



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: H. 3685 As signed by the Governor on May 25, 2016
Author: D.C. Moss
Subject: Electronic tickets and citations
Requestor: House of Representatives
RFA Analyst(s): Wren, Gardner, and Williams
Impact Date: October 19, 2016

Estimate of Fiscal Impact

	FY 2016-17	FY 2017-18
State Expenditure		
General Fund	\$646,000	\$0
Other and Federal	\$0	\$0
Full-Time Equivalent Position(s)	0.00	0.00
State Revenue		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Local Expenditure	Undetermined	\$0
Local Revenue	\$0	\$0

Fiscal Impact Summary

The bill as amended will increase General Fund expenditures by \$646,000 annually beginning in FY 2016-17 for the Department of Public Safety. The bill will have no expenditure impact on Federal Funds or Other Funds. The expenditure impact on local governments is undetermined.

Explanation of Fiscal Impact

Explanation of Amendment by the Senate on May 11, 2016

State Expenditure

The bill as amended requires law enforcement agencies to transmit traffic tickets to the Department of Motor Vehicles electronically within three days of issuance. Magistrates and clerks of court are required to forward disposition and license surrender information to the department electronically within five business days, if the information and license are not collected by the department immediately. The bill as amended also provides that when a magistrate or clerk willfully fails to electronically forward ticket and license surrender information to the department within five days, suspension or revocation of the offender's driver's license does not begin until the department receives and processes the license and ticket, provided that the end date of the term of suspension or revocation must be calculated from the date of surrender and not the date the department receives and processes the ticket. Additionally, if a licensee requests a hearing on the suspension, cancellation, or revocation of his driver's license, and the administrative hearing results in the continued suspension, cancellation, or revocation of his license, the term of the suspension, cancellation, or revocation of the defendant's license commences upon the date of the administrative hearing and not on the date of the notice provided by the department. Also, the amendment to this bill repeals Section 56-3-

1972, which requires the uniform parking violations tickets to consist of five different color copies, and specifies the disposition of each copy.

The Department of Motor Vehicles. The department indicates that the only electronic tickets currently received are those from other states, which typically require less hands on response than in-state paper tickets. The department currently processes approximately 1.5 million tickets annually. The department indicates that any efficiencies resulting from electronic tickets would result in a gradual reallocation of existing resources to other responsibilities. Additionally, federal regulation 49 CFR 384.401 mandates states transfer traffic conviction data for drivers with a commercial driver's license to the state issuing the license within ten days of conviction. Implementation of this bill should result in meeting the ten-day requirement and avoid a potential loss of federal road funding.

Department of Public Safety. The agency reports that the electronic ticketing system provided for in the bill will require DPS to purchase 170 new in-car laptops, printers, and scanners/docking stations. The agency indicates it will need to replace the equipment on a rotating basis every five years in order to stay abreast of changes in technology. DPS projects it will need \$646,000 in annual recurring funds to fulfill the projected maintenance and replacement schedule.

The Judicial Department. The department indicates that this bill will have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

The South Carolina Law Enforcement Division. The agency indicates that this bill will have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

State Revenue

The revenue impact of the bill as amended is unchanged from the bill as amended on February 9, 2016.

Local Expenditure

The bill as amended requires law enforcement agencies to transmit traffic tickets to the Department of Motor Vehicles electronically within three days of issuance. Data transmissions to the department must be made pursuant to the department and South Carolina Judicial Department's electronic systems specifications. Additionally, the bill requires Magistrates and clerks of court to forward disposition and license surrender information electronically to the department within five business days, if the information and license are not collected by the department immediately. The Revenue and Fiscal Affairs Office contacted Richland County, which was the only responding county from the original request and the Municipal Association of South Carolina regarding the expenditure impact of this bill as amended. Richland County indicates that this bill as amended will have a minimal expenditure impact, which can be absorbed within the county's current budget. Likewise, the Municipal Association indicates that this bill will have a minimal expenditure impact on municipal governments. However, law enforcement agencies will be required to upload citations using an in-car terminal or hand-held device. Data on the number of in-car terminals or hand-held devices needed by local law enforcement agencies was not available at the time of this impact statement. Therefore, the

expenditure impact on local law enforcement agencies is undetermined at this time. Additionally, the Municipal Association indicates that this bill could result in minimal cost savings to municipal governments since data must now be transmitted electronically, rather than being mailed, to the department. However, the amount of savings from increased efficiency is undetermined, because the relevant data was unavailable at the time of this impact statement.

