



# 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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**Bill Number:** H. 3474 Introduced on January 14, 2025  
**Subject:** Transportation Network Companies  
**Requestor:** Senate Judiciary  
**RFA Analyst(s):** Griffith  
**Impact Date:** May 5, 2026

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### Fiscal Impact Summary

This bill makes changes to the “personal vehicle” and “prearranged ride” definitions that are applicable to the Transportation Network Company (TNC) Act. The bill specifies that a personal vehicle may also be, but is not required to be, registered or licensed as a charter limousine with the Public Service Commission (PSC) or as a limousine or other for-hire vehicle by the governing body of a county or city. In addition, the bill includes transportation provided by a limousine, or other for-hire vehicle, in the list of transportation services of a prearranged ride rendered by a TNC.

This bill will have no expenditure impact on the Public Service Commission (PSC) or the Office of Regulatory Staff (ORS) since the responsibilities of the bill can be managed with existing resources and staff.

The Department of Motor Vehicles (DMV) and the Department of Revenue (DOR) indicate that the bill will have no operational or fiscal impact on the agencies.

Due to the permissive nature of the bill, it is unknown how many of the Class C Certificate vehicles (charter limousines) that are currently licensed with ORS may choose to provide services as a TNC vehicle. In addition, ORS indicates that the fee structure would not change for the agency if current TNC limousine personal vehicles would also choose to register as a charter limousine with ORS. Under current legislation, TNCs are charged a local assessment fee of 1 percent of the gross trip fare. ORS retains 1 percent of the local assessment fee to cover its expenses related to the regulation of TNCs. Since it is unknown how many charter limousines may choose to operate as a TNC, the impact on the Other Funds revenue of ORS is undetermined.

The Revenue and Fiscal Affairs Office (RFA) contacted the Municipal Association of South Carolina (MASC) and all county governments regarding the fiscal impact of this bill and received responses from MASC and Charleston, Horry, and Lancaster Counties. MASC indicates that the bill will have no expenditure impact on municipal governments. All three of the responding counties also indicate that the bill will have no expenditure impact.

Further, although MASC does not anticipate the allowance of chartered limousines also operating as TNC vehicles to have a notable impact on local revenue, MASC indicates that there is a possibility of some charter limousine operators abandoning charter services and offering TNC-based services exclusively. In such an event, MASC sees the potential of a loss of business license revenue and an increase in local assessment fee revenue that is distributed back to municipalities. Given the unknown future decisions of charter limousine operators, the revenue impact of the bill on municipal governments is undetermined. While Charleston, Horry, and Lancaster Counties did not indicate a revenue impact from this bill, RFA anticipates that the bill will have an undetermined revenue impact on county governments based on the response from MASC.

## **Explanation of Fiscal Impact**

### **Introduced on January 14, 2025**

#### **State Expenditure**

This bill makes changes to the “personal vehicle” and “prearranged ride” definitions that are applicable to the TNC Act. The bill specifies that a personal vehicle may also be, but is not required to be, registered or licensed as a charter limousine with PSC or as a limousine or other for-hire vehicle by the governing body of a county or city.

**Public Service Commission.** The bill will have no expenditure impact on PSC since the commission can manage any increase in contested cases regarding TNC applications and permits with existing resources and staff.

**Office of Regulatory Staff.** The bill will have no expenditure impact on ORS since the agency can manage the responsibilities of the bill with existing resources and staff.

**Department of Motor Vehicles.** DMV indicates that the bill will have no expenditure impact on the agency as it does not operationally or fiscally impact the agency.

**Department of Revenue.** DOR indicates that the bill will have no expenditure impact on the agency since it does not operationally or fiscally impact the agency.

#### **State Revenue**

This bill makes changes to the “personal vehicle” and “prearranged ride” definitions that are applicable to the TNC Act. The bill specifies that a personal vehicle may also be, but is not required to be, registered or licensed as a charter limousine with PSC or as a limousine or other for-hire vehicle by the governing body of a county or city.

ORS previously indicated that there were approximately 240 active Class C Charter certificate holders (entities) with a total of approximately 600 active vehicles registered with the agency. The agency cannot provide an estimate on how many of these charter limousines may start providing services as a TNC under the proposed legislation. In addition, ORS previously indicated that the fee structure would not change for the agency if current TNC limousine personal vehicles would also choose to register as a charter limousine with ORS. ORS further

indicated that the fee structure of charter limousines and TNC limousines will be the same. Under current legislation, TNCs are charged a local assessment fee of 1 percent of the gross trip fare, and ORS retains 1 percent of the local assessment fee to cover its expenses related to the regulation of TNCs. Due to the permissive nature of the bill, it is unknown how many charter limousines may choose to operate as a TNC. Therefore, the impact on Other Funds revenue of ORS is undetermined.

### **Local Expenditure**

This bill makes changes to the “personal vehicle” and “prearranged ride” definitions that are applicable to the TNC Act. The bill specifies that a personal vehicle may also be, but is not required to be, registered or licensed as a charter limousine with PSC or as a limousine or other for-hire vehicle by the governing body of a county or city.

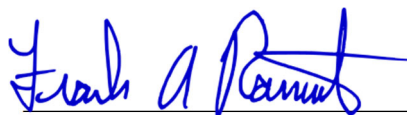
RFA contacted MASC and all county governments regarding the expenditure impact of this bill. MASC and Charleston, Horry, and Lancaster Counties indicate that the bill will have no expenditure impact.

### **Local Revenue**

This bill makes changes to the “personal vehicle” and “prearranged ride” definitions that are applicable to the TNC Act. The bill specifies that a personal vehicle may also be, but is not required to be, registered or licensed as a charter limousine with PSC or as a limousine or other for-hire vehicle by the governing body of a county or city.

Under the current legislation, TNCs are charged a local assessment fee of 1 percent of the gross trip fare. ORS retains 1 percent of the local assessment fee to cover its expenses related to the regulation of TNCs and the process of further disbursement of collected funds to local governments. As a result, ORS distributes the remaining 99 percent of the local assessment fee either to municipalities where TNC trips originate or to counties, for trips originating outside of a municipality.

RFA surveyed MASC and all county governments regarding the revenue impact of this bill. Although MASC does not anticipate the allowance of chartered limousines also operating as TNC vehicles to have a notable impact on local revenue, MASC indicates that there is a possibility of some charter limousine operators abandoning charter services and offering TNC-based services exclusively. In such an event, MASC indicates that there may be the potential of a loss of business license revenue and an increase in local assessment fee revenue that is distributed back to municipalities. While Charleston, Horry, and Lancaster Counties did not indicate a revenue impact from this bill, RFA anticipates that the bill may have an undetermined revenue impact on county governments, based on the response from MASC.



Frank A. Rainwater, Executive Director