**South Carolina General Assembly**

125th Session, 2023-2024

**H. 3359**

**STATUS INFORMATION**

General Bill

Sponsors: Reps. Ott, Chumley, Taylor, Atkinson and Forrest

Companion/Similar bill(s): 3409, 3519

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Introduced in the House on January 10, 2023

Introduced in the Senate on April 4, 2023

Currently residing in the Senate Committee on **Transportation**

Summary: Utility terrain vehicle

**HISTORY OF LEGISLATIVE ACTIONS**

Date Body Action Description with journal page number

12/8/2022 House Prefiled

12/8/2022 House Referred to Committee on **Education and Public Works**

1/10/2023 House Introduced and read first time ([House Journal‑page 145](h:\hj\20230110.docx))

1/10/2023 House Referred to Committee on **Education and Public Works** ([House Journal‑page 145](h:\hj\20230110.docx))

3/29/2023 House Committee report: Favorable **Education and Public Works** ([House Journal‑page 50](h:\hj\20230329.docx))

3/30/2023 House Member(s) request name added as sponsor: Forrest

3/30/2023 House Read second time ([House Journal‑page 37](h:\hj\20230330.docx))

3/30/2023 House Roll call Yeas-106 Nays-8 ([House Journal‑page 37](h:\hj\20230330.docx))

3/30/2023 House Unanimous consent for third reading on next legislative day ([House Journal‑page 39](h:\hj\20230330.docx))

3/31/2023 House Read third time and sent to Senate ([House Journal‑page 2](h:\hj\20230331.docx))

4/3/2023 Scrivener's error corrected

4/4/2023 Senate Introduced and read first time ([Senate Journal‑page 2](h:\sj\20230404.docx))

4/4/2023 Senate Referred to Committee on **Transportation** ([Senate Journal‑page 2](h:\sj\20230404.docx))

View the latest  [legislative information](https://www.scstatehouse.gov/billsearch.php?billnumbers=3359&session=125&summary=B)  at the website

**VERSIONS OF THIS BILL**

[12/08/2022](https://www.scstatehouse.gov/sess125_2023-2024/prever/3359_20221208.docx)

[03/29/2023](https://www.scstatehouse.gov/sess125_2023-2024/prever/3359_20230329.docx)

[04/03/2023](https://www.scstatehouse.gov/sess125_2023-2024/prever/3359_20230403.docx)

Indicates Matter Stricken

Indicates New Matter

Committee Report

March 29, 2023

H. 3359

Introduced by Reps. Ott, Chumley, Taylor and Atkinson

S. Printed 03/29/23--H. [SEC 4/3/2023 1:34 PM]

Read the first time January 10, 2023

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The committee on House Education and Public Works

To who was referred a Bill (H. 3359) to amend the South Carolina Code of Laws by adding Section 56-2-140 so as to define the term “utility terrain vehicle” and provide for the registration and operation, etc., respectfully

Report:

That they have duly and carefully considered the same, and recommend that the same do pass:

SHANNON ERICKSON for Committee.

statement of estimated fiscal impact

Explanation of Fiscal Impact

State Expenditure

This bill requires the owner of a UTV to obtain a license plate and registration from DMV upon presenting proof of ownership and liability insurance for the UTV if the vehicle will be operated on a road. DMV must not register or renew the registration of a UTV unless a certificate of title with the brand “off road use only” has been issued or an owner’s application has been delivered to the department. Additionally, the owner of a UTV who wishes to operate the vehicle on a road is required to possess a certificate of title. Further, UTVs that are powered by electric, hydrogen, and fuels other than motor fuel are subject to the road use fee pursuant to Section 56-3-645. DMV indicates that expenses for registering UTVs will be managed within existing appropriations. Therefore, there is no expenditure impact on DMV.

Additionally, this bill requires UTVs to have proof of liability insurance to be operated on a road. This bill will have no expenditure impact for DOI as any additional responsibilities can be managed within existing appropriations.

State Revenue

This bill requires the owner of a UTV to obtain a license plate and registration from DMV upon presenting proof of ownership and liability insurance for the UTV if the vehicle will be operated on a road. The biennial fee for the license plate is $10. Of this fee, $2 must be used by DMV to produce and issue new license plates for UTVs, $4 is directed to the State Highway Fund, which is Other Funds of DOT, and the remaining $4 must be remitted to the SCTIB. DMV must not register or renew the registration of a UTV unless a certificate of title with the brand “off road use only” has been issued or an owner’s application has been delivered to the department. Since data are not available to determine how many UTV owners may choose to register their UTVs, the amount of fee revenue for this portion of the bill, which will be distributed to Other Funds of DMV, Other Funds of DOT, and the STIB, is undetermined.

