

# Final Fiscal Impact Statements for Ratified or Enacted Legislation of the 2015 Session of the South Carolina General Assembly



South Carolina Revenue and Fiscal Affairs Office

August 2015

For the seventy-eight bills ratified or enacted during the 2015 Session of the South Carolina General Assembly, the Revenue and Fiscal Affairs Office (RFA) has produced a final fiscal impact statement providing up-to-date fiscal impact estimates based on the final version of the legislation. The expenditure and revenue impacts of these bills were requested by legislative committees during the session, and these impact statements are updated to include analysis of any amendments to the bills subsequent to RFA's fiscal impact statement on a previous version of the bill. The final fiscal impact statements are published on the RFA website, along with the earlier fiscal impact statements on the bills as they progressed through the legislative process.

We estimate that these seventy-eight bills will increase agency General Fund expenditures by a total of \$4,749,885, while General Fund revenue will decline by \$415,925. Federal and Other Fund agency expenditures will increase by \$160,475 due to these bills, while Federal and Other Fund revenues will decline by \$15,165,306. Local expenditures are expected to increase by \$14,650,000, while local revenues will increase by \$1,517,500 from the provisions contained in these ratified or enacted bills. The appendix table enclosed summarizes the expenditure and revenue impact of each of the seventy-eight bills.

RFA reviewed all other ratified or enacted bills where a fiscal impact statement was not requested and found no expenditure or revenue impacts to state or local governments from those bills. Select ratified or enacted bills that contain a significant fiscal impact include:

- House Bill 3568, or Act 69 of 2015, allows sales tax exemptions for children's clothing sold to a tax exempt charitable organization and building materials purchased by a tax exempt entity to build, rehabilitate, or repair a home for an individual or family in need. The bill also expands the existing sales tax exemption for parts and supplies used to repair or recondition aircraft to include private general aviation aircraft. This bill reduces sales and use tax revenue by an estimated \$1,218,310 in FY 2015-16. Of this total, the General Fund is reduced \$812,206, and the Education Improvement Act Fund and the Homestead Exemption Fund are reduced by \$203,052 each for a total Other Fund reduction of \$406,104 in FY 2015-16.
- Senate Bill 47, or Act 71 of 2015, requires state and local law enforcement agencies to implement the use of body-worn cameras. Agencies are not required to implement the use of body-worn cameras until they have received full funding from the Body-Worn Camera Fund but may proceed with their use of such devices at any time. State and local law enforcement agencies' reimbursements would be limited to the amount of appropriations to the Body-

Worn Camera Fund. State and local law enforcement agencies indicate that expenditures could total \$21,513,122 in FY 2015-16. Upon approval of a state or local law enforcement agency's policies and procedures by the Law Enforcement Training Council, the amount of funding provided for body-worn cameras and ongoing costs related to the maintenance and storage of the recorded data are determined by the Public Safety Coordinating Council as established by this bill.

- Senate Bill 382, or Act 120 of 2015, authorizes South Carolina State University to institute a mandatory furlough program of up to twenty working days in FY 2014-15 and FY 2015-16. This bill will generate General Fund, Federal Funds, and Other Funds savings of \$2,413,060 in FY 2014-2015 and additional savings of \$2,506,060 in FY 2015-2016.
- Senate Bill 391, or Act 11 of 2015, amends Section 59-112-50 to provide that active duty military veterans who enroll in a state supported college within three years of discharge and receive educational assistance under Chapter 30 and Chapter 33, Title 38 of the United States Code are entitled to pay in-state tuition and fees without regard to the length of time the veteran has resided in South Carolina. This bill will reduce Other Fund tuition and fee revenues by up to \$14,766,702 in FY 2015-16 due to the in-state/out-of-state tuition differential for each eligible student. This bill will bring South Carolina in compliance with Section 702 of the Veterans Access, Choice and Accountability Act of 2014 so that South Carolina veterans and institutions will remain eligible for education benefits under the Post-9/11 GI Bill and the Montgomery GI Bill.

In the following appendix, we provide a summary table of the expenditure and revenue impact of the ratified and enacted bills of 2015. We also include the final fiscal impact statements for each of the seventy-eight bills. The bills with an undetermined fiscal impact cannot be reliably estimated due to uncertain or unavailable data. Estimated increases to agency General Fund, Federal Fund, or Other Fund expenditures would require additional appropriations or authorizations from the General Assembly before the affected agencies could spend any additional funds.

# Appendix I

A. State and Local Expenditure and Revenue Summary Table of Final Fiscal Impact Statements on Ratified and Enacted Bills from the 2015 Session

B. Final Fiscal Impact Statements on Ratified and Enacted Bills from the 2015 Session

**FY 2015-16 EXPENDITURE AND REVENUE SUMMARY  
OF RATIFIED AND ENACTED BILLS FROM THE  
2015 SESSION OF THE SOUTH CAROLINA GENERAL ASSEMBLY**

BILL NUMBER	GENERAL FUND EXPENDITURE	FEDERAL/OTHER FUND EXPENDITURE	GENERAL FUND REVENUE	FEDERAL/OTHER FUND REVENUE	LOCAL EXPENDITURE	LOCAL REVENUE
H3035	Minimal	N/A	N/A	N/A	N/A	N/A
H3083	0	0	N/A	N/A	N/A	N/A
H3154	50,000	N/A	N/A	N/A	Undetermined	N/A
H3156	0	0	N/A	N/A	N/A	N/A
H3168	0	0	N/A	N/A	N/A	N/A
H3215	Minimal	0	N/A	N/A	N/A	N/A
H3264	0	0	N/A	N/A	N/A	N/A
H3266	Minimal	0	N/A	N/A	N/A	N/A
H3304	N/A	N/A	N/A	N/A	250,000	250,000
H3324	N/A	N/A	N/A	N/A	N/A	N/A
H3443	0	0	N/A	N/A	N/A	N/A
H3464	0	0	N/A	N/A	N/A	N/A
H3525	Minimal	N/A	N/A	7,500	N/A	742,500
H3547	0	0	N/A	N/A	N/A	N/A
H3548	0	0	N/A	N/A	N/A	N/A
H3568	0	0	(812,206)	(406,104)	N/A	N/A
H3575	0	0	N/A	N/A	N/A	N/A
H3583	0	0	0	0	0	0
H3646	0	0	N/A	N/A	Minimal	N/A
H3663	0	0	N/A	N/A	N/A	N/A
H3683	0	0	N/A	N/A	N/A	N/A
H3725	0	0	200,000	N/A	N/A	N/A
H3772	0	0	N/A	N/A	N/A	N/A
H3840	0	0	N/A	N/A	Undetermined	N/A
H3846	0	0	N/A	N/A	Minimal	N/A
H3852	0	109,475	N/A	0	N/A	N/A
H3882	0	0	N/A	N/A	N/A	N/A
H3888	0	0	N/A	N/A	N/A	N/A
H3890	0	0	N/A	N/A	N/A	N/A
H4005	0	0	N/A	N/A	Undetermined	N/A
H4076	0	0	N/A	N/A	Undetermined	N/A
H4084	0	0	N/A	N/A	0	N/A
H4106	0	0	N/A	N/A	Undetermined	N/A
H4142	0	0	N/A	N/A	0	N/A
S0003	Undetermined	N/A	N/A	N/A	N/A	N/A
S0008	0	0	N/A	N/A	N/A	N/A
S0011	N/A	N/A	N/A	N/A	N/A	N/A
S0047	7,113,122	N/A	N/A	N/A	14,400,000	N/A
S0078	Minimal	N/A	N/A	N/A	0	Undetermined
S0133	0	0	N/A	N/A	N/A	N/A
S0153	N/A	N/A	N/A	N/A	N/A	(625,000)
S0154	N/A	N/A	N/A	N/A	N/A	N/A
S0176	0	N/A	N/A	N/A	N/A	N/A
S0177	N/A	N/A	N/A	N/A	N/A	N/A
S0179	N/A	N/A	N/A	N/A	N/A	N/A
S0183	Minimal	0	N/A	N/A	N/A	N/A
S0196	Minimal	Minimal	N/A	N/A	N/A	N/A
S0211	0	0	N/A	N/A	Undetermined	N/A
S0225	0	0	N/A	N/A	N/A	N/A
S0237	0	0	N/A	N/A	N/A	N/A
S0250	0	0	N/A	N/A	N/A	N/A
S0261	0	0	N/A	N/A	N/A	N/A
S0268	0	0	N/A	N/A	N/A	N/A
S0301	N/A	5,000	N/A	N/A	N/A	N/A
S0304	0	0	N/A	N/A	N/A	N/A
S0341	0	10,000	N/A	N/A	Minimal	N/A
S0342	0	0	N/A	N/A	N/A	N/A

