



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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**Bill Number:** S. 0982 Introduced on February 8, 2018  
**Author:** Hutto  
**Subject:** Ignition Interlock Restricted License  
**Requestor:** Senate Judiciary  
**RFA Analyst(s):** Wren, Gardner, and Mitchell  
**Impact Date:** March 26, 2018 - Updated for Additional Agency Response

**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	\$0	See Below
Full-Time Equivalent Position(s)	0.00	8.00
<b>State Revenue</b>		
General Fund	\$0	See Below
Other and Federal	\$0	See Below
<b>Local Expenditure</b>	\$0	\$0
<b>Local Revenue</b>	\$0	\$0

**Fiscal Impact Summary**

This bill will have no expenditure impact on the General Fund, Other Funds, or Federal Funds of the Department of Motor Vehicles (DMV), since any necessary programmatic changes can be accomplished within the normal course of agency business. The bill will increase recurring Other Funds expenses of the Department of Probation, Parole, and Pardon Services (PPP) by approximately \$481,600 for 8 new FTE's beginning in FY 2019-20. Nonrecurring Other Funds expenses of PPP are expected to total \$104,300 for updates to the Ignition Interlock Management System, computer equipment, and office furniture in FY 2019-20. However, the increase in Other Funds expenses of PPP are expected to be offset by an increase in Other Funds revenue. The bill will have no expenditure impact on the Department of Alcohol and Other Drug Abuse Services since the bill does not alter the responsibilities of the agency. The Judicial Department and Administrative Law Court indicate that should there be an increase in caseloads they will absorb any expenditure impact on the General Fund using current resources.

The revenue impact on the General Fund, Other Funds of the Department of Public Safety, and Other Funds of the Department of Transportation is undetermined. The number of individuals that may choose to obtain an ignition interlock restricted driver's license in lieu of suspension or denial of a driver's license is unknown. Additionally, individuals who currently hold route-restricted and provisional driver's licenses would be eligible to obtain an ignition interlock restricted driver's license. The number of individuals that may choose to obtain an ignition interlock restricted driver's license in lieu of a route-restricted or provisional driver's license is unknown. PPP indicates that this bill could increase Other Funds revenue by \$1,638,000 in FY 2019-20 due to the increase in the number of individuals that may choose to enroll in the Ignition Interlock Device Program. The increase in Other Funds revenue of PPP will be used to offset

expenses associated with this bill. This impact statement has been updated to include responses from DMV and PPP on the state expenditure and state revenue sections.

## **Explanation of Fiscal Impact**

### **Updated for Additional Agency Response**

**Introduced on February 8, 2018**

#### **State Expenditure**

This bill allows an individual under the age of twenty-one to enroll in the Ignition Interlock Device (IID) Program and obtain an ignition interlock restricted license in lieu of serving the remainder of a suspension or denial of the issuance of a license or permit. The ignition interlock device is required to be affixed to the motor vehicle equal to the length of time remaining on the person's suspension or denial of the issuance of a license or permit. The individual must receive credit for the number of days the person maintained an ignition interlock restriction on the temporary alcohol license. Once an individual has enrolled in the IID Program and obtained an ignition interlock restricted license, the individual cannot subsequently choose to serve the suspension. Also, within thirty days of the issuance of the notice of suspension, an individual may request a contested case hearing before the Office of Motor Vehicle Hearings and enroll in the IID Program. If an individual enrolls in the IID Program, the temporary alcohol license must contain an ignition interlock restriction for three months. If the contested case hearing has not reached a final disposition within three months, the individual may obtain a temporary alcohol license without an ignition interlock restriction. The bill also allows a habitual offender to enroll in the IID Program and obtain a license with an ignition interlock restriction. The bill also eliminates provisional driver's licenses for first offenses unless the offense occurred prior to the effective date of the bill. Additionally, the bill requires that an ignition interlock restriction be placed on a temporary alcohol license for three months and deletes the reference to route restricted driver's licenses. The bill takes effect one year after approval by the Governor.

**Department of Motor Vehicles (DMV).** DMV indicates that any programmatic changes associated with the provisions of this bill would be minimal and could be absorbed within current appropriations. Therefore, the bill will have no expenditure impact on the General Fund, Other Funds, or Federal Funds. This section of the impact statement has been updated to include a response from DMV.

