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Indicates New Matter

COMMITTEE REPORT

April 24, 2019

**H. 3789**

Introduced by Reps. Willis, Allison, Bennett, Elliott, Brown, Erickson, Bradley, Huggins, Forrest, Taylor and R. Williams

S. Printed 4/24/19--S.

Read the first time April 2, 2019.

**THE COMMITTEE ON TRANSPORTATION**

To whom was referred a Bill (H. 3789) to amend Sections 56‑1‑35, 56‑1‑40, 56‑1‑140, 56‑1‑210, 56‑1‑2100, etc., respectfully

**REPORT:**

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

LAWRENCE K. GROOMS for Committee.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

**Explanation of Fiscal Impact**

**Updated for Additional Agency Response on March 4, 2019**

**Introduced on January 29, 2019**

**State Expenditure**

This bill conforms legislation to certain current practices, amends the length of time for which specific licenses are valid, and adds two new forms that veterans can provide to obtain a veteran designation on a driver’s license or identification card. DMV estimates needing six full weeks of programming to implement these changes. At forty hours per week and $110 per hour, the agency estimates a one-time $26,400 increase in general fund expenditures.

In addition, the following sections will affect state expenditures as follows:

**Section 1.** This section requires that a license issued to a member of the armed services or his dependent who becomes a permanent resident of South Carolina expires eight years from the date of issue, rather than on the licensee’s birth date within the fourth calendar year of issue.

DMV indicates that the agency is currently complying with these procedures. Therefore, this section of the bill will have no expenditure impact on the agency.

**Section 3.** This section allows DMV to issue a driver’s license with a veteran designation to an applicant who can provide one of three forms of proof. Currently, the applicant must provide a United States Department of Defense discharge certificate (DD Form 214) that shows a characterization of service or discharge status of honorable or general under honorable conditions and establishes the person’s qualifying military service in the United States Armed Forces. However, the bill adds two other forms of proof an applicant may provide: a Veterans Identification Card (VIC) or a National Guard Report of Separation and Record of Service (NGB Form 22) that shows a characterization of service or discharge status of honorable or general under honorable conditions and establishes qualifying military service of at least twenty years in the National Guard.

DMV indicates that any modifications to current forms and changes in process can be managed within current appropriations. Therefore, this section of the bill will have no expenditure impact on the agency.

In total, the bill will increase general fund expenditures of DMV by $26,400. This fiscal impact statement has been updated based on a response from the agency.

**State Revenue**

The following sections will affect state revenue as follows:

**Section 2.** This section amends the length a license issued to a non-lawful permanent resident of the United States is valid from at most five years to at most eight years. It also adds the provision that the cost of a license that is valid for not more than four years is $12.50, and the cost of a license that is valid for more than four years is $25.

DMV currently charges a fee of $12.50 for all international customers, no matter the time period of the license. The agency indicates that it currently has 76,601 total international customers, all with varying validity periods on their licenses. Therefore, while the cost of some licenses will double, the exact number of those licenses is unknown, and the amount of revenue impact of this section on DMV is undetermined.

**Section 5.** This section differentiates the length of time a commercial driver’s license (CDL) is valid between those licenses with and without an associated HAZMAT endorsement. A license without a HAZMAT endorsement will be assessed a fee of $25 and will expire eight years from the date of issue, while a license with a HAZMAT endorsement will be assessed a fee of $15 and will expire five years from the date the applicant passed the Transportation Security Administration threat assessment.

DMV currently charges $25 for a five-year CDL and does not differentiate between a CDL with or without a HAZMAT endorsement. Decreasing the fee for a HAZMAT-endorsed CDL could decrease revenue to the agency, but since the number of licenses that would be affected is unknown, the revenue impact to DMV is undetermined.

**Section 6.** This section deletes the $1 fee which was charged to applicants to obtain a veteran designation on the front of new, renewed, or replacement driver’s licenses. It removes the reference to driver’s licenses within subsection 56-1-3350(B) and replaces it with identification card in order to remain consistent with the subject matter contained in this subsection.

DMV collected approximately $1,200 in revenue from adding veteran designations to identification cards in FY 2017-18. The $1,200 was allocated to the State Highway Fund of DOT. Assuming a similar pattern, revenue of the State Highway Fund would be reduced by approximately $1,200 in FY 2019-20 and each year thereafter.

The section also increases the fee for an identification card for a person between the ages of five and sixteen years from $5 to $15, amends the length the identification card is valid, allows no more than one identification card to be issued free to a person aged seventeen and older per issuance cycle, and requires a $10 fee for replacement of an identification card before its expiration date.

