



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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**Bill Number:** H. 3646 Introduced on February 2, 2017  
**Author:** Henderson  
**Subject:** Salvage and Junk Yards Involved in Automobiles  
**Requestor:** House Education and Public Works  
**RFA Analyst(s):** Wren  
**Impact Date:** March 10, 2017

**Estimate of Fiscal Impact**

	<b>FY 2017-18</b>	<b>FY 2018-19</b>
<b>State Expenditure</b>		
General Fund	Pending	\$0
Other and Federal	Pending	\$0
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	Undetermined	\$0
Other and Federal	Undetermined	\$0
<b>Local Expenditure</b>	Undetermined	\$0
<b>Local Revenue</b>	Undetermined	\$0

**Fiscal Impact Summary**

The expenditure impact on the General Fund, Other Funds, and Federal Funds of the Department of Motor Vehicles and the Attorney General is pending, contingent upon a response from the agencies. The bill would have no expenditure impact on the Prosecution Coordination Commission, Commission on Indigent Defense, or the Judicial Department. The revenue impact on the General Fund and Other Funds from fines, assessments, and surcharges on convictions is undetermined. The bill would have no revenue impact on Federal Funds. The expenditure and revenue impact on local governments is undetermined.

**Explanation of Fiscal Impact**

**Introduced on February 2, 2017**

**State Expenditure**

This bill requires junk yards and salvage yards to electronically report to the Department of Motor Vehicles (DMV) within forty-eight hours of each day's close of business various information on all purchasers and sellers and information on the vehicles being purchased or sold. The entity must verify with DMV whether or not the motor vehicle has been reported stolen, and the entity must use the electronic system established pursuant to Section 56-5-5670(E)(4). DMV must make the information received in the electronic system available to any law enforcement agency without charge. Additionally, the bill creates a new misdemeanor with a minimum fine of \$1,000 for entities that fail to report transactions involving junk automobiles to DMV, falsify certain information, sell a vehicle subject to a security interest, or fail to verify with DMV whether a vehicle is stolen. All fees collected pursuant to the fine must be distributed among DMV, local governments, and law enforcement. The bill further provides that the courts

may order restitution, and any motor vehicle used to transport a vehicle that is sold illegally may be seized and forfeited in accordance with the procedures in Section 16-3-1270. Pursuant to Section 16-3-1270, unpaid court ordered restitution charges constitute a lien against the offender and his property and are subject to enforcement and collection by the Attorney General in the same manner as state tax liens.

**Department of Motor Vehicles.** The expenditure impact is pending, contingent upon a response from the agency.

**Prosecution Coordination Commission.** The agency indicates that this bill will have no expenditure impact on the General Fund, Other Funds, or Federal Funds.

**Commission on Indigent Defense.** The agency indicates that this bill will have no expenditure impact on the General Fund, Other Funds, or Federal Funds.

**Attorney General.** The expenditure impact is pending, contingent upon a response from the agency.

**Judicial Department.** The agency indicates that violations resulting from this bill would be classified as a misdemeanor, and any hearings or trials would be held in General Sessions court. Since the bill creates a new offense, there is no data to determine the additional number of hearings or trials that may be held in the courts as a result of the bill. Further, the agency indicates that passage of the bill could impact the Circuit Court dockets and could result in an increased backlog in those courts. The agency expects that any impact to General Fund expenditures could be absorbed within existing appropriations. The bill would have no expenditure impact on Other Funds or Federal Funds.

### **State Revenue**

The bill creates a new misdemeanor with a minimum fine of \$1,000 for a junk yard or salvage yard that fails to report transactions involving junk automobiles to DMV, falsifies certain information, sells a vehicle subject to a security interest, or fails to verify with DMV whether a vehicle is stolen. One-half of the fees collected pursuant to the fine must be paid to DMV. The remaining one-half of the fees must be allocated to the municipality if the suit was brought in municipal court, the county if the suit was brought in the court of a county, or to the appropriate law enforcement agency if the suit was brought by any county, state, or municipal law enforcement agency.

Since the bill creates a new misdemeanor for which there is no historical data, the revenue impact on Other Funds of DMV for one-half of total fees collected is undetermined. The revenue generated from the fines must be used for the enforcement, investigation, prosecution, and training related to violations of this bill, auto thefts, or motor vehicle-related crimes.

Existing law also provides for the imposition of assessments and surcharges on convictions, which are distributed among the General Fund, specific state agencies and programs, and local government. Because the bill creates a new crime for which there is no historical data, the

revenue impact of the assessments and surcharges on the General Fund and Other Funds is also undetermined.

### **Local Expenditure**

Since the bill creates a new misdemeanor, data is not available to project a change in court activity or law enforcement activity. Therefore, the expenditure impact on local governments is undetermined.

### **Local Revenue**

Since the bill creates a new misdemeanor for which there is no historical data, the revenue impact on local governments is undetermined. However, one-half of the fees collected pursuant to the fines must be paid to DMV. The remaining one-half of the fees must be allocated to the municipality if the suit was brought in municipal court, the county if the suit was brought in the court of a county, or to the appropriate law enforcement agency if the suit was brought by any county, state, or municipal law enforcement agency. The revenue generated from the fines must be used for the enforcement, investigation, prosecution, and training related to violations of this bill, auto thefts, or motor vehicle-related crimes.

Existing law also provides for the imposition of assessments and surcharges on convictions, which are distributed among the General Fund, specific state agencies and programs, and local government. Because the bill creates a new crime for which there is no historical data, the revenue impact of the assessments and surcharges on the local government share is also undetermined.



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Frank A. Rainwater, Executive Director