**Department of Probation, Parole, and Pardon Services (PPP).** This bill allows South Carolina drivers who have either been charged with the administrative suspension of Implied Consent or convicted of a first offense DUI to end their license suspension by enrolling in the IID Program. The department is responsible for administering the program, including monitoring data downloads and photographs from vehicles, responding to violations and inquiries from drivers, and attending Office of Motor Vehicle appeal hearings. As such, the department will need to hire additional staff, including six staff members (Program Coordinator I positions) to administer the IID Program, as well as two hearing officers (Administrative Hearing Officer III positions) to review violations and respond to driver appeals.

The salary and fringe cost for each Program Coordinator I is \$56,000, for a total of \$336,000. The department intends to use funds generated by the IID Program (see State Revenue section)

to cover both the cost of these salaries and the \$100,000 needed to administer required updates to the Ignition Interlock Management System (IIMS). Therefore, there will be a recurring Other Funds expenditure impact of \$336,000 beginning in FY 2019-20 and a nonrecurring Other Funds impact of \$100,000 in FY 2019-20.

The salary and fringe total for each Administrative Hearing Officer III is \$72,800, which will result in a recurring expenditure impact of \$145,600 on the General Fund beginning in FY 2019-20. The department will also incur nonrecurring Other Funds expenses of \$4,300 for computers and office furniture for the Administrative Hearing Officer III positions.

The department will use Other Funds (comprised of fees obtained via the IID fund) to cover the cost of salaries and fringe for the eight new FTEs as well as necessary computer and office equipment. Therefore, the bill will have no expenditure impact on the General Fund. This section has been updated to include a response from PPP.

**Administrative Law Court.** The department reports that as this bill creates a new offense, there is no data available to determine the number of additional hearings that would be heard in the Office of Motor Vehicle Hearings. Should there be an increase in caseloads, the department will absorb any expenditure impact on the General Fund using current resources.

**Judicial Department.** The department reports that as this bill creates a new offense, there is no data available to determine the number of additional hearings or trials that would be heard in general sessions courts. Should there be an increase in caseloads, the department will absorb any expenditure impact on the General Fund using current resources.

**Department of Alcohol and Other Drug Abuse Services (DAODAS).** DAODAS indicates that the bill does not materially alter the expenditures of the department. DAODAS is currently responsible for determining treatment for individuals that participate in the Ignition Interlock Program and is already responsible for notifying DMV of a person's completion and compliance with the program. Participants of the program bear the costs of treatment. Any increase in program enrollment will be offset by the fees paid to the agency by the participant. Therefore, any potential expenditure impact is expected to be minimal and can be managed within the agency's existing appropriations.

### **State Revenue**

This bill allows individuals who are under the age of twenty-one to enroll in the IID Program and obtain an ignition interlock restricted license in lieu of serving the remainder of a suspension or denial of the issuance of a license or permit. Also, the bill allows habitual offenders to enroll in the Ignition Interlock Device Program and obtain an ignition interlock restricted drivers license. Additionally, the bill deletes references to route restricted and provisional driver's licenses. Further, the bill allows the Department of Probation, Parole, and Pardon Services (PPP) to charge an initial annual fee on the manufacturer's application for certification of each ignition interlock device and a subsequent fee for every year the manufacturer continues to provide the certified device to drivers in this state. The fee must be remitted to the Ignition Interlock Device Fund for use by PPP in the support of the Ignition Interlock Device Program.

The fee for an ignition interlock restricted license is \$100 and is allocated to the State Highway Fund of the Department of Transportation (DOT). DMV indicates that in FY 2016-17 there were 47 suspensions or denials of driver's licenses or permits for first offenders. However, the number of first offenders that may opt to obtain an ignition interlock restricted license in lieu of serving the remainder of a suspension or denial of the issuance of a license or permit is unknown. Also, DMV indicates that in FY 2016-17 there were 3,089 individuals who were deemed as habitual offenders. The number of habitual offenders that may obtain an ignition interlock restricted license is unknown. Therefore, the revenue impact on the State Highway Fund of DOT is undetermined. This section of the impact statement has been updated to include a response from DMV.

DMV indicates that individuals who currently hold a route-restricted driver's license would be eligible to receive an ignition interlock restricted driver's license under the provision of this bill. The fee for a route-restricted driver's license is \$100, with \$80 allocated to the State Highway Fund and \$20 to the Non-Federal Aid Highway Fund of DOT. DMV indicates that there were 796 route-restricted driver's licenses in FY 2016-17. The number of individuals who will choose to obtain an ignition interlock restricted driver's license is unknown. Therefore, the shift in revenue from the Non-Federal Aid Highway Fund to the State Highway Fund is undetermined. This section of the impact statement has been updated to include a response from DMV.