Currently, DMV has 32,416 identification cards issued to persons under the age of seventeen years. However, the number of applications for these cards it will receive in FY 2019-20 is unknown. The agency also currently issues an unlimited number of free identification cards to persons over the age of seventeen. Limiting each person to one per issuance cycle could increase revenue to the agency. The $10 fee for the replacement of a special identification card before its expiration date will increase revenue, but the number of identification cards that will need to be replaced is unknown.

Overall, components within this section of the bill will both decrease and increase revenue to the State Highway Fund of DOT. However, the net increase or decrease in revenue is undetermined due to multiple unknown variables. This fiscal impact statement has been updated based on a response from DMV.

Frank A. Rainwater, Executive Director

Revenue and Fiscal Affairs Office

**A** **BILL**

TO AMEND SECTIONS 56‑1‑35, 56‑1‑40, 56‑1‑140, 56‑1‑210, 56‑1‑2100, AND 56‑1‑3350, RELATING TO THE ISSUANCE, RENEWAL, AND EXPIRATION OF A DRIVER’S LICENSE, BEGINNER’S PERMIT, COMMERCIAL DRIVER LICENSE, AND SPECIAL IDENTIFICATION CARD, AND THE PLACEMENT OF A VETERAN DESIGNATION ON A DRIVER’S LICENSE OR SPECIAL IDENTIFICATION CARD, SO AS TO REVISE THE PERIOD IN WHICH A DRIVER’S LICENSE AND CERTAIN COMMERCIAL DRIVER LICENSES ARE VALID, TO REVISE THE FEE TO OBTAIN A DRIVER’S LICENSE, CERTAIN COMMERCIAL DRIVER LICENSES, AND SPECIAL IDENTIFICATION CARDS, TO REVISE THE DOCUMENTS THAT MUST BE PROVIDED TO THE DEPARTMENT OF MOTOR VEHICLES TO OBTAIN A VETERAN DESIGNATION ON A DRIVER’S LICENSE OR A SPECIAL IDENTIFICATION CARD, TO MAKE TECHNICAL CHANGES, AND TO PROVIDE THAT A PERSON IS PERMITTED TO ONLY HAVE ONE DRIVER’S LICENSE OR IDENTIFICATION CARD.

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

SECTION 1. Section 56‑1‑35 of the 1976 Code is amended to read:

“Section 56‑1‑35. A member of the armed services of the United States ~~and his dependents, who become~~ or his dependent who becomes a permanent ~~residents~~ resident of this State, ~~have~~ has ninety days to apply for a South Carolina driver’s license, and ~~they~~ he must be issued a license without examination except for the visual test required by Section 56‑1‑210 if ~~they have~~ he has a valid driver’s license from another state or territory of the United States~~, or the District of Columbia~~. The license expires ~~on the licensee’s birth date which occurs within the fourth calendar year in which the license is issued~~ eight years from the date of issue.”

SECTION 2. Section 56‑1‑40(7) of the 1976 Code is amended to read:

“(7) who is not a resident of South Carolina. For purposes of determining eligibility to obtain or renew a South Carolina driver’s license, the term ‘resident of South Carolina’ shall expressly include all persons authorized by the United States Department of Justice, the United States Immigration and Naturalization Service, or the United States Department of State to live, work, or study in the United States on a temporary or permanent basis who present documents indicating their intent to live, work, or study in South Carolina. These persons and their dependents are eligible to obtain a motor vehicle driver’s license or have one renewed pursuant to this provision. A driver’s license issued pursuant to this item to a person who is not a lawful permanent resident of the United States shall expire on the later of: (1) the expiration date of the driver’s license applicant’s authorized period of stay in the United States; or (2) the expiration date of the driver’s license applicant’s employment authorization document. However, ~~in no event shall~~ a driver’s license issued pursuant to this item ~~expire less than~~ is valid for at least one year ~~or~~ but not more than ~~five~~ eight years from the date of its issue. Under this provision, a driver’s license valid for not more than four years must be issued upon payment of a fee of twelve dollars and fifty cents. A driver’s license that is valid for more than four years must be issued upon payment of a fee of twenty‑five dollars. In addition, a person pending adjustment of status who presents appropriate documentation to the Department of Motor Vehicles shall be granted a one‑year extension of his driver’s license which is renewable annually;”

SECTION 3. Section 56‑1‑140 of the 1976 Code is amended to read:

“Section 56‑1‑140. (A) Upon payment of a fee of twenty‑five dollars for a license that is valid for eight years, the department shall issue to every qualified applicant a driver’s license as applied for by law. The license must bear on it a distinguishing number assigned to the licensee, the full name, date of birth, residence address, a brief description and laminated colored photograph of the licensee, any marking otherwise required or in compliance with law, and a facsimile of the signature of the licensee. No license is valid until it has been so signed by the licensee. The license authorizes the licensee to operate only those classifications of vehicles as indicated on the license.

