



# 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.*

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<b>Bill Number:</b>	H. 3129	Amended by the House of Representatives on April 10, 2025
<b>Subject:</b>	Personal Delivery Devices	
<b>Requestor:</b>	House Labor, Commerce, and Industry	
<b>RFA Analyst(s):</b>	Vesely	
<b>Impact Date:</b>	April 22, 2025	

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### Fiscal Impact Summary

This bill adds the Personal Delivery Devices Act to Chapter 2 of Title 56. This bill defines “personal delivery devices” (PDDs) and permits their operation under certain circumstances. Additionally, it requires operators of PDDs to obtain general liability coverage of at least \$500,000 per claim. Pursuant to §56-2-4000, a violation of this chapter is a misdemeanor that is punishable by a fine of no more \$100 or imprisonment of no more than 30 days.

This bill may result in an increase in the number of magistrates and municipal court cases. While these are locally funded courts, Judicial offers administrative support for these courts. Judicial anticipates being able to manage any additional responsibilities due to this bill. However, if this bill results in an unexpected, significant increase in the caseload, and thereby, Judicial’s administrative support, Judicial will request additional General Fund appropriations.

The Department of Insurance (DOI) indicates that the requirement for PDD operators to obtain general liability coverage will have a minimal impact on the administrative workload of the agency that can be managed within existing staff and resources. Therefore, DOI anticipates no fiscal impact from this bill.

Revenue and Fiscal Affairs (RFA) anticipates this bill may result in a minimal increase in General Fund and Other Funds insurance premium tax revenue due to the potential increase in insurance premiums. Any increase in insurance premium taxes will depend upon the increase in insurance policies issued for coverage of PDDs due to this bill and is undetermined.

RFA anticipates this bill may increase local expenses due to the potential increase in the caseload in the local court systems and the potential increase in the jail population. Additionally, RFA contacted the Municipal Association of South Carolina (MASC) on behalf of municipalities to determine the local expenditure impact. MASC notes that this bill will have an expenditure impact on municipalities as they may invest in public education and in local ordinances designed to regulate PDD activity as allowed in this bill. MASC has also indicated concern that municipalities may have an increase in expenses due to potential lawsuits that may arise from injuries or damage related to the operation of PDDs on municipal roads and sidewalks.

This bill may result in a change in the fines and fees collected in court. Court fines and fees are distributed to the General Fund, Other Funds, and local funds. Therefore, RFA anticipates this

bill may result in a change to General Fund, Other Funds, and local revenue due to the change in fines and fees collections in court.

## **Explanation of Fiscal Impact**

### **Introduced on April 10, 2025**

#### **State Expenditure**

This bill adds the Personal Delivery Devices Act to Chapter 2 of Title 56. This bill defines PDDs and permits their operation under certain circumstances. Additionally, it requires operators of PDDs to obtain general liability coverage of at least \$500,000 per claim. Pursuant to §56-2-4000, a violation of this chapter is a misdemeanor that is punishable by a fine of no more \$100 or imprisonment of no more than 30 days.

**Judicial.** This bill may result in an increase in the number of magistrates and municipal court cases. While these are locally funded courts, Judicial offers administrative support for these courts. Judicial anticipates being able to manage any additional responsibilities due to this bill. However, if this bill results in an unexpected, significant increase in the caseload, and thereby, Judicial's administrative support, Judicial will request additional General Fund appropriations.

**Department of Insurance.** DOI indicates that the requirement for PDD operators to obtain general liability coverage will have a minimal impact on the administrative workload of the agency that can be managed with existing staff and resources. Therefore, this bill will have no expenditure impact for DOI.

#### **State Revenue**

RFA anticipates this bill may result in a minimal increase in General Fund and Other Funds insurance premium tax revenue due to the potential increase in insurance premiums. Any increase in insurance premium taxes will depend upon the increase in insurance policies issued for coverage of PDDs due to this bill and is undetermined.

This bill may result in a change in the fines and fees collected in court. Court fines and fees are distributed to the General Fund, Other Funds, and local funds. Therefore, RFA anticipates this bill may result in a change to General Fund and Other Funds revenue due to the change in fines and fees collections in court.

#### **Local Expenditure**

RFA anticipates this bill may increase local expenses due to the potential increase in the caseload in the local court systems and the potential increase in the jail population. The amount of the expenses will depend upon the increase in the number of cases and the jail population.

Additionally, RFA contacted MASC on behalf of municipalities to determine the local expenditure impact. MASC notes that this bill will have an expenditure impact on municipalities as they may invest in public education and in local ordinances designed to regulate PDD activity as allowed in this bill. MASC has also indicated concern that municipalities may have an

increase in expenses due to potential lawsuits that may arise from injuries or damage related to the operation of PDDs on municipal roads and sidewalks.

### **Local Revenue**

This bill may result in a change in the fines and fees collected in court. Court fines and fees are distributed to the General Fund, Other Funds, and local funds. Therefore, RFA anticipates this bill may result in a change to local revenue due to the change in fines and fees collections in court.



Frank A. Rainwater, Executive Director