BILL NUMBER	GENERAL FUND EXPENDITURE	FEDERAL/OTHER FUND EXPENDITURE	GENERAL FUND REVENUE	FEDERAL/OTHER FUND REVENUE	LOCAL EXPENDITURE	LOCAL REVENUE
S0350	N/A	N/A	0	0	N/A	N/A
S0358	0	0	N/A	N/A	N/A	N/A
S0361	0	0	N/A	N/A	N/A	N/A
S0373	0	0	N/A	N/A	N/A	N/A
S0375	N/A	N/A	N/A	N/A	0	0
S0376	0	0	N/A	N/A	Undetermined	N/A
S0379	N/A	Minimal	N/A	N/A	N/A	(100,000)
S0382	(2,413,237)	Undetermined	N/A	N/A	N/A	N/A
S0389	0	0	0	N/A	N/A	N/A
S0391	0	0	N/A	N/A	N/A	N/A
S0397	0	0	196,281	N/A	N/A	N/A
S0413	0	0	N/A	N/A	N/A	N/A
S0426	Minimal	0	N/A	N/A	N/A	N/A
S0437	0	0	N/A	N/A	N/A	N/A
S0441	Minimal	0	N/A	N/A	N/A	N/A
S0474	0	0	N/A	N/A	N/A	N/A
S0500	Minimal	0	N/A	N/A	N/A	N/A
S0526	0	0	0	0	N/A	N/A
S0588	0	0	N/A	N/A	N/A	N/A
S0590	0	36,000	N/A	N/A	N/A	N/A
S0897	Undetermined	N/A	N/A	N/A	N/A	N/A
<b>TOTAL</b>	<b>TOTAL</b>	<b>TOTAL</b>	<b>TOTAL</b>	<b>TOTAL</b>	<b>TOTAL</b>	<b>TOTAL</b>
<b>78</b>	<b>4,749,885</b>	<b>160,475</b>	<b>(415,925)</b>	<b>(398,604)</b>	<b>14,650,000</b>	<b>267,500</b>



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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Bill Number: H. 3035 As signed by the Governor on April 2, 2015  
 Author: Cobb-Hunter  
 Requestor: House Agriculture, Natural Resources, and Environmental Affairs  
 Date: June 22, 2015  
 Subject: Take Palmetto Pride Where You Live Act  
 RFA Analyst(s): Stein, Gardner, and Shealy

**Estimate of Fiscal Impact**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>State Expenditure</b>		
General Fund	Minimal	N/A
Other and Federal	N/A	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

This bill is not expected to significantly impact State expenditures. All agencies surveyed indicated that either the costs associated with implementation would be minimal and could be absorbed or that there would be no cost to the agency.

**Explanation of Fiscal Impact**

**Explanation of Amendment (February 3, 2015) – By the House**

**State Expenditure**

This bill creates a 12-member Commission that is staffed by the Department of Natural Resources and includes representatives from six state agencies. The Commission is required to survey this and other states' litter collection practices, develop a strategic State plan for litter control, coordinate the efforts of all state agencies, and report to the General Assembly biennially. The amendment modifies the definition of the term public service work by substituting "includes" for "means" so that the definition of public service work includes participating in a litter removal program.

**Department of Natural Resources.** The Department reports that they have sufficient funding for one position to serve as staff to the Commission. Any travel and communications expenditures are expected to be minimal and would be absorbed.

**Department of Transportation.** The Department of Transportation reports that this bill will have minimal impact on agency expenditures that can be absorbed by the agency until a plan is

approved and passed by the General Assembly. If the litter committee sets parameters for litter mitigation that result in additional costs to DOT above current levels, and additional funding is not legislatively provided, then the expenditures will be absorbed by current DOT state maintenance funds.

**Department of Corrections, Department of Public Safety, and Judicial Department.** These agencies report that this bill will have minimal expenditure impact that can be absorbed by the agencies.

**Department of Probation, Pardon and Parole.** The Department indicates that this bill will have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

**State Revenue**

N/A

**Local Expenditure**

N/A

**Local Revenue**

N/A

**Explanation of Bill Filed on December 11, 2014**

**State Expenditure**

This bill creates a 12-member Commission that is staffed by the Department of Natural Resources and includes representatives from six state agencies. The Commission is required to survey this and other states' litter collection practices, develop a strategic State plan for litter control, coordinate the efforts of all state agencies, and report to the General Assembly biennially.

**Department of Natural Resources.** The Department reports that they have sufficient funding for one position to serve as staff to the Commission. Any travel and communications expenditures are expected to be minimal and would be absorbed.

**Department of Transportation.** The Department of Transportation reports that this bill will have minimal impact on agency expenditures that can be absorbed by the agency until a plan is approved and passed by the General Assembly. If the litter committee sets parameters for litter mitigation that result in additional costs to DOT above current levels, and additional funding is not legislatively provided, then the expenditures will be absorbed by current DOT state maintenance funds.

**Department of Corrections, Department of Public Safety, and Judicial Department.** These agencies report that this bill will have minimal expenditure impact that can be absorbed by the agencies.

**Department of Probation, Pardon and Parole.** The Department indicates that this bill will have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

**State Revenue**

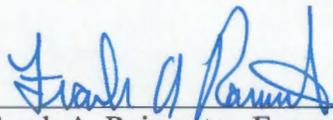
N/A

**Local Expenditure**

N/A

**Local Revenue**

N/A



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Bill Number: H. 3083 As signed by the Governor on June 3, 2015  
 Author: Huggins  
 Requestor: Senate Medical Affairs  
 Date: June 10, 2015  
 Subject: S.C. Overdose Prevention Act  
 RFA Analyst(s): Stein and Wren

**Estimate of Fiscal Impact**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>State Expenditure</b>		
General Fund	\$0	N/A
Other and Federal	\$0	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

This bill would have no impact on the General Fund, Federal Funds, or Other Funds. We are unable to determine the expenditure impact on local emergency medical service providers, law enforcement officers, and fire department personnel due to the permissive nature of the bill that allows a first responder to administer an opioid antidote in an emergency,

**Explanation of Fiscal Impact**

**State Expenditure**

House Bill creates the SC Overdose Prevention Act. The bill provides prescribers, pharmacists, and caregivers protection from civil and criminal liability for prescribing, dispensing, or administering an opioid antidote to a person at risk of an opioid overdose. The bill requires prescribers to instruct non-healthcare professionals regarding the recognition of symptoms, dosage, administration of the antidote, and procedures to follow after administration.

**Department of Health and Environmental Control.** The department reports that this bill would have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

**State Revenue**

N/A

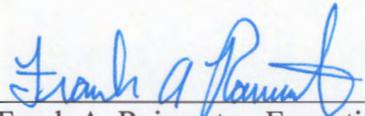
**Local Expenditure**

Due to the permissive nature of the bill allowing a first responder to administer an opioid antidote in an emergency, we are unable to determine the expenditure impact on local emergency

medical services providers, law enforcement officers, and fire department personnel. The willingness of first responders to carry and administer an opioid antidote will depend on the regulations promulgated by the Department of Health and Environmental Control addressing appropriate training for first responders. First responders must also comply with all applicable requirements for possession, administration, and disposal of the opioid antidote and administration device.

**Local Revenue**

N/A



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Bill Number: H. 3154 As signed by the Governor on June 11, 2015  
 Author: J. E. Smith  
 Requestor: House of Representatives  
 Date: June 21, 2015  
 Subject: S.C. Uniform Military and Overseas Voters Act  
 RFA Analyst(s): Fulmer and Wren

**Estimate of Fiscal Impact**

	FY 2015-16	FY 2016-17
<b>State Expenditure</b>		
General Fund	\$50,000	N/A
Other and Federal	N/A	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	Undetermined	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

The bill will have a nonrecurring \$50,000 expenditure impact on the General Fund and no expenditure impact on Federal Funds or Other Funds. Due to the limited number of responses from the counties surveyed, the Revenue and Fiscal Affairs Office is not able to determine the expenditure impact of this bill on county governments.

**Explanation of Fiscal Impact**

**Explanation of Amendment (June 4, 2015) – By the Conference Committee**

The conference report amended Section 7-13-350 to require candidates for President and Vice President be certified no later than the first Tuesday following the first Monday in September. The conference report further amends Section 7-15-20, which adds Article 9, South Carolina Uniform Military and Overseas Voters Act. This amendment is not expected to impact state expenditures, and the impact of this bill as amended is unchanged from the bill as amended on April 28, 2015.

**Explanation of Amendment (April 28, 2015) – By the House of Representatives**

**State Expenditure**

The bill enacts the South Carolina Uniform Military and Overseas Voters Act to provide registration and absentee voting alternatives for certain military and overseas voters as defined by this bill.

The State Election Commission (SEC) will ensure that the election commission's electronic transmission system is capable of accepting both a federal postcard application and any other

approved electronic registration application sent to the appropriate election official. SEC indicates that changes would need to be made to the statewide Voter Registration Election Management System in order to comply with the bill. The agency estimates a nonrecurring General Fund expenditure impact of \$50,000 to upgrade the system.

**State Revenue**

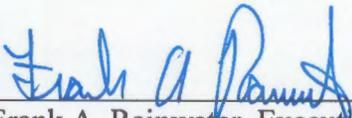
N/A

**Local Expenditure**

The Revenue and Fiscal Affairs Office contacted twenty-three county governments regarding the expenditure impact of this bill. Richland County reports that this bill will have no impact as the county is currently following the guidelines introduced in the bill. Due to the limited number of responses from the counties surveyed, our office is not able to determine the expenditure impact of this bill on county governments.

**Local Revenue**

N/A



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Bill Number: H. 3156 As signed by the Governor on June 4, 2015  
 Author: J.E. Smith  
 Requestor: Senate Judiciary  
 Date: June 17, 2015  
 Subject: Uniform Deployed Parents Custody and Visitation Act  
 RFA Analyst(s): Shealy

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**Estimate of Fiscal Impact**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>State Expenditure</b>		
General Fund	\$0	N/A
Other and Federal	\$0	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

This bill would have no fiscal impact on the General Fund, Federal Funds, or Other Funds.

