



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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**Bill Number:** S. 0197 Amended by the Senate on January 26, 2017  
**Author:** Hembree  
**Subject:** Mopeds  
**Requestor:** House Education and Public Works  
**RFA Analyst(s):** Wren and Gardner  
**Impact Date:** February 13, 2017

**Estimate of Fiscal Impact**

	<b>FY 2017-18</b>	<b>FY 2018-19</b>
<b>State Expenditure</b>		
General Fund	\$545,000	\$0
Other and Federal	\$0	\$0
Full-Time Equivalent Position(s)	2.00	0.00
<b>State Revenue</b>		
General Fund	Undetermined	\$0
Other and Federal	Undetermined	\$0
<b>Local Expenditure</b>	Undetermined	\$0
<b>Local Revenue</b>	Undetermined	\$0

**Fiscal Impact Summary**

This bill would increase non-recurring General Fund expenses of the Department of Motor Vehicles (DMV) by \$117,000 in FY 2017-18 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. Once revenue is generated from the biennial validation decal fee, DMV will be able to cover \$288,000 of its recurring expenses from Other Funds. The expenditure impact on local governments is undetermined.

Other Funds revenue for DMV is expected to increase by \$288,000 in FY 2017-18 for biennial validation decal fees. Other Funds revenue for the State Infrastructure Bank is expected to increase by \$120,000 in FY 2017-18 for biennial registration fees. These Other Funds revenue estimates are dependent on the number of registrations issued. Other Funds revenue generated from assessments and surcharges on convictions for violations of provisions of this bill is undetermined. The increase in General Fund revenue is undetermined. The increase in revenue for local governments is undetermined.

**Explanation of Fiscal Impact**

**Amended by the Senate on January 26, 2017**

**State Expenditure**

This amended bill requires a moped operated on a public road or highway, beginning on July 1, 2017, to be registered and licensed with the Department of Motor Vehicles (DMV) in the same manner as passenger vehicles. However, the effective date of this bill is February 1, 2018.

Further, mopeds are not required to be titled and are not required to be insured. The amended bill authorizes DMV to charge a \$10 biennial registration fee for motorcycles, motorcycle three-wheel vehicles, and mopeds. Additionally, the amended bill allows DMV to charge a \$24 biennial validation decal fee for mopeds, which may be retained by DMV to defray the costs to administer the decal. The amended 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. Additionally, the bill requires the Department of Public Safety (DPS) to develop and maintain a database to store information collected from the data collection forms submitted by law enforcement agencies regarding personal information obtained from moped drivers during traffic stops for which no citation is given or arrest made.

**Department of Motor Vehicles.** The agency indicates that expenses associated with this bill for IT expenses, programming, development of a template for the moped license plate, materials, and personnel 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. Once revenue is generated from the biennial validation decal fees, DMV will be able to cover \$288,000 of its recurring expenses from Other Funds.

**Department of Public Safety.** The bill requires the department to perform activities that will be conducted in the normal course of agency business. As a result, this bill does not have an expenditure impact on the General Fund, Federal Funds, or Other Funds.

### **State Revenue**

This bill requires that a moped operated on a public road or highway, beginning in July 1, 2017, must be registered and licensed with the Department of Motor Vehicles (DMV) in the same manner as passenger vehicles. However, the effective date of this bill is February 1, 2018. Further, mopeds are not required to be titled and are not required to be insured initially. The amended bill allows DMV to charge a \$10 biennial registration fee for mopeds. The amended bill also authorizes DMV to charge and retain a \$24 biennial validation decal fee for mopeds.

Based upon data provided by DMV, there are approximately 12,000 moped operator licenses to date. 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 the revenue generated from the \$10 biennial registration fee for mopeds will total \$120,000. Revenue derived from the \$10 biennial registration fee must be credited to the State Infrastructure Bank. Additionally, the amended bill allows DMV to charge and retain a \$24 biennial validation decal for mopeds. Revenue generated from the \$24 biennial validation decal is estimated to total \$288,000. The revenue generated from the \$24 biennial validation decal must be used to defray costs to administer the biennial validation decal. 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 2017-18.

The amended bill requires the registered owner of a moped to provide proof of financial responsibility in the manner prescribed by DMV for the conviction of various violations. If DMV requires proof of insurance to satisfy the financial responsibility, the insurance premium tax would increase and generate additional General Fund revenue. The increase in General Fund revenue for this reason is undetermined and would be dependent upon the number of registered moped owners who are required to furnish proof of insurance.

Existing law credits revenue generated from fines, assessments, and surcharges for criminal convictions to the General Fund, specified state agencies and programs, and local governments. Since this bill creates new misdemeanors for which there is no historical data, the revenue impact on the General Fund and Other Funds is undetermined.

### **Local Expenditure**

This bill requires law enforcement officers to complete a data collection form any time a moped is stopped without a citation being issued or an arrest being made. The Revenue and Fiscal Affairs Office surveyed the Municipal Association of South Carolina (MASC) and twenty-three county governments regarding the expenditure impact of this portion of the bill and received responses from MASC and two county governments. The MASC indicates that this portion of the bill could increase the number of municipal law enforcement officers and courts costs, but that any expenses incurred as a result of this portion of the bill should be minimal and could be managed within existing resources. One responding county indicates that the expenditure impact of this bill will be dependent upon whether DPS prints the forms for moped traffic stops or requires local jurisdictions to print their own forms and whether the data captured during moped traffic stops must be sent electronically to DPS. Due to the limited number of responses from county governments, the expenditure impact associated with this portion of the bill is undetermined. Additionally, 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 in expenses resulting specifically from this part of the bill is expected to be minimal and could managed within existing resources.

### **Local Revenue**

Since this bill creates new misdemeanors 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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