



# 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. 3276	Amended by the House of Representatives on April 9, 2025
<b>Subject:</b>	SC Hands-Free Act	
<b>Requestor:</b>	Senate Transportation	
<b>RFA Analyst(s):</b>	Griffith	
<b>Impact Date:</b>	April 28, 2025	

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### Fiscal Impact Summary

This amended bill enacts the South Carolina Hands-Free and Distracted Driving Act, which prohibits the use of a mobile electronic device while operating a motor vehicle on any public highway in the state, with the exception of an earpiece or device worn on a wrist to conduct voice-based communication. The bill also prohibits the reading, composition, or transmission of text and the viewing of motion. Additionally, the bill specifies that, among other exceptions, the prohibition does not apply to a first responder while performing official duties, reporting an accident or emergency, using navigation, or listening to audio-based content. Also, the bill requires additional reporting requirements of the Department of Public Safety (DPS) regarding citations issued pursuant to the provisions of the bill. Further, the bill requires the Department of Transportation (DOT) to erect a sign at every highway ingress to advise motorists of the provisions of the bill. The bill takes effect one year after approval by the Governor.

The Department of Motor Vehicles (DMV), DPS, and DOT anticipate that the bill will increase expenditures by an undetermined amount. However, all three agencies expect to manage the increase within their existing appropriations. Therefore, there is no expenditure impact to DMV, DPS, or DOT.

Based on information from Judicial, this bill may increase the number of court cases, which may increase the workload of the court system. However, Judicial anticipates that the potential impact of the caseload in court can be managed within existing appropriations. Further, Judicial indicates that if the bill results in a significant increase in the workload, Judicial will request an increase in General Fund appropriations.

This bill may result in an increase in the fines and fees collected in court. The bill specifies that twenty-five percent of the fines imposed for violations of the bill must go to DPS for educating the public on the dangers of distracted driving. The remaining seventy-five percent of court fines and fees are distributed to the General Fund, Other Funds, and local funds. Therefore, RFA anticipates this bill may result in an increase to General Fund, Other Funds, and local revenue due to the change in fines and fees collections in court.

Additionally, DOT indicates that the USDOT requires states to restrict hand-held mobile communication devices and that if this or similar legislation is not passed, the USDOT could withhold certain federal highway funding. This includes approximately \$27,700,000 during the

first year of non-compliance and approximately \$55,400,000 each year thereafter for continued non-compliance.

This bill may result in an increase in the number of court cases, which may increase the workload of the court system. However, the potential increase in expenses will depend upon the increase in the number of cases.

## **Explanation of Fiscal Impact**

### **Amended by the House of Representatives on April 9, 2025**

#### **State Expenditure**

This amended bill enacts the South Carolina Hands-Free and Distracted Driving Act, which prohibits the use of a mobile electronic device while operating a motor vehicle on any public highway in the state, with the exception of an earpiece or device worn on a wrist to conduct voice-based communication. The bill also prohibits the reading, composition, or transmission of text and the viewing of motion. Additionally, the bill specifies that, among other exceptions, the prohibition does not apply to a first responder while performing official duties, reporting an accident or emergency, using navigation, or listening to audio-based content. Further, the bill requires the Department of Transportation (DOT) to erect a sign at every highway ingress to advise motorists of the provisions of the bill.

The penalties for a person who is convicted of the provisions of the bill are as follows:

- for a first offense, a \$100 fine
- for a second or subsequent offense, a \$200 fine and two points assessed against the driver's motor vehicle operating record.

The amended bill creates the offense of distracted driving. As this is a new offense, there are no data to determine the number of new cases that may be heard in the court system.

**Department of Motor Vehicles.** The bill charges DMV with additional responsibilities that the agency will accomplish with existing staff and resources. Therefore, there is no expenditure impact to DMV.

**Department of Public Safety.** The SC State Transport Police, under DPS, anticipates that enforcing the provisions of the bill will increase agency expenditures by an undetermined amount. However, DPS expects to manage the increase with its existing appropriations. Therefore, there is no expenditure impact to DPS.

**Department of Transportation.** The bill requires DOT to erect a sign at every interstate highway ingress advising motorists of the provisions of the act. DOT reports that the total cost to erect 658 signs is approximately \$90,700. However, the agency expects to be able to manage the requirements of the bill with its existing appropriations.

**Judicial.** Based on information from Judicial, this bill may increase the number of court cases, which may increase the workload of the court system. However, Judicial anticipates that the

potential impact of the caseload in court can be managed within existing appropriations. Further, Judicial indicates that if the bill results in a significant increase in the workload, Judicial will request an increase in General Fund appropriations.

### **State Revenue**

This bill may result in an increase in the fines and fees collected in court. The bill specifies that twenty-five percent of the fines imposed for violations of the bill must go to DPS for educating the public on the dangers of distracted driving. The remaining seventy-five percent of court fines and fees are distributed to the General Fund, Other Funds, and local funds. Therefore, RFA anticipates this bill may result in an increase to General Fund and Other Funds revenue due to the change in fines and fees collections in court.

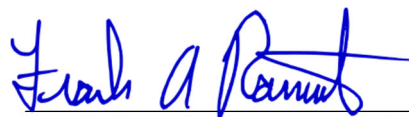
Additionally, DOT indicates that the USDOT requires states to restrict hand-held mobile communication devices and that if this or similar legislation is not passed, the USDOT could withhold certain federal highway funding. This includes approximately \$27,700,000 during the first year of non-compliance and approximately \$55,400,000 each year thereafter for continued non-compliance.

### **Local Expenditure**

This bill may result in an increase in the number of court cases, which may increase the workload of the court system. However, the potential increase in expenses will depend upon the increase in the number of cases.

### **Local Revenue**

This bill may result in an increase in the fines and fees collected in court. The bill specifies that twenty-five percent of the fines imposed for violations of the bill must go to DPS for educating the public on the dangers of distracted driving. The remaining seventy-five percent of court fines and fees are distributed to the General Fund, Other Funds, and local funds. Therefore, RFA anticipates this bill may result in an increase to local revenue due to the change in fines and fees collections in court.



Frank A. Rainwater, Executive Director