**Explanation of Fiscal Impact**

**State Expenditure**

This bill establishes the judicial procedures, including the filing of motions and holding of hearings, for granting child custody related to a parent's military deployment. If these proposed procedures result in additional motions or hearing in Family Court, it is anticipated the Judicial Department would absorb this costs. Thus, it is anticipated that this bill would not impact the General Fund, Federal Funds, or Other Funds.

**State Revenue**

N/A

**Local Expenditure**

N/A

**Local Revenue**

N/A

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Bill Number: H.3168 As signed by the Governor on June 1, 2015  
 Author: Tallon  
 Requestor: Senate Judiciary  
 Date: June 10, 2015  
 Subject: South Carolina Emergency Management Law Enforcement Act  
 RFA Analyst(s): Gardner

**Estimate of Fiscal Impact**

	FY 2015-16	FY 2016-17
<b>State Expenditure</b>		
General Fund	\$0	N/A
Other and Federal	\$0	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

This bill would have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

**Explanation of Fiscal Impact**

**State Expenditure**

House Bill 3168 adds Article 6 to Chapter 9, Title 25 so as to enact the South Carolina Emergency Management Law Enforcement Act. The bill also defines necessary terms and provides qualifications, powers, duties, and limitations of out-of-state special law enforcement officers who are deployed to South Carolina in accordance with the provisions of the Emergency Management Assistance Compact.

**South Carolina Law Enforcement Division.**

The agency indicates this bill would have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

**State Revenue**

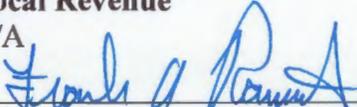
N/A

**Local Expenditure**

N/A

**Local Revenue**

N/A

  
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**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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Bill Number: H. 3215 As signed by the Governor on June 1, 2015  
 Author: Govan  
 Requestor: Senate Judiciary  
 Date: June 10, 2015  
 Subject: Alimony  
 RFA Analyst(s): Fulmer

**Estimate of Fiscal Impact**

	FY 2015-16	FY 2016-17
<b>State Expenditure</b>		
General Fund	minimal	N/A
Other and Federal	\$0	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

The bill would have a minimal expenditure impact to the General Fund. There is no impact to Federal Funds and Other Funds.

**Explanation of Fiscal Impact**

**Explanation of Amendment (April 28, 2015) – By the House of Representatives**

**State Expenditure**

This bill creates the Alimony Reform Study Committee composed of three members from each legislative body who will prepare a report for the General Assembly on its findings and recommendations by December 31, 2015.

The House of Representatives and The Senate indicate that this bill will have a minimal expenditure impact to the General Fund which can be absorbed in existing resources. There is no impact to Federal Funds or Other Funds.

**State Revenue**

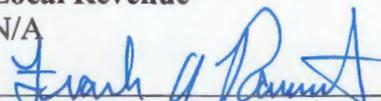
N/A

**Local Expenditure**

N/A

**Local Revenue**

N/A

  
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**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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Bill Number: H. 3264 As signed by the Governor on June 3, 2015  
 Author: Taylor  
 Requestor: House Education and Public Works  
 Date: June 16, 2015  
 Subject: Special license plates  
 RFA Analyst(s): Shealy

**Estimate of Fiscal Impact**

	FY 2015-16	FY 2016-17
<b>State Expenditure</b>		
General Fund	\$0	N/A
Other and Federal	\$0	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

This bill would have no expenditure or revenue impact on the General Fund, Federal Funds, or Other Funds.

**Explanation of Fiscal Impact**

**Explanation of Amendment (May 26, 2015) – By the House Education and Public Works**  
**State Expenditure**

The amendment to the bill states that The Department of Motor Vehicles shall imprint the special license plates with the distinctive Red Cross emblem approved by the American Red Cross along with the words or text, Proud Supporter of the American Red Cross written at the top of the special license plates.

**State Revenue**

N/A

**Local Expenditure**

N/A

**Local Revenue**

N/A

**Explanation of Bill (December 18, 2014) – By the House Education and Public Works  
State Expenditure**

This bill provides for the issuance of American Red Cross special motor vehicle license plates. Pursuant to Section 56-3-8000, the Red Cross will deposit a \$6,800 application fee used by the Department of Motor Vehicles to defray the initial cost of producing the special license plate. The biennial fee for these license plates is the regular registration fee set forth in statute plus an additional fee requested by the organization. Any fees collected in excess of the cost of producing the plates must be distributed to the organization. Since both the initial cost of producing the special license plate and the regular license fees are collected, we anticipate no impact on State expenditures or revenue.

**State Revenue**

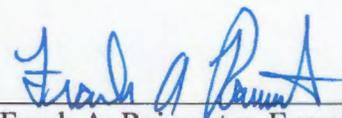
N/A

**Local Expenditure**

N/A

**Local Revenue**

N/A



Frank A. Rainwater, Executive Director



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
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Bill Number: H. 3266 As signed by the Governor on June 8, 2015  
 Author: Hiott  
 Requestor: Senate Judiciary  
 Date: June 23, 2015  
 Subject: Trespasser Responsibility Act  
 RFA Analyst(s): Shealy and Walling

**Estimate of Fiscal Impact**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>State Expenditure</b>		
General Fund	Minimal	N/A
Other and Federal	\$ 0	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

The Judicial Department anticipates minimal expenditure impact, if any, on the General Fund. There is no impact on Federal or Other Funds.

**Explanation of Fiscal Impact**

**Explanation of Amendment (May 4, 2015) – By the Senate**

**State Expenditure**

This bill limits a land owner’s civil liability to trespassers in certain circumstances. In addition to the exception for a child, the amendment includes an exception for when persons of intellectual disability are involved. This amendment is not expected to create any additional impact; therefore, the impact of the bill as amended is unchanged from the bill as filed.

**State Revenue**

N/A

**Local Expenditure and Revenue**

N/A

**Explanation of Bill Filed on January 13, 2015**

**State Expenditure**

This bill limits a land owner’s civil liability to trespassers in certain circumstances. The bill includes an exception for when children are involved and the land owner is aware of the

condition that may cause harm. As this bill reduces the ability to bring a court action, the Judicial Department anticipates that it will have minimal impact, if any, on the General Fund. There is no impact on Federal or Other Funds.

**State Revenue**

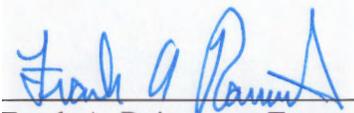
N/A

**Local Expenditure**

N/A

**Local Revenue**

N/A



Frank A. Rainwater, Executive Director



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Bill Number: H. 3304 As signed by the Governor on June 3, 2015  
 Author: Brannon  
 Requestor: Senate  
 Date: June 10, 2015  
 Subject: Landrum Fire and Rescue District  
 RFA Analyst(s): Jolliff and Wren

**Estimate of Fiscal Impact**

	FY 2015-16	FY 2016-17
<b>State Expenditure</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	\$250,000	N/A
<b>Local Revenue</b>	\$250,000	N/A

**Fiscal Impact Summary**

This bill as amended is not expected to impact state expenditures or revenues. Based upon information provided by the City of Landrum, local expenditures for the Landrum Fire and Rescue District are expected to increase by \$250,000 above the current expenditures of the City of Landrum for fire service to the city and surrounding areas. The city also indicates local revenues from property tax millage imposed by the Landrum Fire and Rescue District are expected to increase by \$250,000 to a total of \$500,000 each fiscal year.

**Explanation of Fiscal Impact**

**Explanation of Amendment (May 9, 2015) – By the Senate**

The amendment to the bill adds a sentence to Section 4-23-1200(A) to allow the Spartanburg County Council and the Greenville County Council to change the boundaries of the Landrum Fire and Rescue District located within their respective counties pursuant to the provisions of Article 3 of Chapter 11 of Title 6 relating to special purpose districts. This amendment is not expected to impact local revenues or expenditures, and the impact of the bill as amended is unchanged from the bill as filed.

**Explanation of Amendment (April 21, 2015) – By the House of Representatives**

The amendment to the bill codifies the language included in the bill as filed and makes changes to the introduction of the bill. The impact of the bill as amended is unchanged from the bill as filed.

**Explanation of Bill Filed on January 13, 2015**

**State Expenditure**

N/A

**State Revenue**

N/A

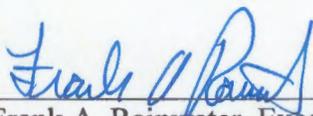
**Local Expenditure**

This bill creates the Landrum Fire and Rescue District comprised of the City of Landrum, the Landrum Community Fire Service Area in Spartanburg County, and a portion of the Foothills Fire Service Area in Greenville County. Currently, the City of Landrum provides fire service for these areas through a contract with Spartanburg and Greenville counties.

The Revenue and Fiscal Affairs Office contacted the City of Landrum, Greenville County, and Spartanburg County regarding the expenditure impact of this bill. We received a response from the City of Landrum. Based on information provided by the city, this bill would increase local expenditures by \$250,000 to fund additional services by the Landrum Fire and Rescue District. The increased expenditures are to employ full-time fire service personnel and for equipment and infrastructure upgrades. Although our office did not receive responses from Greenville or Spartanburg, we do not anticipate this bill would have an expenditure impact to either of the counties.

**Local Revenue**

Based upon information provided by the City of Landrum, local revenue to fund the new service district is expected to increase by \$250,000 to a total of \$500,000 to fund the additional costs of employing full-time personnel and investments in equipment and infrastructure upgrades. The service district will be funded through property tax millage at the millage rate necessary to fund the increased services as determined by the Landrum Fire and Rescue District Commission.