The bill also subjects UTV owners to a certificate of title, for which the fee is $15. Of this fee, $5 must be placed in the State Highway Fund. Another $5 is placed into an earmarked account to be distributed as follows: the first $1,000,000 is credited to the General Fund, and the remainder is allocated to DPS to support highway patrol programs. DMV distributes the remaining $5 of each fee to the General Fund. Since data are not available to determine how many UTV owners may choose to register their UTVs, the amount of fee revenue for this portion of the bill, which will be distributed to the General Fund, Other Funds of DOT, and Other Funds of DPS, is undetermined.

Additionally, UTVs that are powered by electric, hydrogen, and fuels other than motor fuel are subject to the road use fee. Pursuant to Section 56-3-645, vehicles powered exclusively by fuels other than motor fuel shall pay a biennial fee of $120, and vehicles powered by a combination of motor fuel and other fuels shall pay a biennial fee of $60. These fees are remitted to the IMTF. Since data are not available to determine how many UTV owners may choose to register their UTVs, the amount of fee revenue for this portion of the bill, which will be distributed to the IMTF is undetermined.

The bill also requires the driver of a UTV to wear a Type 2 fastened seat belt when the UTV is being operated on streets and secondary highways. The UTV must be equipped with operable headlights, brake lights, taillights, and turn signals. For any one of these violations, the driver may not be fined more than $25 dollars. For multiple violations in a single incident, the driver may not be fined more than $50. Because violations related to improperly-equipped UTVs and failure to use a seat belt are newly created in this bill, there is no data with which to estimate the number of violations that will occur. This bill may result in an increase 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 an undetermined impact to General Fund revenue and Other Funds revenue due to the increase in fines and fees collections in court.

This bill also requires UTVs to have proof of liability insurance coverage to be driven on the road. This may result in an increase in liability insurance premium and increase premium taxes. However, DOI anticipates the increase in insurance premium taxes will be minimal. Therefore, this bill may result minimal increase in General Fund and Other Funds revenue due to the potential increase in insurance premium taxes.

Further, the bill also subjects UTVs to sales tax pursuant to Title 12, Chapter 36. Since UTVs are currently subject to sales tax, this portion of the bill will have no revenue impact.

Frank A. Rainwater, Executive Director

Revenue and Fiscal Affairs Office

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A bill

TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY ADDING SECTION 56-2-140 SO AS TO DEFINE THE TERM “UTILITY TERRAIN VEHICLE” AND PROVIDE FOR THE REGISTRATION AND OPERATION OF THEM ON THE HIGHWAYS AND STREETS OF THE STATE; to amend section 56-1-10, relating to definitions, so as to revise the definition of the term “off-road use only”; and to amend Section 38-77-30, relating to definitions, so as to revise the definition of the term “individual private passenger automobile” to include certain utility terrain vehicles.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Article 1, Chapter 2, Title 56 of the S.C. Code is amended by adding:

Section 56‑2‑140. (A) For the purposes of this section:

(1) “Utility Terrain Vehicle” (UTV) means a side‑by‑side, four‑wheel drive, off‑road vehicle intended to transport individuals, cargo, or both with a top speed over thirty‑five miles per hour; a motor vehicle of at least four hundred and fifty cubic centimeters; eighty inches or less in overall width; designed to travel on four or more wheels, two or four tracks, or combinations of four or more tracks and wheels; using a steering wheel for steering control; with a nonstraddle seat; and with a Gross Vehicle Weight Rating of no more than four thousand pounds; and

(2) Utility Terrain Vehicle does not include golf carts or vehicles specially designed to carry a disabled person.

(B) To operate a UTV on a road, the UTV must comply with the requirements of this section. The UTV must be registered in the same fashion as passenger vehicles pursuant to this title, unless otherwise provided in this section. An individual or business owner of a UTV must obtain a license plate to be affixed to the rear of the vehicle in an unobscured manner and registration from the Department of Motor Vehicles upon presenting proof of ownership and liability insurance for the UTV and upon payment of a ten‑dollar biennial fee.

(1) Two dollars of each biennial fee must be placed by the Comptroller General in a special restricted account to be used solely by the department for the costs associated with the production and issuance of new license plates pursuant to Section 56‑3‑1230.

(2) Four dollars of the biennial registration fee must be placed in the State Highway Fund as established by Section 57‑11‑20 to be distributed by the Comptroller General.