Local Revenue

N/A

Explanation of Amendment by the House of Representatives on February 9, 2016

State Expenditure

The bill, as amended, amends various Sections of Title 56, Chapter 7, by stating that all traffic tickets must be transmitted electronically by the law enforcement agency to the Department of Motor Vehicles within five days of the disposition of the case by final trial court action. The courts are responsible for forwarding court disposition information to the department. This bill, as amended, also amends various sections of Title 56, Chapter 1, by providing that when a magistrate or clerk fails to electronically forward ticket and license surrender information to the department within five days, the suspension or revocation does not begin until the department receives and processes the license and ticket, provided that the end date of the term of suspension or revocation must be calculated from the date of surrender and not the date the department processes the ticket. Additionally, if the administrative hearing results in the continued suspension, cancellation, or revocation of the license, the term of the suspension, cancellation, or revocation of the defendant's license is deemed to commence upon the date of the administrative hearing and not on the date of the notice provided by the department. Also, the amendment to this bill repeals Section 56-3-1972, which states that uniform parking violations tickets must consist of five copies.

The Department of Motor Vehicles. The department indicates that implementation of this bill will have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

The Department of Public Safety. The department indicates that implementation of this bill will increase General Fund expenditures by \$646,000 annually beginning in FY 2016-17 for updating ticketing equipment.

Judicial Department. The department indicates that this bill will have no expenditure impact since the capability to electronically transmit traffic ticket court disposition information is included in existing technology development plans.

The South Carolina Law Enforcement Division. SLED was contacted and the expenditure impact on the agency is pending, contingent upon a response.

State Revenue

The bill, as amended, deletes the requirement of imposing a five-dollar surcharge being imposed on all fines, forfeitures, escheatments, or other monetary penalties imposed in general sessions court, magistrates court, and municipal court for misdemeanor traffic offenses and for non-traffic

violations where a ticket or citation was issued. Therefore, the bill, as amended, will have no revenue impact on the General Fund, Federal Funds, or Other Funds.

Local Expenditure

The Revenue and Fiscal Affairs Office contacted twenty-three county governments and the Municipal Association of South Carolina regarding the expenditure impact of this bill and received responses from Richland County and the Municipal Association. Richland County indicates that any expenses associated with this bill can be absorbed within the county's current budget. Since only one of the surveyed counties provided a response, the expenditure impact on county law enforcement agencies statewide is undetermined. The Municipal Association indicates that the expenditure impact of this bill will be minimal to municipal law enforcement agencies.

Local Revenue

N/A

Explanation of Bill Filed on February 18, 2015

State Expenditure

N/A

State Revenue

This bill adds Section 14-1-219, which requires a five dollar surcharge to be imposed on all fines, forfeitures, escheatments, or other monetary penalties imposed in general sessions court, magistrates court, and municipal court for misdemeanor traffic offenses and for non-traffic violations which a ticket or citation was issued. Twenty percent of the revenue must be allocated to the Office of Court Administration and eighty percent must be allocated to the law enforcement agency that prepared the citation or ticket. All funds derived from this surcharge must be used exclusively for the procurement, maintenance, and repair of electronic citation systems.

Based upon information obtained from the FY 2013-14 State Treasurer's Court Distribution to Agencies Report, the Law Enforcement Training Council receives approximately \$3,500,000 from the five dollar surcharge that is used to fund training at the Criminal Justice Academy. This five dollar surcharge is levied on all fines, forfeitures, escheatments, and other monetary penalties imposed in general sessions court, magistrates court, and municipal court, for misdemeanor traffic offenses and non-traffic violations. We use the current \$3,500,000 as part of the estimated revenue impact, but these surcharges do not include parking citations. To add parking violations, RFA requested the Municipal Association of South Carolina to assist us in gathering data on municipal parking violations since there is no central depository for this data. The Municipal Association reports that most smaller municipalities across the state do not issue parking tickets as there is low demand for parking. Therefore, we are using a municipal population of 40,000 as a threshold for determining municipalities expected to issue tickets in our analysis. Based upon U.S. Census population, eight municipalities have a population of 40,000 or greater. The Municipal Association reports that two of the largest municipalities in the state issued 211,000 parking tickets in 2014. The average number of parking tickets for these two municipalities is 105,500. Applying this average to the remaining municipalities with a

population of at least 40,000, factoring in the new five dollar surcharge, and assuming a similar pattern in FY 2015-16, we estimate an additional \$4,220,000 in revenue for the parking ticket portion of this amendment.

Therefore, we estimate the five dollar surcharge on traffic and non-traffic violations and parking citations, associated with this amendment, would increase Other Funds revenue by \$7,720,000 in FY 2015-16. Twenty percent, or \$1,544,000, would be allocated to the Office of Court Administration and eighty percent, or \$6,176,000 would be allocated to the law enforcement agency that prepared the citation or ticket in FY 2015-16.

Local Expenditure

The Revenue and Fiscal Affairs Office contacted the Municipal Association of South Carolina and twenty-five county governments regarding the expenditure impact of this amendment. We received responses from the Municipal Association and two county responses. The Municipal Association reports that municipalities currently collect surcharges on tickets, so the expenditure impact on municipal governments would be minimal. Charleston County reports that it does not collect parking violations. Florence County indicates this amendment would have no impact. Due to the limited number of county responses, our office cannot determine an expenditure impact on county governments.

Local Revenue

N/A



Frank A. Rainwater, Executive Director