Frank A. Rainwater, Executive Director



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Bill Number: H. 3324 As signed by the Governor on May 7, 2015  
 Author: J.E. Smith  
 Requestor: House Medical, Military, Public, and Municipal Affairs  
 Date: June 23, 2015  
 Subject: State and local level veterans issues  
 RFA Analyst(s): Kincaid and Walling

**Estimate of Fiscal Impact**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>State Expenditure</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

The Governor's Office, the General Assembly, and the Adjutant General's Office indicate this bill will have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

**Explanation of Fiscal Impact**

**Explanation of Amendment (March 3, 2015) – By the House of Representatives**

**State Expenditure**

The amendment changes "South Carolina Office of Veterans Affairs" to "South Carolina Division of Veterans Affairs". The amendment has no additional impact; therefore, the impact of the bill as amended is unchanged from the bill as filed.

**State Revenue**

N/A

**Local Expenditure and Local Revenue**

N/A

**Explanation of Bill Filed on January 15, 2015**

This bill would establish a committee to study state and local level veterans' issues and make appropriate legislative recommendations for improving the structure, delivery, and coordination of veterans' services in South Carolina. The bill also provides for the committee's membership, duration, and staffing. Section 4 of the bill states that the members of the committee may not receive compensation or certain other expenses authorized by law for members of state boards and committees.

**State Expenditure**

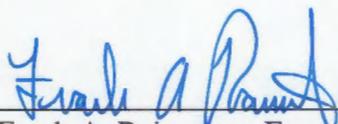
The Governor's Office, the General Assembly, and the Adjutant General's Office indicate this bill will have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

**State Revenue**

N/A

**Local Expenditure and Local Revenue**

N/A



Frank A. Rainwater, Executive Director



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Bill Number: H. 3443 As signed by the Governor on May 7, 2015  
 Author: Long  
 Requestor: House Medical, Military, Public, and Municipal Affairs  
 Date: June 15, 2015  
 Subject: Prescriptive authority for optometrists  
 RFA Analyst(s): Stein

**Estimate of Fiscal Impact**

	FY 2015-16	FY 2016-17
<b>State Expenditure</b>		
General Fund	\$0	N/A
Other and Federal	\$0	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

This bill would have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

**Explanation of Fiscal Impact**

**State Expenditure**

House Bill 3443 amends Section 40-37-290 relating to the prescriptive authority of optometrists. The bill authorizes optometrists to continue to prescribe hydrocodone, which they had not been allowed to prescribe after the medication was reclassified from Schedule III to Schedule II in October, 2014.

The Department of Labor, Licensing and Regulation reports that this bill would have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

**State Revenue**

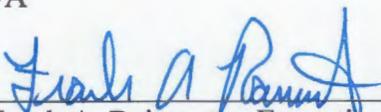
N/A

**Local Expenditure**

N/A

**Local Revenue**

N/A

  
 \_\_\_\_\_  
 Frank A. Rainwater, Executive Director



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Bill Number: H. 3464 As signed by the Governor on May 12, 2015  
 Author: R. L. Brown  
 Requestor: House Medical, Military, Public, and Municipal Affairs  
 Date: June 15, 2015  
 Subject: Licensing requirements for barber schools  
 RFA Analyst(s): Stein

**Estimate of Fiscal Impact**

	FY 2015-16	FY 2016-17
<b>State Expenditure</b>		
General Fund	\$0	N/A
Other and Federal	\$0	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

This bill would have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

**Explanation of Fiscal Impact**

**State Expenditure**

House Bill 3464 amends Section 40-7-350 by rewriting the current licensing requirements for barber schools and school instructors with language that would allow the Department of Labor, Licensing and Regulation to continue to receive Title IV funding from the federal Department of Education for barber schools.

The Department of Labor, Licensing and Regulation reports that this bill would have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

**State Revenue**

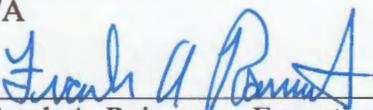
N/A

**Local Expenditure**

N/A

**Local Revenue**

N/A

  
 \_\_\_\_\_  
 Frank A. Rainwater, Executive Director



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Bill Number: H. 3525 As signed by the Governor on June 24, 2015  
 Author: Sandifer  
 Requestor: House Labor, Commerce, and Industry  
 Date: July 6, 2015  
 Subject: Transportation network companies  
 RFA Analyst(s): Wren, Fulmer, and Stein

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**Estimate of Fiscal Impact**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>State Expenditure</b>		
General Fund	Minimal	N/A
Other and Federal	N/A	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	\$7,500	N/A
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	\$742,500	N/A

**Fiscal Impact Summary**

This bill is expected to have a minimal expenditure impact on the Revenue and Fiscal Affairs Office that can be absorbed within the agency's current appropriations.

This bill is expected to increase Other Funds revenue of the Office of Regulatory Staff by \$7,500 in FY 2015-16. Additionally, local revenue is expected to increase by \$742,500 in FY 2015-16.

**Explanation of Fiscal Impact**

**State Expenditure**

This bill enacts the South Carolina Transportation Companies Act by adding Article 16 to Chapter 23, Title 58. This bill differentiates transportation network companies from taxi, charter bus, charter limousine, and for-hire service businesses. Additionally, the bill provides that transportation network companies are governed by the Office of Regulatory Staff (ORS) and must obtain a permit from ORS prior to beginning operations. ORS is authorized to collect a one percent local assessment fee on all gross trip fares. ORS is permitted to retain one percent of the local assessment fee and the remaining ninety-nine percent must be remitted to local governments based on where the trips originate. This bill also outlines the automobile insurance requirements for transportation network companies and drivers and provides the application process required for all drivers.

**Department of Insurance.** The Department of Insurance indicates this bill will have no expenditure impact on the agency.

**Revenue and Fiscal Affairs Office.** The Revenue and Fiscal Affairs Office indicates this bill will have a minimal expenditure impact that can be absorbed by the agency.

**Office of Regulatory Staff.** The Office of Regulatory Staff indicates that they do not have sufficient data to determine the expenditure impact of this bill.

**Public Service Commission.** The Public Service Commission indicates this bill will have no expenditure impact on the agency.

### **State Revenue**

This bill allows the Office of Regulatory Staff (ORS) to assess each transportation network company an undisclosed annual fee in an amount necessary for ORS to carry out the requirements of this act. Additionally, the bill permits ORS to retain one percent of the local assessment fee charged by transportation network companies on gross trip fares. Within sixty days of the end of the calendar quarter, ORS shall distribute the remaining portion of the total local assessment fees to each municipality where a trip originated during the reporting period. For trips that originate outside a municipality, the remaining funds of the local assessment fee must be remitted to the county where the trip originated. This bill also outlines the penalties associated with violations by transportation network companies. The penalties range from one hundred dollars for a first offense to not less than one thousand dollars for third and subsequent offenses. Seventy-five percent of the penalties collected as a result of violations must be remitted to ORS and must be used for enforcement operations.

The Office of Regulatory Staff indicates they do not have sufficient data to determine the revenue impact of this bill. Based on articles from Forbes, Wall Street Journal, and Business Insider, national revenues from Uber are expected to reach \$10 billion by the end of 2015. Additionally, these sources indicate that Uber's revenue will grow about 300% next year. Using the \$10 billion figure, accounting for the state's 1% local assessment fee, prorating this amount for South Carolina's 1.5% share of the U.S. population, and applying a discount rate of 50% to account for the majority of Uber's revenue that comes from large metropolitan cities, such as San Francisco and New York, we estimate approximately \$750,000 in additional revenue for the state in FY 2015-16. Of the \$750,000, the Office of Regulatory Staff is permitted to retain 1%, or \$7,500, to cover expenses for the regulation of transportation network companies and for the collection, remittance, and distribution of local assessment fees. The remaining \$742,500 would be distributed to municipal and county governments based on where the trips originated. Please note that these figures only account for Uber services and do not account for other transportation network companies that could begin operations in the state.

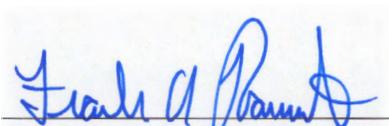
### **Local Expenditure**

N/A

### **Local Revenue**

This bill specifies that municipal and county governments must receive 99% of the 1% local assessment fee charged on gross trip fares of all transportation network companies. Based on the analysis stated above, we estimate this bill will generate \$750,000 in additional revenue for the

state. Of this \$750,000, we estimate that \$742,500 will be distributed to municipal and county governments based on where the trips originated. Please note that this figure accounts only for Uber services and does not account for other transportation network companies that could begin operations in the state.



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Frank A. Rainwater, Executive Director



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
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Bill Number: H. 3547 As signed by the Governor on May 7, 2015  
 Author: J.E. Smith  
 Requestor: House Medical, Military, Public, and Municipal Affairs  
 Date: June 24, 2015  
 Subject: Reemployment Rights  
 RFA Analyst(s): Shealy

**Estimate of Fiscal Impact**

	FY 2015-16	FY 2016-17
<b>State Expenditure</b>		
General Fund	\$0	N/A
Other and Federal	\$0	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

All agencies surveyed indicated that this bill will have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

**Explanation of Fiscal Impact**

**State Expenditure**

This bill grants reemployment rights to persons employed in South Carolina who are members of another state's national or state guard when they are honorably released from state duty.

The Adjutant General and the Judicial Department report that this bill will have no impact on the General Fund, Federal Funds, or Other Funds.

