



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
**(803)734-3780 • RFA.SC.GOV/IMPACTS**

*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.*

---

<b>Bill Number:</b>	H. 3359	Introduced on January 10, 2023
<b>Author:</b>	Ott	
<b>Subject:</b>	Utility Terrain Vehicle	
<b>Requestor:</b>	House Education and Public Works	
<b>RFA Analyst(s):</b>	Griffith and Miller	
<b>Impact Date:</b>	March 28, 2023	

---

### **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.

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.

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, the Revenue and Fiscal Affairs Office (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 10, 2023**

#### **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.

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.

#### **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 STIB, 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**

N/A

### **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.



Frank A. Rainwater, Executive Director