



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: H. 3247 Amended by House Education and Public Works on February 8, 2017
Author: Crosby
Subject: Mopeds
Requestor: House Education and Public Works
RFA Analyst(s): Wren and Gable
Impact Date: February 10, 2017

Estimate of Fiscal Impact

	FY 2017-18	FY 2018-19
State Expenditure		
General Fund	See Below	\$0
Other and Federal	\$0	\$0
Full-Time Equivalent Position(s)	See Below	0.00
State Revenue		
General Fund	\$0	\$0
Other and Federal	See Below	\$0
Local Expenditure	\$0	\$0
Local Revenue	See Below	\$0

Fiscal Impact Summary

The amended bill would increase non-recurring General Fund expenses of the Department of Motor Vehicles (DMV) by \$117,000 for IT expenses, programming, and development of a template for the moped license plate. Recurring expenses of DMV will increase by \$428,000 for materials and personnel. The amended bill would have no local expenditure impact. Since the effective date of the bill is twelve months after approval by the Governor, timing of the increase in expenses is undetermined.

Other Funds revenue of DMV is expected to increase by \$213,000, and revenue of the State Non-Federal Aid Highway Fund is expected to increase by \$27,000 for moped operator license fees. Other Funds revenue of the State Infrastructure Bank is expected to increase by \$240,000 for moped biennial registration fees. Other Funds revenue estimates are dependent upon the number of moped operator licenses and biennial registrations issued. The increase in revenue for local governments is undetermined. Since the effective date of the bill is twelve months after approval by the Governor, timing of the increase in revenue is undetermined.

Explanation of Fiscal Impact

Amended by House Education and Public Works on February 8, 2017

State Expenditure

The amended bill requires a moped operated on a public road or highway to be registered and licensed with DMV in the same manner as passenger vehicles. The amended bill expands the definition of motor vehicle to include mopeds for the purpose of uninsured and underinsured

motorist insurance coverage. In addition to the current \$2 fee pursuant to Section 56-1-1740, the amended bill allows DMV to charge a \$20 moped operator license fee. This fee must be credited to DMV to offset costs of administering and producing the moped operator license. Any fees collected in excess of the costs must be credited to the Department of Transportation's State Non-Federal Aid Highway Fund. The amended bill also authorizes DMV to charge a \$20 biennial registration fee for every motorcycle, motorcycle three-wheel vehicle, or moped. DMV currently collects a \$20 biennial registration fee for motorcycles and motorcycle three-wheel vehicles.

Department of Motor Vehicles. The agency indicates that expenses associated with this bill will total \$545,000. Of this amount, \$117,000 for IT expenses, system testing, and the design and production of a template is non-recurring. Recurring expenses for two additional employees and registration materials is estimated to be \$428,000. Since the effective date of the bill is twelve months after approval by the Governor, timing of the increase in expenses is undetermined.

State Transportation Infrastructure Bank. Based upon previous correspondence with the department, the amended bill will have no expenditure impact on the General Fund, Other Funds, or Federal Funds.

Department of Insurance. This bill expands the definition of motor vehicle to include mopeds for the purpose of uninsured and underinsured motorist coverage. Underinsured and uninsured motorist coverage is currently a requirement for the State's drivers. Therefore, the amended bill does not operationally affect the agency and will not have an expenditure impact on the General Fund, Other Funds, or Federal Funds.

State Revenue

The amended bill requires a moped operated on a public road or highway to be registered and licensed with DMV in the same manner as passenger vehicles. The amended bill expands the definition of motor vehicle to include mopeds for the purpose of uninsured and underinsured motorist insurance coverage. In addition to the current \$2 fee pursuant to Section 56-1-1740, the amended bill allows DMV to charge a \$20 moped operator license fee. This \$20 fee must be credited to DMV to offset costs of administering and producing the moped operator license. Any fees collected in excess of the costs to administer and produce the moped operator license fee must be credited to the Department of Transportation's State Non-Federal Aid Highway Fund. The amended bill also authorizes DMV to charge a \$20 biennial registration fee for every motorcycle, motorcycle three-wheel vehicle, or moped. DMV currently collects a \$20 biennial registration fee for motorcycles and motorcycle three-wheel vehicles.

Based upon data provided by DMV, there are approximately 12,000 moped operator licenses currently, and it costs the agency \$17.79 to produce and issue each license. Since DMV is allowed to retain a portion of the \$20 moped operator license fee to offset costs, revenue of DMV will increase by \$213,000. The remaining \$27,000 generated from the moped operator license fee must be credited to the State Non-Federal Aid Highway Fund. This analysis assumes that all moped operator licenses will renew once this bill is implemented. Since the effective

date of the bill is twelve months after approval by the Governor, timing of the increase in revenue is undetermined.

Since mopeds are currently not required to be registered in South Carolina, we used the number of moped operator licenses as a proxy for the number of mopeds on South Carolina roads for this analysis. Therefore, it is estimated that revenue generated from the \$20 biennial registration fee for mopeds will total \$240,000. Revenue derived from the moped biennial registration fee must be allocated to the State Transportation Infrastructure Bank. Please note that the number of mopeds on South Carolina roads is most likely greater than 12,000, since a moped may also be operated with a Class D driver's license. Therefore, the revenue figures mentioned in this section are likely to be higher than estimated. Since the effective date of the bill is twelve months after approval by the Governor, timing of the increase in revenue is undetermined.

The amended bill expands the definition of motor vehicle to include mopeds for the purpose of uninsured and underinsured motorist coverage. Since underinsured and uninsured motorist coverage is currently a requirement for the state's drivers, this bill would have no revenue impact on the General Fund.