(B) An applicant for a new, renewed, or replacement driver’s license may apply to the department to obtain a veteran designation on the front of his driver’s license by providing a:

(1) United States Department of Defense discharge certificate, also known as a DD Form 214, ~~Form 4,~~ that shows a characterization of service, or discharge status of ‘honorable’ or ‘general under honorable conditions’ and establishes the person’s qualifying military service in the United States armed forces;

(2) National Guard Report of Separation and Record of Service, also known as an NGB Form 22, that shows a characterization of service, or discharge status of ‘honorable’ or ‘general under honorable conditions’ and establishes the person’s qualifying military service of at least twenty years in the National Guard; or

(3) Veterans Identification Card (VIC) or a letter from a Military Reserve component notifying the recipient of the person’s eligibility for retirement pay at age sixty (twenty‑year letter). A Veterans Health Identification Card (VHIC) may not be accepted.

(C) The department may determine the appropriate form of the veteran designation on the driver’s license authorized pursuant to this section.

~~(C)~~(D) The fees collected pursuant to this section must be credited to the Department of Transportation State Non‑Federal Aid Highway Fund.”

SECTION 4. Section 56‑1‑210(A) of the 1976 Code is amended to read:

“(A) A license ~~issued or renewed on or after October 1, 2017,~~ expires eight years from the date of issue ~~on the licensee’s birth date on the eighth calendar year in which it is issued~~.”

SECTION 5. Section 56‑1‑2100(E) of the 1976 Code is amended to read:

“(E) Upon payment of a fee of twenty‑five dollars and any fee assessed by any associated federal agency, a commercial driver license for which there is no associated HAZMAT endorsement issued by the department expires eight years from the date of issue ~~on the licensee’s birth date on the fifth calendar year after the calendar year in which it is issued~~. Upon payment of a fee of fifteen dollars and any fee assessed by any associated federal agency, a commercial driver license for which there is an associated HAZMAT endorsement issued by the department expires five years from the date the applicant passed the Transportation Security Administration threat assessment.”

SECTION 6. Section 56‑1‑3350(B), (C) and (D) of the 1976 Code is amended to read:

“(B) An applicant for a new, renewed, or replacement South Carolina ~~driver’s license~~ identification card may apply to the Department of Motor Vehicles to obtain a veteran designation on the front of his ~~driver’s license~~ identification card by providing a:

(1) United States Department of Defense discharge certificate, also known as a DD Form 214, that shows a characterization of service, or discharge status of ‘honorable’ or ‘general under honorable conditions’ and establishes the person’s qualifying military service in the United States Armed Forces; ~~and~~

(2) ~~payment of a one dollar fee that must be collected by the department and placed by the Comptroller General into the State Highway Fund as established by Section 57‑11‑20, to be distributed as provided in Section 11‑43‑167~~ National Guard Report of Separation and Record of Service, also known as an NGB Form 22, that shows a characterization of service, or discharge status of ‘honorable’ or ‘general under honorable conditions’ and establishes the person’s qualifying military service of at least twenty years in the National Guard; or

(3) Veterans Identification Card (VIC) or a letter from a Military Reserve component notifying the recipient of the person’s eligibility for retirement pay at age sixty (twenty‑year letter). A Veterans Health Identification Card (VHIC) may not be accepted.

(C)(1) The fee for the issuance of the special identification card is ~~five~~ fifteen dollars for a person between the ages of five and sixteen years.

(2) ~~An~~ One identification card must be issued free to a person aged seventeen years or older per issuance cycle. A ten‑dollar fee must be charged to replace a special identification card before its expiration date.

(D) The identification card expires ~~five~~ eight years from the date of issuance. A person is not permitted to have more than one valid motor vehicle driver’s license or identification card at any time.”

SECTION 7. Section 56-1-2080 of the 1976 Code is amended to read:

“(3) The commercial driver instruction permit may not be issued for longer than ~~six months~~ one year. ~~Only one renewal or reissuance may be granted within a two‑year period.~~”

SECTION 8. This act takes effect six months after approval by the Governor.

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