**State Revenue**

N/A

**Local Expenditure**

N/A

**Local Revenue**

N/A

Frank A. Rainwater, Executive Director



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**

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Bill Number: H. 3548 As signed by the Governor on June 4, 2015  
 Author: J. E. Smith  
 Requestor: Senate Judiciary  
 Date: June 26, 2015  
 Subject: Child Abuse and Neglect  
 RFA Analyst(s): Fulmer

**Estimate of Fiscal Impact**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>State Expenditure</b>		
General Fund	\$0	N/A
Other and Federal	\$0	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

The bill as filed has no expenditure impact to the General Fund, Federal Funds, or Other Funds.

**Explanation of Fiscal Impact**

**State Expenditure**

This bill requires the Department of Social Services to notify designated military officials if there is alleged abuse or neglect of a child of an active duty military family. The bill authorizes the Department of Social Services to grant access of files to the appropriate military authorities.

The Department of Social Services reports that this bill will require a Memorandum of Understanding or agreements with military installations command authority. The agency indicates there is no impact to the General Fund, Federal Funds, or Other Funds.

**State Revenue**

N/A

**Local Expenditure**

N/A

**Local Revenue**

N/A

  
 \_\_\_\_\_  
 Frank A. Rainwater, Executive Director



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Bill Number: H.3568 As signed by the Governor on June 9, 2015  
 Author: G.R. Smith  
 Requestor: House of Representatives  
 Date: June 11, 2015  
 Subject: Sales tax exemptions  
 RFA Analyst(s): Martin

**Estimate of Fiscal Impact**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>State Expenditure</b>		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	(\$812,206)	(\$1,624,412)
Other and Federal	(\$406,104)	(\$812,208)
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

This bill, as further amended, would reduce sales and use tax revenue by an estimated \$1,218,310 in FY2015-16. Of this total, General Fund revenue would be reduced by \$812,206, the E.I.A. fund would be reduced by \$203,052, and the Homestead Exemption Fund would be reduced by \$203,052 in FY2015-16. In FY2016-17, and each fiscal year thereafter, sales and use tax revenue would be reduced by an estimated \$2,436,620 annually. Of this total, General Fund revenue would be reduced by \$1,624,412, the E.I.A. would be reduced by \$406,104, and the Homestead Exemption Fund would be reduced by \$406,104 annually.

**Explanation of Fiscal Impact**

**Explanation of Amendment (May 26, 2015) – By the Senate**

**State Expenditure**

Since this legislation makes no substantive changes to existing programs or resources, the Department of Revenue can administer the legislative changes with existing resources.

**State Revenue**

This amendment adds language from H.3062 to include a sales tax exemption for children's clothing sold to a private charitable organization exempt from federal and state income tax, except for private schools, for the sole purpose of distribution by that organization to needy children. This sales and use tax exemption is discussed in Section 3 of the revenue impact statement. The following is a section-by-section analysis of the amended bill.

**Section 1.** This section would amend Section 12-36-2120 allow a sales and use tax exemption for building materials purchased by a nonprofit tax exempt entity to build, rehabilitate, or repair a home for the benefit of an individual or family in need. This would include organizations such as Habitat for Humanity. This organization is organized and operated to build and sell single family houses to selected buyers to promote home ownership and build a sense of community. This is done through the assistance of thirty-four affiliates located throughout the state. The Board of Economic Advisors has been advised by Habitat for Humanity that their goal for 2016 is to complete 150 new single family homes statewide. At an estimated cost of materials of \$30,000 per home and applying a six percent sales tax rate, sales and use tax revenue would be reduced by an estimated \$270,000 annually.

Since the effective date of this bill is January 1, 2016, sales and use tax revenue would be reduced by one-half of a full fiscal year, or an estimated \$135,000 in FY2015-16. Of this total, General Fund revenue would be reduced by \$90,000, the E.I.A. would be reduced by \$22,500, and the Homestead Exemption Fund would be reduced by \$22,500 in FY2015-16. In FY2016-17, sales and use tax revenue would be reduced by an estimated \$270,000 annually. Of this total, General Fund revenue would be reduced by \$180,000, the E.I.A. would be reduced by \$45,000, and the Homestead Exemption Fund would be reduced by \$45,000 in FY2016-17, and each fiscal year thereafter.

**Section 2.** This section would amend Section 12-36-2120(52) to strike “owned by or leased to the federal government or commercial air carriers” for those types of air carriers that would be eligible for a sales and use tax exemption on parts and supplies used by businesses that repair or recondition aircraft. This change would allow a sales and use tax exemption on all parts and supplies used to repair or recondition aircraft for all types of aircraft. This amendment would now include private general aviation aircraft previously excluded from the exemption.

Based on information from the General Aviation Manufacturer’s Association and the Federal Aviation Administration, Washington, D.C., there are 2,855 general aviation aircraft registered and/or hangered in South Carolina. Multiplying 2,855 general aviation aircraft by an estimated \$4,400 annual maintenance expenditures and applying a six percent sales and use tax rate yields a reduction of sales and use tax revenue of an estimated \$753,720 annually.

Since the effective date of this bill is January 1, 2016, sales and use tax revenue would be reduced by one-half of a full fiscal year, or an estimated \$376,860 in FY2015-16. Of this total, General Fund revenue would be reduced by \$251,240, the E.I.A. would be reduced by \$62,810, and the Homestead Exemption Fund would be reduced by \$62,810 in FY2015-16. In FY2016-17, sales and use tax revenue would be reduced by an estimated \$753,720 annually. Of this total, General Fund revenue would be reduced by \$502,480, the E.I.A. would be reduced by \$125,620, and the Homestead Exemption Fund would be reduced by \$125,620 in FY2016-17, and each fiscal year thereafter.

**Section 3.** This section would add a sales and use tax exemption on the sale of children’s clothing sold to a private charitable organization exempt from federal and state income tax, except for private schools, for the sole purpose of distributing the clothing to needy children. According to the amendment, the definition of “clothing” would be the same as that in Section

12-36-2120(57)(a)(i) and (iii) to include clothing and footwear only, and “needy children” would be defined as those children eligible for free meals under the National School Lunch Program of the United States Department of Agriculture.

The few states that have similar sales and use tax exemptions have done so to give low income parents of underprivileged children assistance with obtaining school uniforms where local school districts require mandatory dress codes for class attendance. Although the scope of this bill goes beyond required school uniforms, this bill seeks to create another avenue to assist underprivileged children in obtaining several articles of clean clothing to attend school.

The number of private charities with state and federal income tax exemption designations is very large. Essentially, any organization structured as a 501(c) for tax purposes could qualify. This could include any civic league, social welfare organizations, churches, homeowner associations, and others. Also, there is no clear definition of “sole purpose” for an organization. The generally accepted unwritten rule is that as long as 50.1 percent of an organization’s efforts go toward promoting the common good and general welfare of the people it is acceptable. If these definitions, however, are interpreted more broadly, the fiscal impact could be significantly higher.

According to the latest data from the U.S. Department of Agriculture, Food and Nutrition Service, National School Lunch Program, there are 481,534 school age children participating in the free lunch program in South Carolina. Multiplying 481,534 needy children by an average clothing donation of \$50 and applying a six percent sales and use tax rate yields a reduction in sales and use tax revenue of an estimated \$1,444,600 in FY2015-16. Of this amount, General Fund sales and use tax revenue would be reduced by \$963,066, the EIA fund would be reduced by \$240,767, and the Homestead Exemption Fund would be reduced by \$240,767 in FY2015-16.

This section would also not permit a sales and use tax exemption for children’s clothing sold to a private charitable organization that in turn donates the clothing to needy children that attend a private school. Based upon the latest data from the South Carolina Revenue and Fiscal Affairs Office, Division of Research, there are an estimated 50,796 private school children in South Carolina. According to the latest data from the U.S. Department of Education, National Center for Education Statistics and the U.S. Department of Agriculture, Food and Nutrition Service, National School Lunch Program, nearly twenty-one percent of private school children in grades K-12 are participating in the free lunch program in South Carolina. Multiplying 50,796 needy private school children by a nearly twenty-one percent participation rate and by an average clothing donation of \$50 and applying a six percent sales and use tax rate yields sales and use tax revenue of an estimated \$31,700 in FY2015-16. Of this amount, General Fund sales and use tax revenue would amount to \$21,134, the EIA fund would amount to \$5,283, and the Homestead Exemption Fund would amount to \$5,283 in FY2015-16. Collective, the net effect of this section would be to reduce sales and use tax revenue by an estimated \$1,412,900 in FY2015-16. Of this amount, General Fund sales and use tax revenue would be reduced by \$941,932, the EIA Fund would be reduced by \$235,484, and the Homestead Exemption Fund would be reduced by \$235,484 in FY2015-16.

Since the effective date of this bill is January 1, 2016, sales and use tax revenue would be reduced by one-half of a full fiscal year, or an estimated \$706,450 in FY2015-16. Of this total, General Fund revenue would be reduced by \$470,966, the E.I.A. would be reduced by \$117,742, and the Homestead Exemption Fund would be reduced by \$117,742 in FY2015-16. In FY2016-17, sales and use tax revenue would be reduced by an estimated \$1,412,900 annually. Of this total, General Fund revenue would be reduced by \$941,932, the E.I.A. would be reduced by \$235,484, and the Homestead Exemption Fund would be reduced by \$235,484 in FY2016-17, and each fiscal year thereafter.

