



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
(803)734-0640 • RFA.SC.GOV/IMPACTS

Bill Number:	H. 3646	Introduced on February 2, 2017
Author:	Henderson	
Subject:	Salvage and Junk Yards Involved in Automobiles	
Requestor:	House Education and Public Works	
RFA Analyst(s):	Wren	
Impact Date:	March 29, 2017 - Updated for Additional Agency Response	

Estimate of Fiscal Impact

	FY 2017-18	FY 2018-19
State Expenditure		
General Fund	Pending	\$0
Other and Federal	Pending	\$0
Full-Time Equivalent Position(s)	0.00	0.00
State Revenue		
General Fund	Undetermined	\$0
Other and Federal	Undetermined	\$0
Local Expenditure	Undetermined	\$0
Local Revenue	Undetermined	\$0

Fiscal Impact Summary

The expenditure impact on the General Fund, Other Funds, and Federal Funds of the Department of Motor Vehicles is pending, contingent upon a response from the agency. The bill would have no expenditure impact on the Prosecution Coordination Commission, Commission on Indigent Defense, Attorney General's Office, or the Judicial Department. The revenue impact on the General Fund and Other Funds from fines, assessments, and surcharges for convictions is undetermined. The bill would have no revenue impact on Federal Funds. The expenditure and revenue impact on local governments is undetermined. This impact statement is updated for information from the Attorney General's Office.

Explanation of Fiscal Impact

Introduced on February 2, 2017

Updated for Additional Agency Response

State Expenditure

This bill requires junk yards and salvage yards to electronically report to the Department of Motor Vehicles (DMV) within forty-eight hours of each day's close of business various information on all purchasers and sellers and information on the vehicles being purchased or sold. The entity must verify with DMV whether or not the motor vehicle has been reported stolen, and the entity must use the electronic system established pursuant to Section 56-5-5670(E)(4). DMV must make the information received in the electronic system available to any law enforcement agency without charge. Additionally, the bill creates a new misdemeanor with a minimum fine of \$1,000 for entities that fail to report transactions involving junk automobiles to DMV, falsify certain information, sell a vehicle subject to a security interest, or fail to verify

with DMV whether a vehicle is stolen. All fees collected pursuant to the fine must be distributed among DMV, local governments, and law enforcement. The bill further provides that the courts may order restitution, and any motor vehicle used to transport a vehicle that is sold illegally may be seized and forfeited in accordance with the procedures in Section 16-3-1270. Pursuant to Section 16-3-1270, unpaid court ordered restitution charges constitute a lien against the offender and his property and are subject to enforcement and collection by the Attorney General in the same manner as state tax liens.

Department of Motor Vehicles. The expenditure impact is pending, contingent upon a response from the agency.

Prosecution Coordination Commission. The agency indicates that this bill will have no expenditure impact on the General Fund, Other Funds, or Federal Funds.

Commission on Indigent Defense. The agency indicates that this bill will have no expenditure impact on the General Fund, Other Funds, or Federal Funds.

Attorney General. The Attorney General, along with others, is authorized to bring an action to impose the misdemeanor penalties for violations of provisions of the bill. In addition, the Attorney General may file a lien against the property of an offender for unpaid restitution and enforce and collect on the lien in the same manner as state tax liens are enforced and collected. The Attorney General's Office indicates these responsibilities can be accomplished without additional expenditure. These activities are within the office's current responsibilities. This impact statement is updated for the information above.

Judicial Department. The agency indicates that violations resulting from this bill would be classified as a misdemeanor, and any hearings or trials would be held in General Sessions court. Since the bill creates a new offense, there is no data to determine the additional number of hearings or trials that may be held in the courts as a result of the bill. Further, the agency indicates that passage of the bill could impact the Circuit Court dockets and could result in an increased backlog in those courts. The agency expects that any impact to General Fund expenditures could be absorbed within existing appropriations. The bill would have no expenditure impact on Other Funds or Federal Funds.

State Revenue

The bill creates a new misdemeanor with a minimum fine of \$1,000 for a junk yard or salvage yard that fails to report transactions involving junk automobiles to DMV, falsifies certain information, sells a vehicle subject to a security interest, or fails to verify with DMV whether a vehicle is stolen. One-half of the fees collected pursuant to the fine must be paid to DMV. The remaining one-half of the fees must be allocated to the municipality if the suit was brought in municipal court, the county if the suit was brought in the court of a county, or to the appropriate law enforcement agency if the suit was brought by any county, state, or municipal law enforcement agency.

Since the bill creates a new misdemeanor for which there is no historical data, the revenue impact on Other Funds of DMV for one-half of total fees collected is undetermined. The

revenue generated from the fines must be used for the enforcement, investigation, prosecution, and training related to violations of this bill, auto thefts, or motor vehicle-related crimes.

Existing law also provides for the imposition of assessments and surcharges on convictions, which are distributed among the General Fund, specific state agencies and programs, and local government. Because the bill creates a new crime for which there is no historical data, the revenue impact of the assessments and surcharges on the General Fund and Other Funds is also undetermined.

Local Expenditure

Since the bill creates a new misdemeanor, data is not available to project a change in court activity or law enforcement activity. Therefore, the expenditure impact on local governments is undetermined.

