



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
(803)734-0640 • RFA.SC.GOV/IMPACTS

Bill Number:	S. 0656	Introduced on March 14, 2019
Author:	Grooms	
Subject:	Sale and Disposition of Proceeds from Unclaimed Vehicles	
Requestor:	Senate Transportation	
RFA Analyst(s):	Gardner	
Impact Date:	April 17, 2019	

Fiscal Impact Summary

This bill changes the term demolisher to automotive dismantler or recycler in a number of existing statutes related to the sale of unclaimed vehicles and the distribution of proceeds. In addition, this bill restructures existing penalties for violations related to vehicle dismantling and the sale of nonferrous metals.

This bill will not have an expenditure impact on the General Fund, Other Funds, or Federal Funds of the Judicial Department, because the bill requires the agency to perform activities that will be conducted in the normal course of agency business and the number of cases generated by this bill is not expected to be significant.

Lancaster County anticipates there will be no expenditure impact because the number of cases generated by this bill is not expected to be significant. As such, this bill will have no local expenditure impact.

Explanation of Fiscal Impact

Introduced on March 14, 2019

State Expenditure

This bill changes the term demolisher to automotive dismantler or recycler in a number of existing statutes related to the sale of unclaimed vehicles and the distribution of proceeds. In addition, this bill restructures existing penalties for violations related to vehicle dismantling and the sale of nonferrous metals.

The bill amends Sections 56-5-5670 and 56-5-5945 to revise the existing penalty structure for offenses related to the duties of an automotive dismantler or recycler, secondary metals recycler, and to persons who sell vehicles to these entities. Each violation constitutes a separate offense. The impact of these changes are summarized in the following table.

Also, the director of the Department of Motor Vehicles or his designee may issue, in addition to criminal penalties, an administrative fine not to exceed \$1,000 for each violation when he finds that an automotive dismantler or recycler or secondary metals recycler has violated the provisions of either of these sections of law.

Current Offense Unlawful Purchase or Sale of a Vehicle Under § 56-5-5670(H) & § 56-5-5945(H)	Current Penalty	Offense: If Bill is Enacted	Penalty: If Bill is Enacted
First Offense (Misdemeanor)	A fine of not more than \$500 for each offense not to exceed \$5,000 for the same set of transactions, or imprisonment for not more than 60 days, or both	First Offense (Misdemeanor)	A fine of not less than \$200 nor more than \$300, or imprisonment for not more than 30 days, or both
Second or Subsequent Offenses (Felony)	A fine of not less than \$1,000 for each offense, not to exceed \$10,000 for the same set of transactions, or imprisonment for not more than 3 years, or both	Second Offense (Misdemeanor)	A fine of not less than \$400 nor more than \$500, or imprisonment for 1 year, or both
N/A	N/A	Third or Subsequent Offenses (Felony)	A fine of not less than \$1,000, or imprisonment for not more than 5 years, or both

** Under the bill, a person who unlawfully sells a vehicle may also be ordered by the court to make restitution to an automotive dismantler or recycler, secondary metals recycler, or lien holder for any damage or loss.*

The bill also amends Section 16-17-680, which is related to the unlawful purchase or sale of nonferrous metals. Currently, a purchaser of nonferrous metals must be a secondary metals recycler who has a valid purchasing permit, and a seller must have a valid permit to transport and sell those materials. Additionally, the bill modifies the penalty for a purchaser's unlawful use of their permit to acquire nonferrous metals for the purpose of resale when the seller possesses no valid transport or sales permit. The impact of these changes are summarized in the following table.

Current Offense Under § 16-17-680	Current Penalty	Offense: If Bill is Enacted	Penalty: If Bill is Enacted
Unlawful Sale: First Offense (Misdemeanor)	A fine levied at the discretion of the court or imprisonment for not more than 1 year	Unlawful Sale* First Offense (Misdemeanor)	A fine of not less than \$200 nor more than \$300, or imprisonment for 30 days, or both
Unlawful Sale: Second Offense (Misdemeanor)	A fine of not less than \$500, or imprisonment for not more than 3 years, or both	Unlawful Sale* Second Offense (Misdemeanor)	A fine of not less than \$400 nor more than \$500, imprisonment for not more than 1 year, or both

Chart continued on next page

Current Offense Under § 16-17-680	Current Penalty	Offense: If Bill is Enacted	Penalty: If Bill is Enacted
Unlawful Sale: Third or Subsequent Offenses (Misdemeanor)	A fine of not more than \$1,000, or imprisonment for not more than 3 years, or both	Unlawful Sale: Third or Subsequent Offenses (Felony)	A fine of not less than \$1,000, or imprisonment for not more than 5 years, or both
Unlawful Purchase: (Felony)	A fine levied at the discretion of the court, or imprisonment for not more than 10 years, or both	Unlawful Purchase: (Felony)	A fine of not less than \$1,000, or imprisonment for not more than 5 years, or both

** Under the bill, a person who violates permitting requirements for the sale of nonferrous metals may also be ordered by the court to make restitution to an automotive dismantler or recycler, secondary metals recycler, or lien holder for any damage or loss.*

Judicial Department. Under the current statutes, all violations are general sessions offenses. Under the bill, however, first offenses by either a seller or a purchaser would be a magistrate or municipal court offense; the amount of time used to calculate the number of past offenses would be limited for purchasers; and sellers could now be ordered to pay restitution. In FY 2017-18, there was 1 first offense prosecution under § 56-5-5670 (H), no second or subsequent offense prosecutions, and no prosecutions under § 56-5-5945(H). Given these numbers, this bill is unlikely to have a significant impact on the caseloads of either general sessions, magistrate, or municipal courts. Therefore, there will be no expenditure impact for this portion of the bill.

The proposed bill would change several penalty provisions in § 16-17-680. First, it would alter the scope of a purchaser’s potential violations in § 16-17-680 (D)(6) and increase the penalty for a third or subsequent offense. The bill would alter the penalties for a seller in § 16-17-680 (E), making the penalty for a first offense a magistrate and municipal court level offense rather than a general sessions offense and permitting the court to order restitution. In the last fiscal year, there were no prosecutions of purchasers and 1 first offense prosecution of a seller under Subsection E. Given these numbers, this bill is unlikely to have a significant impact on the caseloads of either general sessions, magistrate, or municipal courts. In summary, the bill would have no impact on the General Fund related to the Judicial Department.

State Revenue

N/A

Local Expenditure

This bill amends current statutes relating to the disposition of unclaimed or abandoned vehicles by altering criminal penalties for the unlawful purchase or sale of certain vehicles and the unlawful purchase and sale of nonferrous metals. Revenue and Fiscal Affairs surveyed 46 counties and the Municipal Association of South Carolina. Only Lancaster County provided a response on the expected expenditure impact of the bill. There was 1 disposition in general sessions court in FY 2017-18 involving a demolisher and an abandoned vehicle and 1 disposition

for a first offense of the unlawful sale or purchase of nonferrous metals, in which the court did not convict either individual. Therefore since the number of cases generated by this bill is not expected to be significant, the implementation of this bill will have no local expenditure impact.

Local Revenue

N/A

A handwritten signature in blue ink, appearing to read "Frank A. Rainwater". The signature is stylized with a large initial "F" and a long, sweeping underline.

Frank A. Rainwater, Executive Director