



**SOUTH CAROLINA  
REVENUE AND FISCAL AFFAIRS OFFICE**

CHAD WALLDORF, Chairman  
HOWELL CLYBORNE, JR.  
EMERSON F. GOWER, JR.

FRANK A. RAINWATER  
Executive Director

September 24, 2014

The Honorable Nikki Haley, Governor  
State of South Carolina  
State House, 1<sup>st</sup> Floor  
Columbia, SC 29211

Dear Governor Haley,

This letter is in response to a request made on your behalf by staff for the revenue impact of reducing the length of time a standard driver's license is valid from ten years to five years beginning in FY2015-16.

Based upon a review of actual driver's license data received from the S.C. Department of Motor Vehicles, a change in the renewal of a standard driver's license from every ten years to every five years at the current fee of \$25 per driver's license would result in an increase of an estimated \$55,442,875 over a ten fiscal year period. There would be no change in revenue for the first five fiscal years. Beginning in FY2020-21, those individuals that received five year licenses in FY2015-16 would be required to renew those driver's licenses at \$25 per driver's license. A table describing the annual and cumulative driver's license fee revenues for the next ten fiscal years has been provided.

If we may be of any further assistance, please advise.

Sincerely,

A handwritten signature in blue ink, appearing to read "Frank A. Rainwater".

Frank A. Rainwater  
Executive Director

FAR/rwm  
Encl.

cc: Christian Soura, Deputy Chief of Staff  
Joshua Baker, Budget Director

**Estimated Additional Drivers License Fee Revenue**  
**Change Standard Driver's License From 10-Year to 5-Year License**  
**Fiscal Years 2013-14 to 2024-25**

Fiscal Year	Driver's License Fee		Difference
	Current Law 1/	Proposed 2/	
	10 Year Renewals	5 Year Renewals	
FY2015-16	\$13,197,925	\$13,197,925	\$0
FY2016-17	\$14,721,975	\$14,721,975	\$0
FY2017-18	\$13,889,625	\$13,889,625	\$0
FY2018-19	\$8,857,050	\$8,857,050	\$0
FY2019-20	\$4,776,300	\$4,776,300	\$0
FY2020-21	\$4,763,350	\$17,961,275	\$13,197,925
FY2021-22	\$5,359,175	\$20,081,150	\$14,721,975
FY2022-23	\$6,205,150	\$20,094,775	\$13,889,625
FY2023-24	\$6,897,850	\$15,754,900	\$8,857,050
FY2024-25	\$2,192,625	\$6,968,925	\$4,776,300
<b>Total</b>	<b>\$80,861,025</b>	<b>\$136,303,900</b>	<b>\$55,442,875</b>

Notes: All calculations made by the Board of Economic Advisors  
1/ Driver's licenses are currently renewed for ten years at \$25 per license.  
2/ Driver's licenses to be renewed for 5 years at \$25 per license.  
Estimates are subject to change based upon newly available data.

Source: Board of Economic Advisors

BEA/RWM/09/24/14