Local Expenditure

Since this bill creates a new criminal offense, data is not available to project a change in law enforcement activity or detention in local facilities. However, any increase resulting specifically from this bill is expected to be minimal and could be managed within existing resources.

Local Revenue

Since this bill creates a new misdemeanor for which there is no historical data, the revenue impact on local governments is undetermined. Existing law provides for the retention of part or all of the revenue generated from fines, assessments, and surcharges by the local jurisdiction processing the case.

Introduced on January 10, 2017

State Expenditure

This bill requires that a moped operated on a public road or highway, beginning in July 1, 2019, must be registered and licensed with the Department of Motor Vehicles (DMV) in the same manner as passenger vehicles and must be insured subject to the same insurance requirements applicable to an individual private passenger automobile pursuant to Title 38. However, mopeds are not required to be titled. DMV must charge an appropriate fee not to exceed \$10 for each complete examination or reexamination for moped operator licenses. The bill authorizes DMV to retain the fee to defray the expenses associated with the examination of moped operator licenses. Further, this bill authorizes DMV to charge a \$10 biennial registration fee for mopeds. The bill also requires a seller to attach a metal identification plate to each moped without pedals identifying the vehicle as a moped. The plate must be designed by DMV and must display information necessary for enforcement.

Department of Motor Vehicles. The agency indicates that FY 2018-19 expenses associated with this bill will total \$545,000. Of this amount, \$117,000 for IT expenses, system testing, and the design and production of a template is non-recurring and is expected to occur in FY 2018-19.

Recurring expenses for two additional employees and registration materials is estimated to be \$428,000, beginning in FY 2018-19. These expenses will be incurred before DMV receives a revenue stream from the operator licensing fees. Once revenue is generated from operator licensing fees, DMV will be able to cover \$120,000 of its recurring expenses from Other Funds. The remaining \$308,000 in expenses will have an expenditure impact on the General Fund. This estimate assumes all moped operator licenses renew in FY 2019-20. A change in the number of renewals will change the source of funds to defray DMV expenses.

State Transportation Infrastructure Bank. The department indicates that the bill will have no expenditure impact on the General Fund, Other Funds, or Federal Funds.

Department of Transportation. The department indicates that this bill will have no expenditure impact on the General Fund, Other Funds, or Federal Funds.

State Revenue

This bill requires that a moped operated on a public road or highway, beginning in July 1, 2019, must be registered and licensed with the Department of Motor Vehicles (DMV) in the same manner as passenger vehicles and must be insured subject to the same insurance requirements applicable to an individual private passenger automobile pursuant to Title 38. This bill authorizes DMV to charge a \$10 biennial registration fee for mopeds. However, mopeds are not required to be titled.

Based upon the current number of moped operator licenses provided by DMV, it is estimated that revenue generated from the \$10 biennial registration fee will total \$120,000 in FY 2019-20. Revenue derived from the moped biennial registration fee will be allocated to the State Transportation Infrastructure Bank. Please note that the number of mopeds on South Carolina roads is most likely greater than 12,000, since a moped may also be operated with a Class D driver's license. Therefore, the revenue figures mentioned in this section are likely to be higher than estimated in FY 2019-20.

DMV must charge an appropriate fee not to exceed \$10 for each complete examination or reexamination for moped operator licenses. The bill authorizes DMV to retain the fee to defray the expenses associated with the examination of moped operator licenses. The current fee for a moped operator license is \$2 with the expiration and renewal in accordance with Sections 56-1-210, 56-1-220, and 56-1-225. Currently, the moped operator license is allocated to the State Highway Fund. The bill allows a driver who holds a conditional driver's license or a special restricted driver's license to operate a moped during daylight hours only. Additionally, DMV may not issue a beginner's permit or special restricted license to any person convicted of a second or subsequent violation of operating a moped on public highways while under age or without a license, until the person is at least fifteen and one-half years of age. The bill also prohibits the operation of mopeds on public roads with speed limits in excess of fifty-five miles per hour and prohibits the operation of a moped at a speed in excess of thirty-five miles per hour.

Based upon data provided by DMV, there are approximately 12,000 moped operator licenses to date. Increasing the current \$2 moped operator license fee up to an amount not to exceed \$10 will generate an additional \$96,000 in license fees, for a total of \$120,000. This amount will be

allocated to DMV to defray expenses associated with the production and administration of the moped operator license. Currently the existing \$2 moped operator license fee is allocated to the State Highway Fund. Since this bill allocates DMV all the revenue generated from moped license fees, the current \$2 fee and the \$8 increase, anticipated revenue of the State Highway Fund will decline by \$24,000 in FY 2019-20. This analysis assumes that all moped operator licenses will renew in FY 2019-20.

Based upon data from the Department of Insurance (DOI), this bill will have no fiscal impact on the agency itself. The bill does require moped drivers to be insured subject to the same insurance requirements applicable to individual private passenger automobiles pursuant to Title 38. DOI indicates that premiums are difficult to determine, as they are dependent upon a number of factors such as the driver's credit report, driving history, adding the moped to a policy, or creating a new policy. Further, DOI indicates that a policy premium could range from \$100 to \$1000 a year. The insurance premium tax rate is 1.25 percent pursuant to Section 38-7-20(A). Due to the range in policy premiums, the increase in General Fund revenue is undetermined for FY 2019-20.

Local Expenditure

Since this bill creates a new criminal offense, data is not available to project a change in law enforcement activity or detention in local facilities. However, any increase resulting specifically from this bill is expected to be minimal and could managed within existing resources.

Local Revenue

Since this bill creates a new misdemeanor for which there is no historical data, the revenue impact on local governments is undetermined. Existing law provides for the retention of part or all of the revenue generated from fines, assessments, and surcharges by the local jurisdiction processing the case.



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