DMV indicates that individuals who currently hold provisional driver's licenses would be eligible to receive an ignition interlock restricted driver's license. The fee for a provisional driver's license is \$100, with \$95 allocated to the General Fund to be used by the Department of Public Safety (DPS) in the hiring, training, and equipping members of the State Highway Patrol and Transportation Police. The remaining \$5 is credited to the State Highway Fund. DMV indicates that there were 2,013 provisional driver's licenses in FY 2016-17. The number of individuals who will choose to obtain an ignition interlock restricted driver's license in lieu of a provisional driver's license is unknown. Therefore, the shift in funds from DPS to the State Highway Fund is undetermined. This section of the impact statement has been updated to include a response from DMV.

The bill requires individuals who are issued temporary alcohol licenses to have an ignition interlock device installed on any motor vehicle driven by the individual and to have the ignition interlock restricted placed on the individual's driver's license. DMV indicates that there is no additional fee to add the ignition interlock restriction to a temporary alcohol license. Therefore, this section of the bill will have no revenue impact to the General Fund, Other Funds, or Federal Funds. This section of the impact statement has been updated to include a response from DMV.

DAODAS is currently responsible for determining treatment for individuals that participate in the Ignition Interlock Program and is responsible for notifying DMV of a person's completion and compliance with the program. However, participants of the program bear the costs of treatment. The cost of treatment may not exceed \$500 for education services, \$2,000 for treatment services, and \$2,500 in total for all services. It is anticipated that any increase in the number of participants will be offset by the fees paid to the agency. Therefore, any potential increase in DAODAS' revenue is expected to be minimal and will be used to offset the costs of the program.

PPP has projected that initial annual fees on the manufacturer's application for certification for each IID will result in an increase in Other Funds by \$1,638,000. The department indicates the application fee is \$360 per device and estimates that it will enroll an additional 4,550 participants each year based on the following presumptions, which use 2017 eligibility and enrollment data from the IIMS:

1. The current percentage rate of participation in the IID Program for first offense DUI with Blood Alcohol Content less than 0.15 is 15 percent. The 2017 data for all DUI first convictions not participating in the IID Program is 6,278. Multiplying these figures results in 941 new drivers ( $6,278 * 15 \text{ percent} = 941 \text{ new drivers}$ ).
2. If 50 percent of the 9,010 Implied Consent suspended drivers from 2017 who did not participate in the IID Program filed an appeal to obtain the Temporary Alcohol License with the IID for 90 days, there would be 1,126 new drivers who enroll in the IID Program [ $9,010 * 50 \text{ percent} = 4,505 * 25 \text{ percent (90 days of the year)} = 1,126 \text{ new drivers}$ ].
3. If 10 percent of the 2,988 Implied Consent and DUI with a Blood Alcohol Contact of 0.15 or greater drivers from 2017 who did not participate in the IID Program filed an appeal to obtain the Temporary Alcohol License after installing the IID for 90 days, there would be 74 new drivers who enroll in the IID program [ $2,988 * 10 \text{ percent} = 298 * 25 \text{ percent} = 74 \text{ new drivers}$ ].
4. If 50 percent of the 4,818 Implied Consent and DUI with a blood Alcohol Contact of 0.15 or greater drivers from 2017 who filed an appeal to obtain a Temporary Alcohol License and IID would serve the balance of their suspension on the IID Program, this would add 2,409 new drivers to the program ( $4,818 * 50 \text{ percent} = 2,409$ ).

Therefore, if 4,550 ( $941 + 1,126 + 74 + 2,409 = 4,550$ ) new drivers are enrolled in the IID Program and initial annual fees on the manufacturer's application for certification are \$360 per device, the total revenue generated for PPP would be \$1,638,000. This section has been updated to include a response from PPP.

