



# SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

## STATEMENT OF ESTIMATED FISCAL IMPACT

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<b>Bill Number:</b>	S. 0447	Introduced on March 12, 2025
<b>Subject:</b>	License Plate Reader System	
<b>Requestor:</b>	Senate Judiciary	
<b>RFA Analyst(s):</b>	Griffith	
<b>Impact Date:</b>	April 15, 2025	

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### Fiscal Impact Summary

This bill allows certain entities to use an automatic license plate reader (ALPR) system and provides compliance requirements for the use of the system. Additionally, the bill requires the Department of Transportation (DOT) to establish a permitting process for the installation of cameras on non-interstate highway rights of way. Further, the bill creates a misdemeanor for the improper use of license plate data.

This bill will have no expenditure impact to DOT since the agency currently has a process in place to permit ALPR systems.

The bill will have no expenditure impact to the Department of Motor Vehicles (DMV) because the bill does not operationally affect the agency.

This bill will increase General Fund expenditures of the Department of Public Safety (DPS) by \$310,000 in FY 2025-26 and by \$300,000 each year thereafter in order to activate the ALPR capabilities of its current devices. DPS will request a General Fund appropriation increase for these expenditures.

The State Law Enforcement Division (SLED) indicates that any increase in workload due to the provisions of the bill can be managed with existing staff and appropriations. Therefore, there is no expenditure impact to SLED.

This bill may result in an increase in the number of circuit court cases and potentially the number of incarcerations, which may increase the workload of the court system and the Commission of Indigent Defense, the Commission on Prosecution Coordination, the Department of Corrections, and the Department of Probation, Parole and Pardon (PPP). Judicial anticipates that the potential impact of the caseload in court can be managed within existing appropriations. Additionally, the potential increase in expenses for each agency will depend upon the increase in the number of cases and number of incarcerations. These agencies anticipate 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. For information, according to Corrections, in FY 2023-24, the annual total cost per inmate was \$40,429, of which \$36,553 was state funded.

DPS indicates that a study conducted over a twelve-month period by the Cincinnati Police Department found that officers with vehicles equipped with ALPR capabilities identified more violations and issued more fines than those without ALPR capabilities. This bill may increase fine and fee revenue. However, the total amount will depend on the number and type of violations issued and the amount of the fines collected.

The Revenue and Fiscal Affairs Office (RFA) contacted all county governments and the Municipal Association of South Carolina (MASC) regarding the fiscal impact of this bill. Based upon responses from county governments on similar legislation, the bill will have no expenditure impact on county governments. MASC reports that twenty-two municipalities have utilized ALPR systems in recent years and that the expenditure impact on municipalities will depend on the scope of the change needed to achieve compliance. Additionally, the expenditure impact on municipalities that may choose to install cameras on non-interstate rights of way is undetermined and will depend on the complexity of the permitting process and the fees assessed by DOT.

This bill may result in a change 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 increase in General Fund, Other Funds, and local revenue due to the change in fines and fees collections in court.

## **Explanation of Fiscal Impact**

### **Introduced on March 12, 2025**

#### **State Expenditure**

This bill allows certain entities to use an ALPR system and provides compliance requirements for the use of the system. Entities who may use ALPR systems include:

- State, county, or municipal law enforcement agencies for the comparison of license plate data held by the National Crime Information Center or other database or hot list, and for other law enforcement or criminal justice purposes and
- DPS and DOT, to collect tolls and to provide for the efficient and safe movement of vehicle on state highways.

Additionally, the bill requires DOT to establish a permitting process for the installation of cameras on non-interstate highway rights of way.

Further, the bill creates a misdemeanor for the improper use of license plate data. As this is a new offense, there are no data to determine the number of new cases that may be heard in circuit court.

This bill may result in an increase in the number of circuit court cases and potentially the number of incarcerations, which may increase the workload of the court system and the Commission of Indigent Defense, the Commission on Prosecution Coordination, the Department of Corrections, and PPP. Judicial anticipates that the potential impact of the caseload in court can be managed within existing appropriations. Additionally, the potential increase in expenses for each agency will depend upon the increase in the number of cases and number of incarcerations. These

agencies anticipate 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. For information, according to Corrections, in FY 2023-24, the annual total cost per inmate was \$40,429, of which \$36,553 was state funded.

**Department of Transportation.** This bill will have no expenditure impact to DOT since the agency currently has a process in place to permit ALPR systems.

**Department of Motor Vehicles.** This bill will have no expenditure impact to DMV because the bill does not operationally affect the agency.

**Department of Public Safety.** DPS reports that the agency currently has devices with ALPR capabilities that are not being utilized. DPS further reports that the cost to activate ALPR capabilities in all of the agency's current in-car capable camera systems is estimated at \$300,000 per year. These costs include connection costs for databases, user subscriptions, annual maintenance, secure data storage, and other miscellaneous recurring costs. Nonrecurring expenses of \$10,000 will be used for two administrative laptops and a desktop with associated monitors. In total, General Fund expenditures of DPS will increase by \$310,000 in FY 2025-26 and by \$300,000 each year after. DPS will request a General Fund appropriation increase for these expenditures.

**State Law Enforcement Division.** SLED indicates that any increase in workload due to the provisions of the bill can be managed with existing staff and appropriations. Therefore, there is no expenditure impact to SLED.

### **State Revenue**

This bill allows certain entities to use an automatic license plate reader (ALPR) system and provides compliance requirements for the use of the system. DPS indicates that a study conducted over a twelve-month period by the Cincinnati Police Department found that officers with vehicles equipped with ALPR capabilities identified more violations and issued more fines than those without ALPR capabilities. While the bill may increase fine and fee revenue, the amount will depend on the number and type of violations issued and the amount of the fines collected.

Additionally, this bill may result in a change 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 a change to General Fund and Other Funds revenue due to the change in fines and fees collections in court.

### **Local Expenditure**

RFA contacted all county governments and MASC regarding the fiscal impact of this bill. Based upon responses from county governments on similar legislation, the bill will have no expenditure impact on county governments. MASC reports that twenty-two municipalities have utilized ALPR systems in recent years and that these municipalities will need to ensure that their policies

and procedures comply with the requirements of the bill. However, the expenditure impact will depend on the scope of the change needed to achieve compliance. Additionally, municipalities are subject to the camera permitting requirement on non-interstate highway rights of way. MASC further indicates that municipalities that may choose to install cameras on non-interstate DOT rights of way may have an increase in expenditures. However, the increase in expenditures will depend on the complexity of the permitting process and the amount of any fees assessed by DOT. Therefore, the overall expenditure impact on municipalities is undetermined.

### **Local Revenue**

This bill may result in a change 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 a change to local revenue due to the change in fines and fees collections in court.



Frank A. Rainwater, Executive Director