



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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**Bill Number:** H. 4511 Introduced on January 9, 2018  
**Author:** Rutherford  
**Subject:** Trains, Obstructing Roads  
**Requestor:** House Education and Public Works  
**RFA Analyst(s):** Wren  
**Impact Date:** March 6, 2018

**Estimate of Fiscal Impact**

	<b>FY 2018-19</b>	<b>FY 2019-20</b>
<b>State Expenditure</b>		
General Fund	\$0	\$0
Other and Federal	See Below	\$0
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	See Below	\$0
Other and Federal	See Below	\$0
<b>Local Expenditure</b>	\$0	\$0
<b>Local Revenue</b>	See Below	\$0

**Fiscal Impact Summary**

This bill will increase Other Funds expenses of the Public Service Commission (PSC) by approximately \$74,000 in FY 2018-19 for 1 FTE, computer equipment, software, phones, training, travel, and a database system. This bill will increase Other Funds expenses of the Office of Regulatory Staff (ORS) by a range of \$367,000 to \$1,150,000 in FY 2018-19, depending upon the type of participation required by ORS. If a consumer complaint is filed before PSC, ORS would experience an increase in Other Funds expenses of \$367,000 for 5 FTE's, computers, phones, office space, and office supplies. If ORS must oversee the active enforcement of the bill, Other Funds expenses would increase by \$1,150,000 for 11 FTE's, computer equipment, phones, printers, office space, leased work trucks, uniforms, and training. Since PSC and ORS are solely operated by Other Funds, the bill would have no expenditure impact on the General Fund or Federal Funds.

Pursuant to Regulation 103-857, all fines and penalties assessed by PSC must be allocated to the General Fund. Additionally, Section 58-17-130 allocates 50 percent of fines collected in the court system for the recovery of damages to the state treasury to be used for such purposes as the General Assembly may provide. The remaining 50 percent is allocated to the county treasurer where the case is tried. Therefore, the revenue impact on the General Fund and county governments is undetermined since the number of fines that may be imposed is unknown.

## Explanation of Fiscal Impacted

**Introduced on January 9, 2018**

### **State Expenditure**

This bill requires PSC to fine a railroad company or a person, as defined in Section 58-17-10(4), whose railroad car, locomotive, or other object obstructs a street, public road, or highway an amount of \$5,000. If the violation occurs between the hours of 7:30 a.m. and 5:30 p.m., the fine increases to \$10,000 for each lane obstructed. The provisions of the bill do not apply to obstruction of a public street, road, or highway by a continuously moving train or caused by circumstances wholly beyond the control of the railroad company. The provisions of the bill do apply to other obstructions, including, but not limited to, those caused by stopped trains and trains engaged in switching, loading, or unloading operations.

**Public Service Commission.** PSC indicates that this bill would increase Other Funds expenses by approximately \$74,000 in FY 2018-19. Of this amount, recurring funds of \$64,000 are needed for 1 FTE, computer equipment leases, software, phones, training, travel, and a database system. Non-recurring funds are expected to total approximately \$10,000 for laptops, renovations, and office furniture.

**Office of Regulatory Staff.** ORS indicates that this bill would increase Other Funds expenses by a range of \$367,000 to \$1,150,000 in FY 2018-19 depending upon the type of participation required of the agency. If a consumer complaint is filed before PSC, ORS would experience an increase in Other Funds expenses of \$307,000 for 5 FTE's, which include three consumer services staff to field and investigate consumer complaints and two on-site investigators. An additional \$60,000 would be needed for computers, phones, office space, and office supplies. If ORS must oversee the active enforcement of the bill, Other Funds expenses would increase by \$1,150,000. Of this amount, \$800,000 would be required for 11 FTE's, which include three consumer services staff to field and investigate consumer complaints and eight additional railroad inspectors to monitor and investigate crossings. An additional \$350,000 would be needed for computers, phones, printers, office space, leased work trucks, uniforms, and training.

### **State Revenue**

This bill amends Section 58-17-4080 to require PSC to fine a railroad company or a person, as defined in Section 58-17-10(4), whose railroad car, locomotive, or other object obstructs a street, public road, or highway an amount of \$5,000 for each lane obstructed. If the violation occurs between the hours of 7:30 a.m. and 5:30 p.m., the fine increases to \$10,000 for each lane obstructed. In addition, the railroad company or person is liable for all damages. Current fines range from \$5 to \$20. Additionally, the bill deletes the requirement that fines are allocated to the county treasurer for the district in which such offense was committed.

Pursuant to Regulation 103-857, all fines and penalties assessed by PSC must be allocated to the General Fund. When damages occur and need to be recovered by an action of the court system, Section 58-17-130 allocates 50 percent of fines to the county where the case is tried and the remaining 50 percent to the state treasury to be used for such purposes the General Assembly may provide. Therefore, this bill will increase General Fund revenue by an undetermined

amount in FY 2018-19 since the number of fines that may be issued by PSC or in the court system for damages is unknown.

**Local Expenditure**

N/A

**Local Revenue**

This bill increases the fine for a railroad company or a person whose railroad car, locomotive, or other object obstructs a street, public road, or highway. Currently, the fines accrued under the provisions of this bill are allocated to the county treasurer for the district in which the offense was committed. This bill allows PSC to issue fines and increases the fines from \$20 to \$5,000 or \$10,000, depending upon the time of day the obstruction occurs. However, when damages occur and need to be recovered by an action of the court system, Section 58-17-130 allocates 50 percent of fines to the county where the case is tried and the remaining 50 percent to the state treasury to be used for such purposes the General Assembly may provide. Therefore, the actual revenue impact to county governments is undetermined for FY 2018-19 since the number of obstructions that may involve the recovery of damages is unknown.



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