costs approximately \$4.77 to produce and administer a license plate currently in circulation. Of the eleven plates currently subject to the \$30 fee, the US Armed Forces Retired plate and the five US Military Reserve plates are currently being produced by DMV. The agency reports that as of February 16, 2021, there were 2,377 of these license plates registered. Assuming the same number of registrations in FY 2022-23, we expect a decrease in revenue to the State Highway Fund of approximately \$11,338 and a decrease in General Fund revenue of approximately \$59,972 in FY 2022-23.

**Section 56-3-14780.** This section authorizes owners of private passenger motor vehicles (PPMVs) and motorcycles to obtain special license plates showing support for the following military-related private organizations: Blue Star Family, Veterans of Foreign Wars, American Legion, Disabled American Veterans, American Veterans, Marine Corps League, and Chief Petty Officer. While DMV currently issues Marine Corps League and Chief Petty Officer special license plates for PPMVs, they are available only to members of these organizations. This bill allows any member of the general public to obtain one of these plates.

Of the remaining special license plates authorized in this section of the bill, the following four are currently authorized in code but not being produced: American Legion for PPMVs, American Legion for motorcycles, Marine Corps League for motorcycles, and Chief Petty Officer for motorcycles. The eight other special plates authorized in this section of the bill are newly authorized.

The license plates in this proposed section are subject to the provisions of Section 56-3-8100. Pursuant to this code section, DMV must receive \$6,800 from the individual or organization seeking issuance of each license plate prior to production and distribution of the plate. That

amount is allocated to the State Highway Fund, which are Other Funds of DOT. In addition, these plates are subject to the biennial registration fee and a special plate fee set by the sponsoring organization. Pursuant to Section 56-3-620(G), \$16 of the biennial registration fee is allocated to the Infrastructure Maintenance Trust Fund, which are Other Funds of DOT. Pursuant to Section 56- 3-1230(A), \$2 of the biennial registration fee is allocated to the Plate Replacement Fund, which are Other Funds of DMV. The remainder of the biennial registration fee is allocated to the State Transportation Infrastructure Bank pursuant to Section 56-3-910. Pursuant to Section 56-3-8100 (D)(F)(G), a portion of the special plate 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 General Fund. DMV reports that it costs approximately \$10.82 to produce a new license plate. Since it is unknown how many of each plate will be requested, the actual increase in the General Fund, Other Funds revenue of DOT, Other Funds revenue of DMV, and revenue to the State Transportation Infrastructure Bank is undetermined. Other Funds revenue of DOT may increase by at least \$81,600 due to the production of twelve new license plates, but the total amount is undetermined.

**Section 2.** This section of the bill repeals the following Articles of Chapter 3, Title 56: 7, 8, 14, 15, 16, 33, 38, 43, 53, 55, 56, 57, 59, 63, 68, 74, 84, 88, 99, 101, 102, 103, 104, 106, 107, 110, 111, 112, 115, 116, 117, 129, 131, 132, 143, and 144. Many of these articles are replaced by Section 1 of the bill and are therefore addressed in the proposed sections above. However, Articles 15, 38, 57, 59, 63, 84, 107, 110, 111, 116, and 117 do not have corresponding license plates being continued in Section 1 of the bill. These articles pertain to the following twelve special license plates: National Guard, National Guard Retired, American Legion, US Naval Academy, US Air Force Academy, Support Our Troops, Marine Corps League, Bronze Star, US Navy Chief Petty Officer, US Marine Corps, Department of the Navy, and Parents and Spouses of Active Duty Overseas Veterans.

These twelve special license plates are all currently subject to the biennial motor vehicle registration fee. Four plates are not being produced and thus have no registrations, so no fees are currently collected. The eight plates that are currently being produced have a total of 7,796 registrations with DMV, and the department has collected approximately \$199,039. Pursuant to Section 56-3-620(G), \$16 of the biennial registration fee is allocated to the Infrastructure Maintenance Trust Fund, which are Other Funds of DOT. Pursuant to Section 56- 3-1230(A), \$2 of the biennial registration fee is allocated to the Plate Replacement Fund, which are Other Funds of DMV. The remainder of the biennial registration fee is allocated to the State Transportation Infrastructure Bank pursuant to Section 56-3-910. Assuming the same number of plates would be registered in FY 2022-23, we expect a decrease in revenue to the Infrastructure Maintenance Trust Fund of \$124,736, a decrease in revenue to the Plate Replacement Fund of \$15,592, and a decrease to the State Transportation Infrastructure Bank of \$58,711 in FY 2022-23.

Additionally, four of the eight plates currently being produced are subject to a special plate fee of \$30. Pursuant to Section 56-3-8100 (D)(F)(G), a portion of the special plate 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 various private organizations that sponsor the plates. DMV reports that it costs approximately \$4.77 to produce and administer a license

plate currently in circulation. The remaining \$25.23 is distributed to the private organizations. As of February 16, 2021, DMV had 1,075 registrations with these special plates. Assuming the same number of plates would be registered in FY 2022-23, we expect a decrease in revenue to the State Highway Fund of approximately \$5,128 and a decrease in revenue to private organizations of approximately \$27,122 in FY 2022-23.

In total, we expect a decrease in Other Funds revenue of DOT of approximately \$129,864, a decrease in Other Funds revenue of DMV of \$15,592, and a decrease in revenue to the State Transportation Infrastructure Bank of approximately \$58,711 in FY 2022-23.

### **Local Expenditure**

N/A

### **Local Revenue**

Registrants of special license plates in proposed Sections 56-3-14710, 56-3-14720, and 56-3-14730 may park in metered or timed parking places without being subject to parking fees or fines. While this may decrease revenue to municipalities, there is no data with which to estimate the impact. Therefore, the revenue impact on municipalities is undetermined.



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Frank A. Rainwater, Executive Director