

Statement of Estimated State Revenue Impact

Date: April 5, 2011 **Bill Number:** H. B. 3164 **Committee Requesting Impact:** House E&PW

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Bill Summary: A bill to amend Section 56-1-176, Code of Laws of S.C., 1976, relating to school attendance conditions associated with the issuance of conditional and special restricted driver's licenses, so as to provide that these and additional conditions shall apply to the issuance or reinstatement of a beginner's permit, conditional driver's license, special restricted driver's license, and a regular driver's license issued to a person less than eighteen years of age; ... *(incomplete title)*

REVENUE IMPACT^{1/}

Revenue generated from suspensions/reinstatements of driving privileges and filing fees for contested hearings/appeals in this bill is expected to total \$579,332 in FY 2012-13. Of this total amount, a subtotal of \$537,200 applies to various earmarked/restricted funds of selected agencies to be allocated as follows: Earmarked Funds to the DMV, \$283,030; the ALC, \$144,100; and the KBF within DOT, \$3,145; Restricted Funds to the NFH within DOT, \$91,205. Whereas the balance of \$15,720 applies to an increase in Motor Vehicle License revenue within the state's General Fund in FY2012-13.

Taken separately, the traffic violation under new Section 56-1-46, as enforced under Section 56-1-20, is expected to generate additional revenue from fines, assessments and court surcharges to total \$42,132 in FY2012-13, to be apportioned as follows: an increase of \$2,138 in state General Fund revenue from court fines; a residual increase of \$22,354 in funds earmarked for other state agencies and programs; and an allocation of \$17,640 to local jurisdictions.

Explanation: School attendance is currently required under Section 56-1-176 in order to be issued either a conditional or a special restricted driver's license in this State. Effective August 1, 2012, this bill would also require school attendance, as defined, for anyone under age eighteen to be issued the aforementioned licenses, as well as a beginner's permit and a regular driver's license. If in violation, the minor would have his/her driving privilege suspended by the DMV. The minor could obtain a special route-restricted driver's license, at a \$100 fee, to continue driving until ruling of the Office of Motor Vehicle Hearings (OMVH) in a contested case hearing (at a filing fee of \$150), and as applicable while on further appeal to the Administrative Law Court (ALC), at a filing fee of \$100. The \$100 fee for a route-restricted license would be allocated at \$20 to the state's General Fund, and at \$80 to DMV earmarked funds to defray costs. All filing fees for hearings and/or appeals are retained as ALC earmarked funds. School attendance, or reaching age 18, would be prerequisites to subsequently have an applicable license/permit reinstated at a fee of \$100, prorated at \$70, DMV; \$29, State Nonfederal Aid Highway Fund (NFH) within the Department of Transportation (DOT); and \$1 to the Keep South Carolina Beautiful Fund (KBF), also within DOT. Further, a traffic conviction for driving without a valid license due to noncompliance with school attendance provisions is punishable by a fine of no less than \$50 under new Section 56-1-46.

Based on historical data provided by the DMV, the Department of Education (DOE) and the ALC, we expect collections from associated license/permits suspensions to apply to no more than ten months in FY2012-13. Accordingly, we project 3,145 suspended drivers would be eligible for reinstatement by the close of FY2012-13 and pay the \$100 fee, which would yield \$314,500. Of these 3,145 total suspensions, approximately 786 would appeal their suspension and also procure a route-restricted license, at a \$100 fee, to yield a total of \$78,600. Of these 786 cases, all are expected to file an appeal with the OMVH, at a \$150 filing fee; whereas only 262 would subsequently appeal to the ALC, at a \$100 filing fee. Total receipts from respective filing fees would raise ALC earmarked funds by a total of \$141,100. Additionally, we expect 315 traffic convictions under Section 56-1-20, based on 10% of 3,145 total suspensions, would raise respective court fines and accompanying court assessments/surcharges by a total of \$42,132 in FY2012-13, prorated at \$24,492, state allocation, and \$17,640, local allocation. Of the total amount of \$24,492 in state proceeds, \$2,138 applies to court fines within the state's General Fund; whereas the balance of \$22,354 is allocated to various state agencies and programs by temporary or permanent law.


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