

South Carolina Board of Economic Advisors: Statement of Estimated State Revenue Impact

Date: March 15, 2010 **Bill Number:** H. B. 4282 (as adopted by House 03/11/10)

Author: D.C. Smith, Owens, Littlejohn, Gilliard, Daning, Clemmons, Harrison and Bales

Committee Requesting Impact: Senate Judiciary

Bill Summary: A bill to amend the Code of Laws of South Carolina, 1976, by adding Section [56-5-3890](#) so as to provide that it is unlawful for certain persons who are operating a motor vehicle to use a text messaging device or a hand-held mobile telephone... **(as further amended)**

REVENUE IMPACT ^{1/}

This bill, as last amended, would raise respective earmarked funds within DHEC, applicable to the S.C. State Trauma Care Fund (STCF), and to the Office of Highway Safety (OHS) within DPS by an equal amount of \$29,219 in FY 2010-11. It allocates \$58,437 to be distributed evenly among Level I trauma centers in the State. Further, it is expected to raise Court Fine revenues within the state General Fund by \$16,117, and generate an additional \$237,783 for allocation to other state agencies and/or programs in FY 2010-11. Conversely, it would reduce revenue allocations from fines/assessments to local jurisdictions by a net amount of \$102,629 in FY 2010-11.

Explanation of Bill passed by House (March 11, 2010) – By BEA: The bill, as last amended, limits violations under new Section 56-5-3890 (drivers other than school bus operators) to improper use of a text-messaging device, as defined, and reduces the fine from \$100 to \$25 with no points put on a driver's record. Fine proceeds would be allocated as follows: 50% distributed evenly among Level I trauma centers in the State; 25%, each, to the STCF within DHEC and to the OHS within DPS. Fines and penalties applicable to school bus drivers under new Section 56-5-3895 were retained. Section 3 of the amended bill delays enforcement as solitary violation until six months after effective date, so the net yield for collections would apply to no more than two months in the initial year. This net yield is one-fourth of the eight-month yield expected in previous version.

Explanation of amendment (February 3, 2010) by House E&PW Subcomm.: The bill, as amended, sets new fines and penalties for violation of driving applicable motor vehicles and school buses while using a text messaging device or mobile telephone, as defined, and further provides for distribution of fine proceeds for violations by motor vehicle drivers. A fine of no more than \$100 must apply for motor vehicle drivers under new Section 56-5-3890, and fine proceeds shall be equally divided between the South Carolina State Trauma Care Fund (STCF) within the Department of Health and Environmental Control (DHEC) and the Office of Highway Safety (OHS) in the Department of Public Safety (DPS) for certain uses. A tier of fines is set for school bus drivers under new Section 56-5-3895, ranging from a mandatory fine of \$250 for first offense, misdemeanor conviction with no great bodily injury or death; to a mandatory fine of \$500 for a second or subsequent conviction, or any offense resulting in great bodily injury or death, is guilty of a felony. The bill would take effect ninety days after approval by the Governor. Based on historical data for various traffic case dispositions with convictions provided by the S.C. Highway Patrol and fine/assessment/surcharge disbursements provided by Court Administration, we expect the net yield for collections would apply to no more than eight months in the initial year, and only apply to those misdemeanor cases disposed in magistrate and municipal courts.

In summary, we estimate the amended bill would raise state revenues by a grand total of \$2,771,381 in FY 2010-11, pursuant to temporary and permanent statutes, of which \$1,490,977 would be distributed to various state agencies and programs, and another \$153,916 would go to Court Fines within the state's General Fund. Fine proceeds under Section 56-5-3890 are expected to raise earmarked funds of DHEC and DPS by a total of \$1,126,488, to be apportioned at \$563,244 to each agency, and correspondingly reduce fine allocations to local jurisdictions in an offsetting amount of \$1,126,488. New Sections 56-5-3890 and 56-5-3895 would otherwise generate a total of \$136,045 in new revenue for local jurisdictions. Thus, the overall net impact to local jurisdictions would be -\$990,443 in FY 2010-11.

/s/ William C. Gillespie

William C. Gillespie, Ph.D.
Chief Economist

Analyst: Di Biase

^{1/} This statement meets revenue impact requirements of Section 2-7-71 for a state impact by BEA, Section 2-7-76 for a local impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by Office of Economic Research (OER).