



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.

Bill Number:	S. 0442	Introduced on January 12, 2021
Author:	Grooms	
Subject:	Road Use Fees	
Requestor:	Senate Transportation	
RFA Analyst(s):	Griffith	
Impact Date:	March 19, 2021	

Fiscal Impact Summary

This bill will increase General Fund expenditures of the Department of Motor Vehicles (DMV) by \$3,999,975 in FY 2021-22 and by \$472,050 in each year thereafter.

Explanation of Fiscal Impact

Introduced on January 12, 2021

State Expenditure

This bill allows DMV to collect quarterly installment payments on registered large commercial motor vehicles with a registration fee of at least four hundred dollars. The owner of each of these vehicles must establish an account with and remit payment of fees directly to DMV. When choosing to pay the registration fee in installments, the owner must also pay the road use fee in the same installments.

The bill also exempts interstate large commercial motor vehicles (CMVs), defined as commercial motor vehicles with a gross vehicle weight of greater than 26,000 pounds, from paying taxes to the counties. Currently, these interstate large CMVs are exempted from paying certain local fees, such as bridge fees and EMS fees. This bill will exempt them from all fees and taxes.

The department indicates the need for three additional FTEs that will be dedicated to processing work and answering calls of motor carrier customers. Each FTE will have a salary of \$37,500, plus fringe. Including a computer, printer, and software for each employee, the total recurring costs for new employees will be \$161,650. Additionally, due to multiple programming projects, DMV indicates the need for a full-time contracted programmer to expand the Celtic computer system (Celtic), which is the department's motor carrier services system. This programmer would increase the recurring expenditures of DMV by \$166,400. Lastly, the department reports that the bill will increase recurring costs by \$144,000 annually for its system maintenance contract for Celtic. Therefore, the total General Fund expenditures of DMV will increase by \$472,050 annually.

One-time costs to the agency include \$40,000 for an educational marketing campaign to acclimate approximately 40,000 new large CMV owners to the motor carrier online system, as

well as \$3,426,725 to upgrade the motor carrier system in Celtic. In addition, DMV estimates the following one-time programming costs related to Phoenix, its internal system for drivers and vehicles:

- \$35,200 to update the financial reporting between the motor carrier system and Phoenix,
- \$44,000 to modify Phoenix Workflow to split tasks between Phoenix and the motor carrier system for large interstate CMVs,
- \$8,800 to modify Phoenix Web Services to accommodate the motor carrier system's quarterly payment processing for large interstate CMVs, and
- \$13,200 to modify Phoenix suspension processing to suspend registrations that are not paid when implementing the quarterly payment option for the road use fee.

In total, DMV's non-recurring General Fund expenditures will increase by \$3,527,925 in FY 2021-22.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director