Local Revenue

Since the bill creates a new misdemeanor for which there is no historical data, the revenue impact on local governments is undetermined. However, one-half of the fees collected pursuant to the fines must be paid to DMV. The remaining one-half of the fees must be allocated to the municipality if the suit was brought in municipal court, the county if the suit was brought in the court of a county, or to the appropriate law enforcement agency if the suit was brought by any county, state, or municipal law enforcement agency. The revenue generated from the fines must be used for the enforcement, investigation, prosecution, and training related to violations of this bill, auto thefts, or motor vehicle-related crimes.

Existing law also provides for the imposition of assessments and surcharges on convictions, which are distributed among the General Fund, specific state agencies and programs, and local government. Because the bill creates a new crime for which there is no historical data, the revenue impact of the assessments and surcharges on the local government share is also undetermined.

Introduced on February 2, 2017

State Expenditure

This bill requires junk yards and salvage yards to electronically report to the Department of Motor Vehicles (DMV) within forty-eight hours of each day's close of business various information on all purchasers and sellers and information on the vehicles being purchased or sold. The entity must verify with DMV whether or not the motor vehicle has been reported stolen, and the entity must use the electronic system established pursuant to Section 56-5-5670(E)(4). DMV must make the information received in the electronic system available to any law enforcement agency without charge. Additionally, the bill creates a new misdemeanor with a minimum fine of \$1,000 for entities that fail to report transactions involving junk automobiles to DMV, falsify certain information, sell a vehicle subject to a security interest, or fail to verify with DMV whether a vehicle is stolen. All fees collected pursuant to the fine must be distributed among DMV, local governments, and law enforcement. The bill further provides that the courts may order restitution, and any motor vehicle used to transport a vehicle that is sold illegally may be seized and forfeited in accordance with the procedures in Section 16-3-1270. Pursuant to Section 16-3-1270, unpaid court ordered restitution charges constitute a lien against the offender

and his property and are subject to enforcement and collection by the Attorney General in the same manner as state tax liens.

Department of Motor Vehicles. The expenditure impact is pending, contingent upon a response from the agency.

Prosecution Coordination Commission. The agency indicates that this bill will have no expenditure impact on the General Fund, Other Funds, or Federal Funds.

Commission on Indigent Defense. The agency indicates that this bill will have no expenditure impact on the General Fund, Other Funds, or Federal Funds.

Attorney General. The expenditure impact is pending, contingent upon a response from the agency.

Judicial Department. The agency indicates that violations resulting from this bill would be classified as a misdemeanor, and any hearings or trials would be held in General Sessions court. Since the bill creates a new offense, there is no data to determine the additional number of hearings or trials that may be held in the courts as a result of the bill. Further, the agency indicates that passage of the bill could impact the Circuit Court dockets and could result in an increased backlog in those courts. The agency expects that any impact to General Fund expenditures could be absorbed within existing appropriations. The bill would have no expenditure impact on Other Funds or Federal Funds.

State Revenue

The bill creates a new misdemeanor with a minimum fine of \$1,000 for a junk yard or salvage yard that fails to report transactions involving junk automobiles to DMV, falsifies certain information, sells a vehicle subject to a security interest, or fails to verify with DMV whether a vehicle is stolen. One-half of the fees collected pursuant to the fine must be paid to DMV. The remaining one-half of the fees must be allocated to the municipality if the suit was brought in municipal court, the county if the suit was brought in the court of a county, or to the appropriate law enforcement agency if the suit was brought by any county, state, or municipal law enforcement agency.

Since the bill creates a new misdemeanor for which there is no historical data, the revenue impact on Other Funds of DMV for one-half of total fees collected is undetermined. The revenue generated from the fines must be used for the enforcement, investigation, prosecution, and training related to violations of this bill, auto thefts, or motor vehicle-related crimes.

Existing law also provides for the imposition of assessments and surcharges on convictions, which are distributed among the General Fund, specific state agencies and programs, and local government. Because the bill creates a new crime for which there is no historical data, the revenue impact of the assessments and surcharges on the General Fund and Other Funds is also undetermined.

Local Expenditure

Since the bill creates a new misdemeanor, data is not available to project a change in court activity or law enforcement activity. Therefore, the expenditure impact on local governments is undetermined.

Local Revenue

Since the bill creates a new misdemeanor for which there is no historical data, the revenue impact on local governments is undetermined. However, one-half of the fees collected pursuant to the fines must be paid to DMV. The remaining one-half of the fees must be allocated to the municipality if the suit was brought in municipal court, the county if the suit was brought in the court of a county, or to the appropriate law enforcement agency if the suit was brought by any county, state, or municipal law enforcement agency. The revenue generated from the fines must be used for the enforcement, investigation, prosecution, and training related to violations of this bill, auto thefts, or motor vehicle-related crimes.

Existing law also provides for the imposition of assessments and surcharges on convictions, which are distributed among the General Fund, specific state agencies and programs, and local government. Because the bill creates a new crime for which there is no historical data, the revenue impact of the assessments and surcharges on the local government share is also undetermined.



Frank A. Rainwater, Executive Director