



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. 0222	Introduced on January 15, 2025
Subject:	Utility Terrain Vehicle	
Requestor:	Senate Transportation	
RFA Analyst(s):	Griffith and Vesely	
Impact Date:	March 10, 2025	

Fiscal Impact Summary

This bill requires the owner of a utility terrain vehicle (UTV) to obtain a license plate and registration from the Department of Motor Vehicles (DMV) if the UTV will be operated on a road and establishes a biennial fee for the licensing and registration. The bill also subjects UTVs to a fee for a certificate of title. Additionally, the UTV must have liability insurance. Further, the bill exempts UTV owners from paying property taxes to the county in which the UTV is registered and specifies violations related to the operation of UTVs.

The bill will have no expenditure impact on DMV since the agency can manage expenses for registering UTVs within existing appropriations.

This bill requires UTVs to have proof of liability insurance to be operated on a road. The bill will have no expenditure impact for the Department of Insurance (DOI) as any additional responsibilities can be managed within existing appropriations.

This bill requires the Comptroller General (CG) to distribute the revenue received from the \$10 biennial licensing and registration fee to their respective funds. However, the Comptroller General's Office indicates that this responsibility will be handled within existing appropriations. Therefore, there is no expected expenditure impact to CG.

The revenue impact of this bill is undetermined since the number of UTVs that may be licensed and registered is unknown. However, revenue received from the \$10 biennial licensing and registration fee will be allocated to Other Funds of DMV, Other Funds of the Department of Transportation (DOT), and the South Carolina Transportation Infrastructure Bank (SCTIB). Likewise, revenue received from the \$15 certificate of title for a UTV will be allocated to the General Fund, Other Funds of DOT, and Other Funds of the Department of Public Safety (DPS). Further, revenue received from the road use fees for alternative fuel and hybrid UTVs will be allocated to the Infrastructure Maintenance Fund (IMTF).

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.

The bill creates new violations, which may increase the workload in magistrate's court. Judicial expects to be able to manage the potential increase in caseload with existing appropriations. However, if the bill results in a significant increase in the workload, then an increase in General Fund appropriations may be requested.

The Revenue and Fiscal Affairs Office (RFA) reached out to all counties and the Municipal Association of South Carolina (MASC) to determine the fiscal impact on the local courts. Based on responses from Judicial and Chesterfield County, we do not anticipate an increase in local expenditures.

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, Other Funds revenue, and local revenue due to the increase in fines and fees collections in court.

Since UTVs are currently subject to sales tax, this bill will have no impact on revenue. Also, while the bill exempts UTV owners from the payment of property taxes to the county in which the UTV is registered, UTVs are currently exempt from property taxes. Therefore, this section of the bill will have no impact on tax revenue.

Explanation of Fiscal Impact

Introduced on January 15, 2025

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. However, DMV indicates that the complex coding changes to its IT system will require at least twelve months to implement and test.

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.

This bill requires the CG to distribute the revenue received from the \$10 biennial licensing and registration fee to their respective funds. However, the Comptroller General's Office indicates

that this responsibility will be handled within existing appropriations. Therefore, there is no expected expenditure impact to CG.

The bill creates new violations, which may increase the workload in magistrate's court. Judicial expects to be able to manage the potential increase in caseload with existing appropriations. However, if the bill results in a significant increase in the workload, then an increase in General Fund appropriations may be requested.

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 SCTIB, 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.

Local Expenditure

This bill creates a number of new potential violations related to improper UTV use, all of which will be handled in magistrate's court. The bill may result in an increase in the number of court cases, which may increase the workload of the local court system. The potential increase in expenses will depend upon the increase in the number of cases. Judicial anticipates that the potential increase in caseload can be managed within existing appropriations. However, if this bill results in a significant increase in the workload, then an increase in General Fund appropriations may be requested.

RFA surveyed all counties and the MASC to determine the fiscal impact on the local courts. Chesterfield County does not anticipate an expenditure impact due to the bill. Based on responses from Judicial and Chesterfield County, RFA does not expect that the bill will increase local expenditures.

Local Revenue

The bill exempts UTV owners and registrants from the payment of property taxes to the county in which the UTV is registered. Since UTVs are not currently subject to property taxes, the bill will have no revenue impact on tax revenue.

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 local revenue due to the increase in fines and fees collections in court. Chesterfield County agreed with this assessment in their response.



Frank A. Rainwater, Executive Director