~~Indicates Matter Stricken~~

Indicates New Matter

COMMITTEE REPORT

February 24, 2022

**H. 3600**

Introduced by Reps. Ott, Taylor, Forrest, Gagnon, Caskey, McCabe, Atkinson, Rivers, S. Williams, Jefferson, R. Williams, Kirby, Yow, Gilliam, Hardee and Sandifer

S. Printed 2/24/22--H.

Read the first time January 12, 2021.

**THE COMMITTEE ON EDUCATION AND PUBLIC WORKS**

To whom was referred a Bill (H. 3600) to amend the Code of Laws of South Carolina, 1976, by adding Section 56‑2‑140 so as to define the term “Utility Terrain Vehicle” and provide, etc., respectfully

**REPORT:**

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

Amend the bill, as and if amended, by striking all after the enacting words and inserting:

/SECTION 1. Article 1, Chapter 2, Title 56 of the 1976 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 and within twenty miles of the registered address of the owner.

(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 if the intersection is within twenty miles of the registered address of the owner.

(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 registered UTVs are subject to the provisions of Section 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 1976 Code, as added by Act 27 of 2021, 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 1976 Code is amended to read:

“ (5.5)(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 (UTV), as defined in Section 56-2-240, but only if registered for road use pursuant to that section.”

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

Renumber sections to conform.

Amend title to conform.

MERITA A. ALLISON for Committee.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

**Explanation of Fiscal Impact**

**State Expenditure**

This bill allows the owner of a utility terrain vehicle (UTV) to obtain a permit decal and registration from DMV. The driver of the UTV must wear a fastened safety belt when it is being operated on public streets and highways. To update its systems for the new permit and decal, DMV estimates that it will cost $5,775. To program the UTV seatbelt violation in its systems will cost $825. Thus, the total nonrecurring expenditure impact on the department will be $6,600.

The department will also require recurring funding for one FTE, who will handle the additional workload of processing UTV registrations and mailing decals. Including salary and fringe benefits, this amounts to $53,250 in recurring expenditures. Other recurring costs including the cost of the decals, which DMV reports is 55 cents per decal. Since there is no data with which to estimate how many owners will want to register and obtain a permit for their UTVs, the total recurring expenditure impact on DMV is undetermined.

**State Revenue**

**Department of Motor Vehicles.** In order to obtain a permit decal and registration from DMV, the owner of a UTV is required to pay a five-dollar fee. Since there is no data with which to estimate how many owners will want to register and obtain a permit for their UTVs, the amount of fee revenue, which will be distributed to the General Fund, is undetermined.

**Judicial Department.** The driver of a UTV must wear a Type 1 or Type 2 fastened seat belt when the UTV is being operated on public streets and highways. Additionally, the UTV must be equipped with operable headlights and brake lights. For any one of these violations, the driver may not be fined more than twenty-five dollars. For multiple violations in a single incident, the driver may not be fined more than fifty dollars. 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. Consequently, the amount of the resulting revenue increase for the Judicial Department from fines is undetermined.

Frank A. Rainwater, Executive Director

Revenue and Fiscal Affairs Office

**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, 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.

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

SECTION 1. Article 1, Chapter 2, Title 56 of the 1976 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 in excess of twenty‑five miles per hour; 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) An individual or business owner of a UTV may obtain a permit decal and registration from the Department of Motor Vehicles upon presenting proof of ownership and liability insurance for the UTV and upon payment of a five dollar fee.

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

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

(E) A permitted UTV may be operated along a secondary highway or street on an island not accessible by a bridge designed for use by automobiles.

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

(1) the registration certificate issued by the department;

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

(3) his driver’s license.

(G) A UTV permit must be replaced with a new permit every five years, or at the time the permit holder changes his address.

(H) A permitted UTV must be equipped with:

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

(2) operable headlights; and

(3) operable brake lights.

(I) The driver of a permitted UTV, when it is being operated on the public streets and highways of this State, must wear a fastened safety belt that complies with the provisions contained in subsection (H). A driver who violates this subsection must be fined pursuant to Section 56‑5‑6540.”

SECTION 2. This act takes effect upon approval by the Governor.

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