Statement of Estimated State Revenue Impact

Date: May 15, 2012

Bill Number: S.B. 502

Authors: Davis

Committee Requesting Impact: House Agriculture, Natural Resources and Environmental Affairs

Bill Summary: A bill to amend Section 50-23-30, as amended, Code of Law of South Carolina, 1976, relating to exemptions from the requirement that watercraft and outboard motors be titled, so as to exempt sailboats without motorized propulsion not more than fourteen feet in length from the titling requirement.

REVENUE IMPACT

This bill is expected to reduce earmarked funds of the Department of Wildlife and Natural Resources (DNR) by $13,000 in FY 2012-13. The bill would have no impact on state General Fund revenue. The bill is expected to have a minimally negative impact on property taxes of local jurisdictions in FY 2012-13.

Explanation

This bill exempts those non-motorized sail boats up to fourteen feet in length from paying the $10 fee to title a watercraft in this State under Section 50-23-70. All proceeds from watercraft title fees are earmarked to the Boating/Drew's Law Fund within the DNR for use to support administrative costs and law enforcement responsibilities.

Based on records of the DNR, there are approximately 1,300 non-motorized sail boats up to fourteen feet in length that would be exempt from the $10 fee to title such a boat in this State. Multiplying $10 times 1,300 yields $13,000. We therefore expect adoption of the bill would reduce earmarked funds of the DNR by $13,000 in FY 2012-13. Since all proceeds are fully allocated as agency earmarked funds, this bill would not impact state General Fund revenue.

Further, this exemption from titling would remove these boats from annual reports on all titled watercraft provided by the DNR to respective county auditors under Section 50-23-260 for purpose of determining annual property tax payable in this State. As such, the bill is expected to have a minimally negative impact on property taxes of local jurisdictions in FY 2012-13.

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