



**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, 1st 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 that reads "Frank A. Rainwater". The signature is stylized and cursive.

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
Total	\$80,861,025	\$136,303,900	\$55,442,875

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