(3) Four dollars of the biennial registration fee must be placed in the account of the South Carolina Transportation Infrastructure Bank.

(4) UTV owners and registrants are exempt from the payment of property taxes to the county in which the UTV is registered. No county may charge any property taxes nor county fees of any kind on this type of vehicle. Registrants of UTVs are responsible for renewing their registration biennially directly with the Department of Motor Vehicles. Registered UTVs are subject to road-use fees for vehicles powered by electric, hydrogen, and fuels other than motor fuel pursuant to Section 56-3-645.

(C) A registered UTV may be operated on a road for which the posted speed limit is fifty‑five miles an hour or less.

(D) A registered UTV may cross at an intersection where the road has a posted speed limit of more than fifty‑five miles an hour.

(E) A registered UTV may be operated along a road on an island not accessible by a bridge designed for use by automobiles.

(F) A person operating a registered UTV must be at least sixteen years of age and hold a valid driver’s license. The operator of a registered UTV being operated on a highway or street must have in his possession:

(1) the license plate and registration certificate issued by the department;

(2) proof of liability insurance for the UTV; and

(3) his driver’s license.

(G) If the registered UTV operator is sixteen years old and holds a conditional driver’s license pursuant to Section 56‑1‑175(B), the registered UTV may only be operated during daylight hours as defined in Section 56‑1‑10.

(H) Registered UTVs must not be operated by anyone who holds a beginner’s permit pursuant to Section 56‑1‑50 or moped operator’s license pursuant to Section 56‑1‑1720. This provision includes the operation of a UTV by a beginner’s permit holder even if there is a licensed driver with the beginner’s permit holder in the UTV pursuant to Section 56‑1‑50(B)(1). UTVs must not be operated by anyone who holds a temporary alcohol license, route restricted driver’s license, provisional driver’s license, or solely a motorcycle license.

(I) No child under eight years old may be a passenger in a registered UTV while operated on a road.

(J) Drivers and passengers in a registered UTV who are under the age of eighteen must wear the protective gear described in Sections 56‑5‑3660 and 56‑5‑3670.

(K) A registered UTV must be equipped with:

(1) a Type 2 seat belt assembly conforming to 49 C.F.R. 571.209 installed at each designated seating position; and

(2) operable headlights, brake lights, taillights, and turn signals.

(L) The driver and passengers of a registered UTV, when it is being operated on a road of this State, must wear a fastened safety belt that complies with the provisions contained in subsection (K). A driver who violates this subsection must be fined pursuant to Section 56‑5‑6540.

(M) The Department of Motor Vehicles must not register or renew the registration of a UTV unless a certificate of title has been issued by the department to the owner or an application has been delivered by the owner to the department. The fee for a certificate of title as contained in Section 56‑19‑420. The department may require a bill of sale, invoice, or other sales document to properly title the vehicle under this subsection. Certificates of titles issued under this subsection must carry the brand ‘off road use only’ to designate that a vehicle’s Manufacturer Certificate of Origin or equivalent document of origin designating a vehicle is not manufactured for use on public roads.

(N) UTVs are exempt from the provisions set forth in Section 56‑3‑627. UTVs are subject to sales tax pursuant to Title 12, Chapter 36.

SECTION 2. Section 56‑1‑10(37) of the S.C. Code is amended to read:

(37) “Off-Road Use Only” means a brand added to a vehicle’s title by the department to designate a vehicle’s Manufacturer Certificate of Origin or equivalent document of origin designating a vehicle is not manufactured for use on public roads. The department shall not register and license the vehicle pursuant to Section 56‑3‑350, unless otherwise specified in this title. Vehicles brought into this State from a foreign jurisdiction without a title that clearly says “Off-Road Use Only”, or its equivalent, which do not meet Federal Motor Vehicle Safety Standards may be subject to this brand at the department’s discretion.

SECTION 3. Section 38-77-30(5.5)(a) of the S.C. Code is amended to read:

(a) “Individual private passenger automobile” means the following types of motor vehicles owned by or leased under a long‑term contract by an individual or individuals:

(i) motor vehicles of the private passenger type or station wagon type;

(ii) panel trucks, delivery sedans, vehicles with a pickup body, vans, or similar motor vehicles designed for use on streets and highways and so licensed;

(iii) motor homes, so long as the motor vehicles described in (ii) and (iii) are not used in the occupation, profession, or business of the insured other than farming and ranching; and

(iv) motorcycles; and

(v) utility terrain vehicles (UTVs), as defined in Section 56-2-140, but only if registered for road use pursuant to that section.

SECTION 4. This act takes effect one year after approval by the Governor.

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