**Section 4.** This act takes effect January 1, 2016.

**Local Expenditure**

N/A

**Local Revenue**

N/A

**Explanation of Amendment (May 20, 2015) – By the Senate Finance Committee**

**State Expenditure**

Since this legislation makes no substantive changes to existing programs or resources, the Department of Revenue can administer the legislative changes with existing resources.

**State Revenue**

This amendment would remove the phrase “area median income” and replace it with “county median income”. This change would require an individual or family in need to have an income less than eighty percent of the county median income in order for a non-profit entity to receive a sales and use tax exemption on the necessary building materials required to build, rehabilitate, or repair a home. This amendment would not affect General Fund revenue in FY2015-16.

**Local Expenditure**

N/A

**Local Revenue**

N/A

**Explanation of Amendment (April 29, 2015) – By the House of Representatives**

**State Expenditure**

Since this legislation makes no substantive changes to existing programs or resources, the Department of Revenue can administer the legislative changes with existing resources.

**State Revenue**

This amendment would include an amendment to Section 12-36-2120(52) to strike “owned by or leased to the federal government or commercial air carriers” for those types of air carriers that would be eligible for a sales and use tax exemption on parts and supplies used by businesses that repair or recondition aircraft. This change would allow a sales and use tax exemption on all parts

and supplies used to repair or recondition aircraft for all types of aircraft. This amendment would now include private general aviation aircraft previously excluded from the exemption.

Based on information from the General Aviation Manufacturer's Association and the Federal Aviation Administration, Washington, D.C., there are 2,855 general aviation aircraft registered and/or hangered in South Carolina. Multiplying 2,855 general aviation aircraft by an estimated \$4,400 annual maintenance expenditures and applying a six percent sales and use tax rate yields a reduction of sales and use tax revenue of an estimated \$753,720 annually.

Since the effective date of this bill is January 1, 2016, sales and use tax revenue would be reduced by one-half of a full fiscal year, or an estimated \$376,860 in FY2015-16. Of this total, General Fund revenue would be reduced by \$251,240, the E.I.A. would be reduced by \$62,810, and the Homestead Exemption Fund would be reduced by \$62,810 in FY2015-16. In FY2016-17, sales and use tax revenue would be reduced by an estimated \$753,720 annually. Of this total, General Fund revenue would be reduced by \$502,480, the E.I.A. would be reduced by \$125,620, and the Homestead Exemption Fund would be reduced by \$125,620 in FY2016-17, and each fiscal year thereafter.

**Local Expenditure**

N/A

**Local Revenue**

N/A

**Explanation of Bill Filed February 11, 2015**

**State Expenditure**

Since this legislation makes no substantive changes to existing programs or resources, the Department of Revenue can administer the legislative changes with existing resources.

**State Revenue**

This bill would amend Section 12-36-2120 allow a sales and use tax exemption for building materials purchased by a nonprofit tax exempt entity to build, rehabilitate, or repair a home for the benefit of an individual or family in need. This would include organizations such as Habitat for Humanity. This organization is organized and operated to build and sell single family houses to selected buyers to promote home ownership and build a sense of community. This is done through the assistance of thirty-four affiliates located throughout the state. The Board of Economic Advisors has been advised by Habitat for Humanity that their goal for 2016 is to complete 150 new single family homes statewide. At an estimated cost of materials of \$30,000 per home and applying a six percent sales tax rate, sales and use tax revenue would be reduced by an estimated \$270,000 annually.

Since the effective date of this bill is January 1, 2016, sales and use tax revenue would be reduced by one-half of a full fiscal year, or an estimated \$135,000 in FY2015-16. Of this total, General Fund revenue would be reduced by \$90,000, the E.I.A. would be reduced by \$22,500, and the Homestead Exemption Fund would be reduced by \$22,500 in FY2015-16. In FY2016-17, sales and use tax revenue would be reduced by an estimated \$270,000 annually. Of this total,

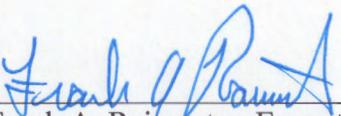
General Fund revenue would be reduced by \$180,000, the E.I.A. would be reduced by \$45,000, and the Homestead Exemption Fund would be reduced by \$45,000 in FY2016-17, and each fiscal year thereafter.

**Local Expenditure**

N/A

**Local Revenue**

N/A



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Frank A. Rainwater, Executive Director



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**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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Bill Number: H. 3575 As signed by the Governor on June 1, 2015  
 Author: Jefferson  
 Requestor: Senate Medical Affairs  
 Date: June 10, 2015  
 Subject: Solid Waste Policy and Management  
 RFA Analyst(s): Stein

**Estimate of Fiscal Impact**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>State Expenditure</b>		
General Fund	\$0	N/A
Other and Federal	\$0	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

This bill would have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

**Explanation of Fiscal Impact**

**Explanation of Amendment (May 4, 2015) – By the Senate Medical Affairs Committee**

**State Expenditure**

House bill 3575 amends Section 44-96-40(46) relating to the definition of solid waste so as to exclude recycled “steel slag” from that definition. The amendment adds the phrase “For the purposes of this chapter” prior to the original statement excluding recyclable steel slag from the definition of solid waste. The Chapter in reference is the S.C. Solid Waste Policy and Management Act.

**Department of Health and Environmental Control.** The department reports that this bill would have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

**State Revenue**

N/A

**Local Expenditure**

N/A

**Local Revenue**

N/A

**Explanation of Bill filed on February 11, 2015**

**State Expenditure**

House bill 3575 amends Section 44-96-40(46) relating to the definition of solid waste so as to exclude recycled "steel slag."

**Department of Health and Environmental Control.** The department reports that this bill would have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

**State Revenue**

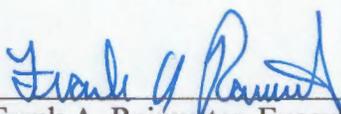
N/A

**Local Expenditure**

N/A

**Local Revenue**

N/A

  
\_\_\_\_\_  
Frank A. Rainwater, Executive Director



# SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

## STATEMENT OF ESTIMATED FISCAL IMPACT

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Bill Number: H. 3583 As signed by the Governor on June 4, 2015  
 Author: Clemmons  
 Requestor: House of Representatives  
 Date: June 10, 2015  
 Subject: Proposals  
 RFA Analyst(s): Jolliff and Fulmer

### Estimate of Fiscal Impact

	FY 2015-16	FY 2016-17
<b>State Expenditure</b>		
General Fund	\$0	N/A
Other and Federal	\$0	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	\$0	N/A
Other and Federal	\$0	N/A
<b>Local Expenditure</b>	\$0	N/A
<b>Local Revenue</b>	\$0	N/A

#### Fiscal Impact Summary

The bill as amended is not expected to impact General Fund, Federal Fund, or Other Fund expenditures or revenues. Additionally, we do not expect any impact on local expenditures or revenues.

### Explanation of Fiscal Impact

#### Explanation of Amendment (May 26, 2015) – By the Senate

The Senate adopted the Senate Finance Committee amendment, which made minor changes to the language as proposed by the Senate Finance Subcommittee. The impact of the bill as amended is unchanged from the explanation of the bill as amended by the Senate Finance Subcommittee.

#### Explanation of Amendment (May 13, 2015) – By the Senate Finance Subcommittee

##### State Expenditure

This amendment to the bill amends Sections 11-57-320, 11-57-330, and 11-57-510 relating to investment activities in Iran to state that effective January 1, 2015, these sections do not apply and such certifications are not required for contracts between public procurement units or for contracts between public procurement units and external procurement activities as defined in Section 11-35-4610.

The Budget and Control Board indicates the amendment to the bill will have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

**State Revenue**

The bill as amended prohibits the State or a political subdivision of the State from entering into any agreements to obtain or provide goods or services from a business that engages in the boycott of a person or entity based on race, color, religion, or national origin. This may limit the businesses with which the State may do business. The bill as amended is not expected impact revenues for the General Fund, Federal Funds, or Other Funds.

**Local Expenditure and Local Revenue**

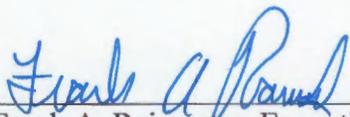
The bill as amended prohibits the State or a political subdivision of the State from entering into any agreements to obtain or provide goods or services from a business that engages in the boycott of a person or entity based on race, color, religion, or national origin. This may limit the businesses with which local governments may do business. The bill as amended is not expected impact local expenditures or revenues.

**Explanation of Amendment (March 24, 2015) – By the House of Representatives****State Expenditure and State Revenue**

The bill as amended prohibits the State or a political subdivision of the State from entering into any agreements to obtain or provide goods or services from a business that engages in the boycott of a person or entity based on race, color, religion, or national origin. This may limit the businesses with which the State may do business. The bill as amended is not expected impact expenditures or revenues for the General Fund, Federal Funds, or Other Funds.

**Local Expenditure and Local Revenue**

The bill as amended prohibits the State or a political subdivision of the State from entering into any agreements to obtain or provide goods or services from a business that engages in the boycott of a person or entity based on race, color, religion, or national origin. This may limit the businesses with which local governments may do business. The bill as amended is not expected impact local expenditures or revenues.



Frank A. Rainwater, Executive Director



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Bill Number: H. 3646 As signed by the Governor on June 1, 2015  
Author: Burns  
Requestor: Senate Medical Affairs  
Date: June 10, 2015  
Subject: Soil-based On-site Disposal Systems  
RFA Analyst(s): Stein and Wren

**Estimate of Fiscal Impact**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>State Expenditure</b>		
General Fund	\$0	N/A
Other and Federal	\$0	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	Minimal	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

This bill is not expected to have an expenditure impact on the General Fund, Federal Funds, or Other Funds.

