



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number:	S. 1045	Introduced on February 3, 2022
Author:	Alexander	
Subject:	Motor Vehicle Carriers	
Requestor:	Senate Judiciary	
RFA Analyst(s):	Gallagher	
Impact Date:	March 14, 2022	

Fiscal Impact Summary

This bill amends Title 58, Chapter 23 relating to the issuance and regulation by the Public Service Commission (PSC) and the Office of Regulatory Staff (ORS) of Class A, B, C, D, E, and F certificates (certificates). Specifically, this bill removes several requirements for PSC and ORS during the process of issuing these certifications. PSC and ORS anticipate this bill will result in less staff time being allocated to motor carrier cases by reducing the requirements placed on agencies related to the issuance of motor vehicle certificates. While PSC and ORS report this will result in time savings, they indicate the additional staff time will be redirected to other duties. Therefore, this bill will have no expenditure impact on PSC or ORS from the decreased workload. ORS does anticipate expenditure savings of approximately \$1,352 from a reduction in printing materials and supplies beginning in FY 2022-23.

This bill further amends fees paid to ORS from certificate holders. ORS reports that based on the current number of vehicles registered with the office, their recurring Other Funds revenue from these fees is estimated to decrease by approximately \$1,352, from \$97,002 to \$95,650 beginning in FY 2022-23. ORS anticipates this decrease in revenue will be offset by a reduction in printing materials and supplies of approximately \$1,352 beginning in FY 2022-23.

Explanation of Fiscal Impact

Introduced on February 3, 2022

State Expenditure

This bill amends Title 58, Chapter 23 relating to the issuance of regulation by PSC and ORS of Class A, B, C, D, E, and F certificates.

This bill amends Section 58-23-20 to specify that PSC is not permitted to fix or approve the rates, fares, or charges for Class A, B, C, D, E, or F certificates. Further, this bill removes the current requirement in Section 58-23-210 for owners to apply in writing for a Class A, B, C, D, E, or F certificate before PSC may direct ORS to issue the classes of certificates. Further, this bill amends Section 58-23-330 to require that PSC hold a hearing to determine if an applicant is fit only if there is an objection to an application.

Section 58-23-590 removes authorization for ORS to establish an Office of Compliance and instead authorizes ORS to establish a Transportation Division. This division will have the same responsibilities as the Office of Compliance. This bill deletes several subsections within 58-23-590 that require:

- ORS to issue a common carrier certificate or contract carrier permit of public convenience and necessity, upon order of the commission, if the applicant proves to the commission that they are fit, willing, and able to properly perform service and comply with the provisions of this chapter and that the service is required by public convenience
- PSC to adopt regulations that provide criteria for establishing that an applicant is fit, willing, and able, and criteria for establishing that the applicant must meet the requirement of public convenience and necessity.
- A carrier of household goods to obtain a certificate of fit, willing, and able from ORS before operating in an exempt zone, as provided in Section 58-23-60.

Section 58-23-1010 is amended to delete the requirement of PSC to fix a maximum rate for holders of a certificate C and instead directs the carrier of a certificate E to file a maximum rate schedule with the commission. Carriers are permitted to adjust their rate below the maximum rate levels without approval from PSC.

Lastly, the following sections are repealed:

- Section 58-23-300, which requires PSC to publish notice of hearings on applications for class A, B or D certificates
- Section 58-23-530, which sets license fees for Class A certificate holders with twenty or more vehicles
- Section 58-23-540, which provides for the computation of carrying weight of passenger vehicles
- Section 58-23-550, which sets license fees for Class B certificate holders with twenty or more vehicles
- Section 58-23-1060, which permits PSC to require bus operators to establish bus stations in cities or towns with 2,000 or more inhabitants

Public Service Commission and Office of Regulatory Staff. PSC and ORS anticipate this bill will not fiscally impact their respective agencies. This bill will result in less staff time being allocated to motor carrier cases by reducing the requirements placed on both ORS and PSC related to the issuance of motor vehicle certificates. While both agencies report this will result in time savings, they indicate the additional staff time will be redirected to other agency duties. Therefore, this bill will have no expenditure impact on PSC or ORS from the decreased workload. ORS does anticipate expenditure savings of approximately \$1,352 from a reduction in printing materials and supplies beginning in FY 2022-23.

State Revenue

This bill amends Title 58, Chapter 23 relating to the issuance of regulation of Class A, B, C, D, E, or F certificates.

Section 58-23-560 amends fees paid to ORS from Class A, B, and C certificate holders as follows:

Fee Structure for A, B, or C Certificates

Number of Vehicles	Certificate Type	Vehicle Weight	Current Fee	Amended Fee
Less than 20	A, B, C	Less than 2,000 pounds	\$7.50 semiannually	\$50 annually
Less than 20	A, B, C	More than 2,000 pounds	\$7.50 semiannually for the first 2,000 pounds and \$2.50 for each additional 500 pounds. The total fee may not exceed \$50 per vehicle.	\$50 annually
More than 20	A, B	Less than 7,000 if equipped with solid tires or less than 13,000 pounds if equipped with pneumatic tires	1/15 of a cent per passenger seat multiplied by the total number of yearly miles driven*	\$50 annually
More than 20	A, B	Less than 7,000 if equipped with solid tires or less than 13,000 pounds if equipped with pneumatic tires	1/40 of a cent per passenger seat multiplied by the total number of yearly miles driven*	\$50 annually

*Subject to minimum fees as enumerated in Section 58-23-530.

Furthermore, Section 58-23-600 requires fees for D, E, or F must be paid annually to ORS pursuant to Section 58-4-60. Section 58-23-590 authorizes ORS to establish necessary fees to cover costs associated with D, E, or F certification.

ORS reports that based on the current number of vehicles registered with the office, their recurring Other Funds revenue from these fees is estimated to decrease by approximately \$1,352, from \$97,002 to \$95,650 beginning in FY 2022-23. ORS anticipates this decrease in revenue will be offset by savings in printing materials and supplies of approximately \$1,352.

Local Expenditure

N/A

Local Revenue

N/A

Frank A. Rainwater, Executive Director