

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.

H. 3219 Amended by the House of Representatives on April 28, 2021 **Bill Number:**

Collins Author:

Subject: Motor Vehicle Incidentals

House Education and Public Works Requestor:

RFA Analyst(s): Miller

Impact Date: September 22, 2021

Fiscal Impact Summary

This bill as amended is not expected to have an expenditure impact for the Department of Social Services (DSS), since it does not alter the responsibilities of DSS.

This bill is not anticipated to have an expenditure impact for the Department of Motor Vehicles (DMV), due to the limited applicability of the fee forgiveness and dollar value of the fees to be waived associated with getting a driver's license for applicable children in the custody of DSS.

Additionally, this amended bill may result in an undetermined decrease of Other Funds revenue for the Department of Transportation State Non-Federal Aid Highway Fund due to the waiving of certain fees associated with foster children who apply for a first identification card, beginner's permit and/or driver's license.

Explanation of Fiscal Impact

Amended by the House of Representatives on April 28, 2021 **State Expenditure**

This amended bill exempts a foster parent who signed the application for a minor's beginners permit from liability if the minor drives a motor vehicle upon a highway negligently or with willful misconduct. Additionally, this amended bill exempts a caregiver from liability for harm caused to or by a child in foster care who participates in age appropriate activities, so long as the caregiver acted in accordance with the reasonable and prudent parent standard. This bill does not alter the responsibilities of DSS. Therefore, the Revenue and Fiscal Affairs Office (RFA) anticipates this bill will have no expenditure impact on DSS.

Additionally, the bill as amended directs DMV to waive certain fees for children at least fifteen years of age and less than nineteen years of age who are in the care, custody, or guardianship of DSS. This bill will not alter the responsibilities of DMV to administer the exams and issue the licenses or permits, therefore, RFA does not anticipate this bill will have an expenditure impact for DMV.

State Revenue

The bill as amended directs DMV to waive the following fees for children at least fifteen years of age and less than nineteen years of age who are in the care, custody, or guardianship of DSS.

- A beginner's permit fee of \$2.50
- An appropriate fee for a knowledgeable examination
 - o DMV lists a fee of \$2.00 per test administered
- A fee of \$25 for the first eight-year driver's license
- A fee of \$15 for the first identification card for a child who is fifteen or sixteen

Based on the fee schedule, the total amount of fees that may be waived per child at most will be \$44.50.

According to the Foster Care Dashboard on DSS's website, as of August 8, 2021, there are 1,333 children with an age rage of thirteen to seventeen in foster care. Therefore, in FY 2021-22, assuming an equal number of children per age range, 40 percent, or 533, of these children are between the ages of fifteen and sixteen and may be eligible to apply for a first identification card, beginner's permit, and driver's license, if they do not already have one. Additionally, another 20 percent, or 267, are seventeen and may be eligible to apply for a beginner's permit, and driver's license, if they do not already have one. Each year thereafter, an additional 20 percent, or 267, of these children will turn fifteen and be eligible to apply for a first identification card, beginner's permit, and driver's license.

Fees collected for a beginner's permit, the first eight-year driver's license, and the first identification card are credited to the Department of Transportation State Non-Federal Aid Highway Fund. Therefore, this bill may result in a decrease in Other Funds revenue of no more than \$36,000 in FY 2021-22, assuming all 800 children who are currently between the ages of fifteen and seventeen in foster care have all the fees listed in this bill waived. Beginning in FY 2022-23, this bill will result in a decrease in Other Funds revenue of no more than \$12,000, as children in foster care turn fifteen and become eligible to apply for their driver's licenses.

However, the total decrease in Other Funds revenue is dependent upon the number of foster care children who actually apply for their beginner's permit, driver's license, and/or first identification card. Therefore, the decrease in Other Funds revenue for the Department of Transportation State Non-Federal Aid Highway Fund is undetermined beginning in FY 2021-22.

Local Expenditure N/A

Local Revenue

N/A

Introduced on January 12, 2021 State Expenditure

This bill requires DSS to establish a program to pay the costs incidental to becoming an authorized motor vehicle operator, including a driver's education course, driver's license fee, and motor vehicle insurance, for children aged fifteen to eighteen residing in out of home care under DSS's supervision. The bill requires DSS to contract with a not-for-profit entity whose mission is to support youth aging out of foster care to develop the procedures for operating and administering the program.

The fiscal impact of this bill is pending, contingent upon a response from DSS.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

N/A

Frank A. Rainwater, Executive Director