



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number:	H. 3689	Amended by Senate Transportation on April 5, 2021
Author:	Allison	
Subject:	Vehicle Licensure and Registration	
Requestor:	House Education and Public Works	
RFA Analyst(s):	Griffith	
Impact Date:	April 20, 2021	

Fiscal Impact Summary

This bill, as amended, allows owners of registered large commercial motor vehicles (CMVs) to remit payment for registration and licensing in installment payments. The owner must establish an account with the Department of Motor Vehicles (DMV) and must pay the road use fee in the same installments. The bill will increase General Fund expenditures of DMV by \$3,999,975 in FY 2021-22 and by \$472,050 in each year thereafter.

The amended bill also exempts interstate large CMVs, defined as CMVs with a gross vehicle weight of greater than 26,000 pounds, from paying taxes to the counties. Currently, these interstate large CMVs are exempted from paying certain local fees, such as bridge fees and EMS fees. DMV estimates that this exemption would reduce revenue to counties by approximately \$309,000.

Explanation of Fiscal Impact

Amended by Senate Transportation on April 5, 2021

Introduced on January 14, 2021

State Expenditure

This bill, as amended, allows DMV to collect installment payments on registered large commercial motor vehicles (CMVs). The owner of the large CMV must establish an account with the department and must remit payment for registration and licensing directly to DMV. When choosing to pay the registration fee in installments, the owner must also pay the road use fee in the same installments.

The department indicates the need for three additional FTEs that will be dedicated to processing work and answering calls of motor carrier customers. Each FTE will have a salary of \$37,500, plus fringe. Including a computer, printer, and software for each employee, the total recurring costs for new employees will be \$161,650. Additionally, due to multiple programming projects, DMV indicates the need for a full-time contracted programmer to expand the Celtic computer system (Celtic), which is the department's motor carrier services system. This programmer would increase the recurring expenditures of DMV by \$166,400. Lastly, the department reports that the bill will increase recurring costs by \$144,000 annually for its system maintenance

contract for Celtic. Therefore, the total General Fund expenditures of DMV will increase by \$472,050 annually.

One-time costs to the agency include \$40,000 for an educational marketing campaign to acclimate approximately 40,000 new large CMV owners to the motor carrier online system, as well as \$3,426,725 to upgrade the motor carrier system in Celtic. In addition, DMV estimates the following one-time programming costs related to Phoenix, its internal system for drivers and vehicles:

- \$35,200 to update the financial reporting between the motor carrier system and Phoenix,
- \$44,000 to modify Phoenix Workflow to split tasks between Phoenix and the motor carrier system for large interstate CMVs,
- \$8,800 to modify Phoenix Web Services to accommodate the motor carrier system's quarterly payment processing for large interstate CMVs, and
- \$13,200 to modify Phoenix suspension processing to suspend registrations that are not paid when implementing the quarterly payment option for the road use fee.

Section 2 of the amended bill also provides that if a commercial motor vehicle is registered through the International Registration Plan and is operated under a United States Department of Transportation (USDOT) number assigned to a person other than the vehicle's owner, then the person to whom the USDOT number is assigned may register the commercial motor vehicle by submitting the appropriate application to DMV. This section of the bill codifies existing agency procedures. Since the agency is complying with the requirements of the legislation, this section will not have an expenditure impact on the General Fund, Federal Funds, or Other Funds.

In total, DMV's non-recurring General Fund expenditures will increase by \$3,527,925 in FY 2021-22.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

The amended bill exempts interstate large commercial motor vehicles (CMVs), defined as commercial motor vehicles with a gross vehicle weight of greater than 26,000 pounds, from paying taxes to the counties. Currently, these interstate large CMVs are exempted from paying certain local fees, such as bridge fees and EMS fees. This bill will exempt them from all fees and taxes. Based on data from 2019, the latest immediately available data, DMV estimates that this exemption would reduce revenue to counties by approximately \$309,000.

Introduced on January 14, 2021

State Expenditure

This bill provides that if a commercial motor vehicle is registered through the International Registration Plan and is operated under a United States Department of Transportation (USDOT)

number assigned to a person other than the vehicle's owner, then the person to whom the USDOT number is assigned may register the commercial motor vehicle by submitting the appropriate application to DMV. This bill codifies existing agency procedures. Since the agency is complying with the requirements of the legislation, this bill will not have an expenditure impact on the General Fund, Federal Funds, or Other Funds.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director