#### **Local Expenditure**

N/A

#### **Local Revenue**

N/A

#### **Introduced on February 8, 2018**

##### **State Expenditure**

This bill allows an individual under the age of twenty-one to enroll in the Ignition Interlock Device Program and obtain an ignition interlock restricted license in lieu of serving the remainder of a suspension or denial of the issuance of a license or permit. The ignition interlock

device is required to be affixed to the motor vehicle equal to the length of time remaining on the person's suspension or denial of the issuance of a license or permit. The individual must receive credit for the number of days the person maintained an ignition interlock restriction on the temporary alcohol license. Once an individual has enrolled in the Ignition Interlock Device Program and obtained an ignition interlock restricted license, the individual cannot subsequently choose to serve the suspension. Also, within thirty days of the issuance of the notice of suspension, an individual may request a contested case hearing before the Office of Motor Vehicle Hearings and enroll in the Ignition Interlock Device Program. If an individual enrolls in the Ignition Interlock Device Program, the temporary alcohol license must contain an ignition interlock restriction for three months. If the contested case hearing has not reached a final disposition within three months, the individual may obtain a temporary alcohol license without an ignition interlock restriction. The bill also allows a habitual offender to enroll in the Ignition Interlock Device Program and obtain a license with an ignition interlock restriction. The bill also eliminates provisional driver's licenses for first offenses unless the offense occurred prior to the effective date of the bill. Additionally, the bill requires that an ignition interlock restriction be placed on a temporary alcohol license for three months and deletes the reference to route restricted driver's licenses

**Department of Motor Vehicles (DMV).** The expenditure impact of this bill is pending, contingent upon a response from DMV.

**Department of Probation, Parole, and Pardon Services (PPP).** The expenditure impact of this bill is pending, contingent upon a response from PPP.

**Administrative Law Court.** The department reports that as this bill creates a new offense, there is no data available to determine the number of additional hearings that would be heard in the Office of Motor Vehicle Hearings. Should there be an increase in caseloads, the department will absorb any expenditure impact on the General Fund using current resources.

**Judicial Department.** The department reports that as this bill creates a new offense, there is no data available to determine the number of additional hearings or trials that would be heard in general sessions courts. Should there be an increase in caseloads, the department will absorb any expenditure impact on the General Fund using current resources.

**Department of Alcohol and Other Drug Abuse Services (DAODAS).** DAODAS indicates that the bill does not materially alter the expenditures of the department. DAODAS is currently responsible for determining treatment for individuals that participate in the Ignition Interlock Program and is already responsible for notifying DMV of a person's completion and compliance with the program. Participants of the program bear the costs of treatment. Any increase in program enrollment will be offset by the fees paid to the agency by the participant. Therefore, any potential expenditure impact is expected to be minimal and can be managed within the agency's existing appropriations.

#### **State Revenue**

This bill allows an individual under the age of twenty-one to enroll in the Ignition Interlock Device Program and obtain an ignition interlock restricted license in lieu of serving the

remainder of a suspension or denial of the issuance of a license or permit. Also, the bill allows the Department of Probation, Parole, and Pardon Services (PPP) to charge an initial annual fee on the manufacturer's application for certification of each ignition interlock device and a subsequent fee for every year the manufacturer continues to provide the certified device to drivers in this state. The fee must be remitted to the Ignition Interlock Device Fund for use by PPP in the support of the Ignition Interlock Device Program.

The fee for an ignition interlock restricted license is \$100 and is allocated to the State Highway Fund of the Department of Transportation (DOT). Since the number of first offenders that may opt to enroll in the Ignition Interlock Device Program and obtain an ignition interlock restricted license in lieu of serving the remainder of a suspension or denial of the issuance of a license or permit is unknown, the revenue impact on the State Highway Fund of DOT is undetermined. Additionally, the bill could affect the number of temporary alcohol licenses, route restricted licenses, special restricted licenses, and provisional licenses. Revenue derived from these licenses are allocated to the Department of Public Safety (DPS), State Highway Fund, Non-Federal Aid Highway Fund, and the General Fund. Therefore, the revenue impact on DPS, Other Funds of DOT, and the General Fund are pending, contingent upon a response from DMV.

DAODAS is currently responsible for determining treatment for individuals that participate in the Ignition Interlock Program and is responsible for notifying DMV of a person's completion and compliance with the program. However, participants of the program bear the costs of treatment. The cost of treatment may not exceed \$500 for education services, \$2,000 for treatment services, and \$2,500 in total for all services. It is anticipated that any increase in the number of participants will be offset by the fees paid to the agency. Therefore, any potential increase in DAODAS' revenue is expected to be minimal and will be used to offset the costs of the program.

**Local Expenditure**

N/A

**Local Revenue**

N/A



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Frank A. Rainwater, Executive Director