



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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**Bill Number:** H. 3358 Introduced on January 10, 2017  
**Author:** Willis  
**Subject:** Id Cards  
**Requestor:** House Education and Public Works  
**RFA Analyst(s):** Wren  
**Impact Date:** January 24, 2017

**Estimate of Fiscal Impact**

	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19 to FY 2019-20</b>
<b>State Expenditure</b>			
General Fund	\$0	\$0	\$0
Other and Federal	\$1,707,000	\$13,858,000	See Below
Full-Time Equivalent Position(s)	0.00	7.00	\$0
<b>State Revenue</b>			
General Fund	\$0	\$0	\$0
Other and Federal	\$0	Undetermined	\$0
<b>Local Expenditure</b>	\$0	\$0	\$0
<b>Local Revenue</b>	\$0	\$0	\$0

**Fiscal Impact Summary**

This bill will increase non-recurring Other Funds expenses of the Department of Motor Vehicles (DMV) by \$1,699,000 in FY 2016-17 for advertising and equipment and \$13,609,000 in FY 2017-18, \$4,841,000 in FY 2018-19, and FY 2019-20 for temporary staff and overtime. Recurring Other Funds expenses are expected to total \$8,000 each year beginning in FY 2016-17 and increase by \$241,000 for seven full-time staff beginning in FY 2017-18, for a total of \$249,000 each year thereafter. This bill will have no expenditure impact on the General Fund or Federal Funds. The increase in Other Funds revenue is undetermined.

**Explanation of Fiscal Impact**

**Introduced on January 10, 2017**

**State Expenditure**

This bill authorizes DMV to issue driver's licenses and identification cards that are in compliance with the REAL ID Act to qualifying citizens. A person may hold only one DMV issued credential at a time. DMV may issue a compliant or non-compliant card. However, a REAL ID compliant card may only be issued to individuals who present all supporting documents required for a compliant credential. Also, the bill amends the driver's license renewal period from ten years to eight years and deletes the reference to a five-year driver's license. The fee for the eight-year driver's license is \$25. Additionally, the bill makes changes to vision screenings required for initial and renewal driver's licenses and deletes the provision that allows individuals who are sixty-five years of age or older to renew their license by mail.

**Department of Motor Vehicles (DMV).** The department indicates that passage of this bill will result in an additional \$1,707,000 in Other Fund expenses in FY 2016-17. Of this amount, \$1,699,000 is non-recurring for advertising and equipment. Recurring expenses are expected to total \$8,000 for maintenance fees. Non-recurring Other Fund expenses in FY 2017-18 are expected to increase by \$13,609,000 for 100 temporary customer service representatives, increased salary and mileage for thirty-three relief customer service representatives, one temporary employee in imaging, one contract business analyst, two temporary employees in international affairs, and overtime for current international affairs employees. Non-recurring Other Fund expenses are expected to increase by \$4,841,000 in FY 2018-19 and FY 2019-20 for 100 temporary customer service representatives, increased salary and mileage for thirty-three relief customer service representatives, and one temporary employee in imaging. Recurring Other Fund Expenses are expected to increase by \$241,000 in FY 2017-18, 2018-19, and FY 2019-20 for six classified customer service representatives and one classified employee in imaging.

**Department of Transportation.** The department indicates that this bill does not create new responsibilities for DOT and will have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

### **State Revenue**

This bill amends the driver's license renewal period from ten years to eight years and deletes the reference to a five-year driver's license. The fee for an eight-year license is \$25. A license issued on or after October 1, 2017, expires on the licensee's birth date on the eighth calendar year in which it is issued. The fees collected pursuant to the increase in driver's license fee must be credited to the Department of Transportation State Highway Fund. Also, the bill deletes the requirement of the \$1 fee for a veteran designation to be placed on a new, renewal, or replacement driver's license. Currently, this \$1 fee is allocated to the State Non-Federal Aid Highway Fund. Additionally, the bill deletes the requirement that during the fifth year of a ten-year license, the licensee must submit by mail to DMV a certificate from an ophthalmologist or optometrist, or must appear in person at a DMV office to complete a vision screening. Further, the bill deletes the requirement that a licensee who fails to submit the certificate or fails to appear in person at a DMV office must be fined a \$50 fee. Pursuant to Section 56-1-220(B), the revenue from the \$50 fee is currently allocated to the State Highway Fund.

Based upon data provided by DMV, there are approximately 3,531,000 driver's licenses and 12,500 ID holders in their database. If every individual who currently holds a non-compliant credential decided to obtain a compliant credential, an additional \$88,338,000 in additional revenue would be allocated to the State Non-Federal Aid Highway Fund in FY 2017-18. However, only the individuals interested in using their driver's license or ID card to enter federal buildings, military bases, or to board an airplane, would need to renew early in order to obtain a compliant credential. Since the number of driver's license and ID card holders who may renew early to obtain the compliant credential is undetermined, the revenue generated pursuant to early renewals in FY 2017-18 is undetermined. However, we estimate that revenue derived from driver's license renewals would increase approximately twenty percent annually once the acceleration period was complete and all renewals were on the new eight-year cycle. The

revenue generated from driver's license renewals is allocated to the State Non-Federal Aid Highway Fund.

Based upon the most current data available from DMV, we estimate that approximately 17,000 veteran designations will be placed on driver's licenses in FY 2017-18. Therefore, we estimate that deletion of the \$1 fee for a veteran designation to be placed on a driver's license will reduce revenue to the State Highway Fund by \$17,000 in FY 2017-18.

Proviso 82.8 of the FY 2016-17 Appropriation's Act suspends the \$50 fee associated with the vision screening required in the fifth year of a ten-year license. Therefore, since there is currently no revenue associated with the \$50 fee, revenue of the State Highway Fund would not be reduced in FY 2017-18.

**Local Expenditure**

N/A

**Local Revenue**

N/A



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Frank A. Rainwater, Executive Director