This bill is not expected to have an expenditure impact on municipal governments. The expenditure impact on county governments is expected to be minimal.

**Explanation of Fiscal Impact**

**Explanation of Amendment (May 4, 2015) – By Senate Medical Affairs Committee**

**State Expenditure**

House Bill 3646 amends Chapter 55, Title 44 relating to passive soil-based on-site wastewater or sewage disposal (PSOD) systems for single-family dwellings. The bill would allow non-gravity based systems to be used and expands the application of PSOD systems to larger community, cluster, and commercial wastewater systems lacking access to centralized treatment facilities. The bill addresses installation standards and requires, in Section 44-55-1350, the Department of Health and Environmental Control to promulgate regulations for tile field products so as to include the new non-gravity and expanded service area allowances. The bill repeals Section 44-55-1340 dealing with financial assurances from PSOD system manufacturers and declares that once regulations are approved Sections 44-55-1310 through 44-55-1330 are repealed.

The Senate Medical Affairs Committee amendment amends Section 44-55-1330 (A) (in Section 3 of the Bill) so as to require installation technicians to not only be licensed by the Department of

Health and Environmental Control but to also be certified by the manufacturer or by a duly authorized representative.

**Department of Health and Environmental Control.** The department indicates that this bill would have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

**State Revenue**

N/A

**Local Expenditure**

The Revenue and Fiscal Affairs Office contacted the Municipal Association of South Carolina and twenty-three county governments regarding the expenditure impact of this bill. We received responses from the Municipal Association and two county governments. The Municipal Association reports this bill will have no impact on municipal governments. Cherokee County indicates that this bill could create additional expenses for training but could not provide an estimate on the costs. Clarendon County reports that this bill would have no impact on their operations. Therefore, based on the responses received from the counties surveyed, we estimate a minimal expenditure impact on county governments.

**Local Revenue**

N/A

**Explanation of Bill Filed on February 12, 2015**

**State Expenditure**

House Bill 3646 amends Chapter 55, Title 44 relating to passive soil-based on-site wastewater or sewage disposal (PSOD) systems for single-family dwellings. The bill would allow non-gravity based systems to be used and expands the application of PSOD systems to larger community, cluster, and commercial wastewater systems lacking access to centralized treatment facilities. The bill addresses installation standards and requires, in Section 44-55-1350, the Department of Health and Environmental Control to promulgate regulations for tile field products so as to include the new non-gravity and expanded service area allowances. The bill repeals Section 44-55-1340 dealing with financial assurances from PSOD system manufacturers and declares that once regulations are approved Sections 44-55-1310 through 44-55-1330 are repealed.

**Department of Health and Environmental Control.** The department indicates that this bill would have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

**State Revenue**

N/A

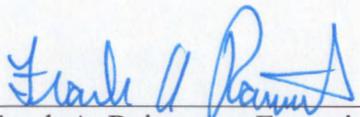
**Local Expenditure**

The Revenue and Fiscal Affairs Office contacted the Municipal Association of South Carolina and twenty-three county governments regarding the expenditure impact of this bill. We received responses from the Municipal Association and two county governments. The Municipal Association reports this bill will have no impact on municipal governments. Cherokee County indicates that this bill could create additional expenses for training but could not provide an

estimate on the costs. Clarendon County reports that this bill would have no impact on their operations. Therefore, based on the responses received from the counties surveyed, we estimate a minimal expenditure impact on county governments.

**Local Revenue**

N/A



Frank A. Rainwater, Executive Director



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**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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Bill Number: H. 3663 As signed by the Governor on May 7, 2015  
 Author: Bingham  
 Requestor: House Ways and Means  
 Date: July 6, 2015  
 Subject: South Carolina State University Board of Trustees  
 RFA Analyst(s): Walling

**Estimate of Fiscal Impact**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>State Expenditure</b>		
General Fund	\$0	N/A
Other and Federal	\$0	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

This bill has no expenditure impact to the General Fund, Federal Funds, or Other Funds.

**Explanation of Fiscal Impact**

**Explanation of Free Conference Report as Adopted May 7, 2015**

**State Expenditure**

House Bill 3663 as amended appoints a new nine member Interim Board of Trustees of South Carolina State University (SCSU) and defines the board's responsibilities. Members of the board will include appointments from the Governor, State Treasurer, chairman of the Ways and Means Committee of the House of Representatives, Chairman of the Senate Finance Committee, State Superintendent of Education, chairman of the Ways and Means Higher Education and Technical Colleges Subcommittee, and chairman of the Senate Finance Higher Education Subcommittee. The remaining two members, serving ex officio and nonvoting, include the President of the South Carolina State University National Alumni Association and the South Carolina State University Student Government Association President. SCSU indicates this bill will have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

**State Revenue**

N/A

**Local Expenditure and Revenue**

N/A

**Explanation of Bill as filed February 12, 2015**

**State Expenditure**

This bill would remove the current members of the Board of Trustees of South Carolina State University and devolve the Board's powers upon the Budget and Control Board. This bill further directs the Budget and Control Board to remove the current president and employ an interim Chief Executive Officer.

**South Carolina State University.** The university indicates a total expenditure impact of \$427,386 which includes a salary pay-out of \$397,375 for the period of March 2015 through June 15, 2017 as well as an annual leave pay-out of \$30,011 for forty-five days.

**Budget and Control Board.** The Board indicates that the impact to the five member Budget and Control Board serving in their official capacities would be minimal to the agency itself. Any costs associated with the five member Budget and Control Board serving in the capacity as the University's Board of Trustees would be absorbed by the University, as is existing practice for the University to support its existing Board of Trustees.

**State Revenue**

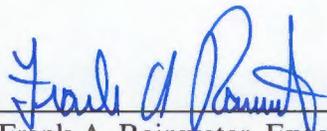
N/A

**Local Expenditure**

N/A

**Local Revenue**

N/A



Frank A. Rainwater, Executive Director



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Bill Number: H. 3683 As signed by the Governor on May 7, 2015  
 Author: Williams  
 Requestor: House Medical, Military, Public, and Municipal Affairs  
 Date: June 10, 2015  
 Subject: General Powers and Duties of the Adjutant General  
 RFA Analyst(s): Gardner

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**Estimate of Fiscal Impact**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>State Expenditure</b>		
General Fund	\$0	N/A
Other and Federal	\$0	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

The Office of the Adjutant General indicates this bill will have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

**Explanation of Fiscal Impact**

**Explanation of Amendment (April 30, 2015) – By the Senate**

**State Expenditure**

House Bill 3683 requires the Adjutant General to submit an annual report to the General Assembly.

The Office of the Adjutant General indicates this bill will have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

**Explanation of Bill (February 26, 2015) – By the Senate**

**State Expenditure**

House Bill 3683 requires the Adjutant General to submit an annual report to the General Assembly.

The Office of the Adjutant General indicates this bill will have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

**State Revenue**

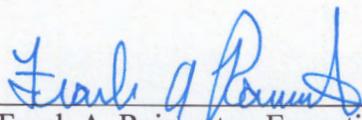
N/A

**Local Expenditure**

N/A

**Local Revenue**

N/A



Frank A. Rainwater, Executive Director



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Bill Number: H. 3725 As signed by the Governor on June 9, 2015  
 Author: J.E. Smith  
 Requestor: House of Representatives  
 Date: June 11, 2015  
 Subject: State-Owned Abandoned Buildings  
 RFA Analyst(s): Martin, Shealy, and Wren

**Estimate of Fiscal Impact**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>
<b>State Expenditure</b>			
General Fund	\$0	\$0	\$0
Other and Federal	\$0	\$0	\$0
Full-Time Equivalent Position(s)	0.00	0.00	0.00
<b>State Revenue</b>			
General Fund	\$200,000	\$200,000	\$200,000
Other and Federal	N/A	N/A	N/A
<b>Local Expenditure</b>	N/A	N/A	N/A
<b>Local Revenue</b>	N/A	N/A	N/A

**Fiscal Impact Summary**

This bill, as amended, is expected to reduce the amount of income and insurance premium tax credits claimed against the General Fund by an estimated \$200,000 in FY2015-16, FY2016-17, and FY2017-18.

**Explanation of Fiscal Impact**

**Explanation of Amendment (April 28, 2015) – By the House of Representatives**

The bill is amended by striking all after the enacting words, inserting amended language, and renumbering the sections of the bill to conform. All language pertaining to solar energy system income tax credits has been deleted.

**State Expenditure**

Since this legislation makes no substantive changes to existing programs or resources, the Department of Revenue can administer the legislative changes with existing resources. There would be no impact on the General Fund, Federal Funds, or Other Funds.

**State Revenue**

The following is a section-by-section description of the changes made by the amendment to the original bill.

**Section 1.** This section amends Section 12-6-3535 to amend language pursuant to the certified historic rehabilitation credit. The following changes are offered:

- Does not permit the certified historic rehabilitation tax credit to be claimed against insurance taxes pursuant to Title 38.
- The certified historic rehabilitation tax credit is to be taken in equal installments over three tax years instead of in equal installments over two tax years. This would spread the payback period of any tax credits over a longer time period reducing the annual effect on state General Fund revenue.
- A taxpayer that elects a twenty-five percent tax credit instead of a ten percent tax credit is limited to claim no more than \$1,000,000 for each certified historic structure.

**Section 2.** This section amends the definition of a state-owned abandoned building pursuant to Section 12-67-120.

- The amendment increases the aggregate square footage of a state-owned abandoned building from 40,000 square feet to 50,000 square feet from the original legislative language.

**Section 3.** This section amends Section 12-67-140(A) and (B) to incorporate the following changes from the original legislation.

- The abandoned building revitalization tax credit is to be taken in equal installments over three tax years instead of in equal installments over two tax years. This would spread the payback period of any tax credits over a longer time period reducing the annual effect on state General Fund revenue. Currently, taxpayers must claim this credit in equal installments over five tax years.
- An income tax limitation of \$500,000 claimed for any taxpayer in a tax year for each abandoned building site has been restored from a \$1,000,000 limitation in the original legislative language.

**Section 4.** This section is not amended from the original version of the bill.

- The amendment makes no changes from the original legislative language. If a taxpayer decides to elect the property tax credit option, the property value determination would be at the discretion of the county assessor. The amount of the property tax credit would be calculated once the property value is determined.

As a result, this amendment alters language in two statutes – the certified historic structure tax credit and the abandoned building revitalization tax credit. The following table summarizes the net changes affecting the tax credits regarding the changes the proposed amendment has on the original legislative language of the bill.

**Table 1. Analysis of Abandoned Building and Certified Historic Structure Tax Credits  
Proposed \$60,000,000 Rehabilitation Project**

<b>Abandoned Buildings Revitalization Tax Credit</b>					
	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
<b>Current Law</b>					
<b>State (25%) 1/ Limitation 2/</b>	\$3,000,000 \$500,000	\$3,000,000 \$500,000	\$3,000,000 \$500,000	\$3,000,000 \$500,000	\$3,000,000 \$500,000
<b>H.3725 (amended) Proposal</b>	\$5,000,000 \$500,000	\$5,000,000 \$500,000	\$5,000,000 \$500,000	\$0	\$0
<b>Difference</b>	\$0	\$0	\$0		
<b>Tax Credit for a Certified Historic Structure</b>					
	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
<b>Current Law</b>					
<b>Federal (20%) 3/ State (10%) 4/ Total Tax Credits</b>	\$2,400,000 \$1,200,000 \$3,600,000	\$2,400,000 \$1,200,000 \$3,600,000	\$2,400,000 \$1,200,000 \$3,600,000	\$2,400,000 \$1,200,000 \$3,600,000	\$2,400,000 \$1,200,000 \$3,600,000
<b>H.3725 (amended) Proposal</b>					
<b>Federal (20%) 3/ State (25%) Limitation Total Tax Credits</b>	\$2,400,000 \$5,000,000 \$1,000,000 \$3,400,000	\$2,400,000 \$5,000,000 \$1,000,000 \$3,400,000	\$2,400,000 \$5,000,000 \$1,000,000 \$3,400,000	\$2,400,000 \$0 \$2,400,000	\$2,400,000 \$0 \$2,400,000
<b>Difference</b>	-\$200,000	-\$200,000	-\$200,000		
<b>TOTAL DIFFERENCE</b>	<b>-\$200,000</b>	<b>-\$200,000</b>	<b>-\$200,000</b>		

Notes:

- 1/ Section 12-67-140(B)(2), (3)(a)
- 2/ Section 12-67-140(B)(3)(b)
- 3/ 26 USC Sec. 47(a)(2)
- 4/ Section 12-6-3535(A), (C)(1)

Based on the amended language in H.3725, this amended bill is expected to reduce the amount of income and insurance premium tax credits claimed against the General Fund by an estimated \$200,000 in FY2015-16, FY2016-17, and FY2017-18. Because the tax credits may be earned and subsequently claimed in the taxable year in which the applicable phase or portion of the building site is placed in service and any unused tax credits may be carried forward, it would be possible for multiple qualified sites for a specific project to be extended past the three year limitation.

**Section 5.** This act takes effect upon approval by the Governor.

### **Explanation of Bill Filed February 25, 2015**

#### **State Expenditure**

Since this legislation makes no substantive changes to existing programs or resources, the Department of Revenue and the State Energy Office can administer the legislative changes with existing resources.

#### **State Revenue**

The following is a section-by-section analysis of the bill.

**Section 1.** This section would amend Section 12-67-120 to add the definition of a “state-owned abandoned building”. The definition consists of one or more abandoned buildings that total more than 40,000 square feet, have been abandoned for more than five years, and not less than half of the property were recently owned by the State, or an agency, instrumentality, or political subdivision of the State, prior to a taxpayer’s acquisition of the property.

**Section 2.** The South Carolina Abandoned Buildings Revitalization Act was enacted in Act 57 of 2013. Currently, a taxpayer may claim a nonrefundable state income tax credit equal to twenty-five percent of actual rehabilitation expenses of an abandoned building. The tax credit may be applied against income taxes, bank taxes, savings and loan taxes, corporate license fees, or a combination of them. The tax credit may also be applied against real property taxes as levied by local taxing entities. The tax credit must be taken in equal installments over a five-year period and may not exceed \$500,000 for any taxpayer in a tax year. The credit is earned in the tax year in which the applicable phase or portion of the building site is placed in service. Unused tax credits may be carried forward for five years.

This section would amend Section 12-67-140 to also allow a credit earned in connection with a state-owned abandoned building to be claimed over a two year period instead of over a five year period for other qualified abandoned buildings, while removing the annual tax limitation of \$500,000 for the rehabilitation of a state-owned abandoned building. These provisions would accelerate the use of the tax credit. This section would also allow the taxpayer to transfer all or part of any remaining tax credit to the purchaser of the portion of the building being rehabilitated or the building site.

**Section 3.** Currently, a taxpayer is allowed a nonrefundable state income tax credit equal to ten percent against qualifying rehabilitation expenditures of a certified historic structure if the taxpayer qualifies for the comparable federal income tax credit. If the taxpayer is not eligible for the federal income tax credit, the taxpayer is eligible to claim a nonrefundable state income tax credit equal to twenty-five percent of qualifying rehabilitation expenditures. The state credit may be taken in equal installments over a five-year period and any unused credits may be carried forward for five years.

This section amends Section 12-6-3535 to allow a taxpayer that claims a federal income tax credit for qualified rehabilitation expenditures on a certified historic structure to claim a state nonrefundable tax credit against individual and corporate income taxes. This section would also allow a taxpayer who is allowed a federal income tax credit pursuant to IRS Code Section 47 to elect a twenty-five percent tax credit instead of the current ten percent tax credit. If a taxpayer elects a twenty-five percent tax credit the total amount that may be claimed shall not exceed \$1,000,000 for each certified historic structure. This limitation does not apply to credits claimed for qualified rehabilitation expenditures related to any state-owned abandoned building. This section, however, would also amend Section 12-6-3535(C)(1) to allow a credit earned in connection with a state-owned certified historic building to be claimed over a two year period instead of over a five year period for other qualified certified historic buildings, beginning with the year in which the property is placed in service. This provision would accelerate the use of the tax credit.

The most well-known example of a state-owned abandoned building is the Babcock Building located off Bull Street in Columbia, South Carolina. Built between 1858 and 1885, it was the home of the South Carolina State Hospital. On October 30, 1981, the Babcock Building was added to the National Register of Historic Places. The property was sold for \$15,000,000 in July 2013, and the total renovation costs of the Babcock Building and the ancillary out-buildings are estimated at \$60,000,000.

As a result, the Bull Street property would be eligible for two tax credits – the abandoned buildings revitalization tax credit and the certified historic building tax credit. This bill amends language in each statute. Table 1 summarizes the net changes affecting the tax credits regarding this property under current law and the tax credits under the amended language to current law.

**Table 1. Analysis of Abandoned Building and Certified Historic Structure Tax Credits  
Proposed \$60,000,000 Rehabilitation Project**

<b>Abandoned Buildings Revitalization Tax Credit</b>					
	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
<b>Current Law</b>					
<b>State (25%) 1/ Limitation 2/</b>	\$3,000,000 \$500,000	\$3,000,000 \$500,000	\$3,000,000 \$500,000	\$3,000,000 \$500,000	\$3,000,000 \$500,000
<b>H.3725 Proposal Limitation</b>	\$7,500,000 None	\$7,500,000 None	\$0	\$0	\$0
<b>Difference</b>	<b>\$7,000,000</b>	<b>\$7,000,000</b>			
<b>Tax Credit for a Certified Historic Structure</b>					
	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
<b>Current Law</b>					
<b>Federal (20%) 3/ State (10%) 4/ Total Tax Credits</b>	\$2,400,000 \$1,200,000 \$3,600,000	\$2,400,000 \$1,200,000 \$3,600,000	\$2,400,000 \$1,200,000 \$3,600,000	\$2,400,000 \$1,200,000 \$3,600,000	\$2,400,000 \$1,200,000 \$3,600,000
<b>H.3725 Proposal</b>					
<b>Federal (20%) 3/ State (25%) Limitation - Non State-Owned Limitation - State-Owned Total Tax Credits</b>	\$2,400,000 \$7,500,000 \$1,000,000 None \$9,900,000	\$2,400,000 \$7,500,000 \$1,000,000 None \$9,900,000	\$2,400,000 \$0 \$2,400,000	\$2,400,000 \$0 \$2,400,000	\$2,400,000 \$0 \$2,400,000
<b>Difference</b>	<b>\$6,300,000</b>	<b>\$6,300,000</b>			
<b>TOTAL DIFFERENCE</b>	<b>\$13,300,000</b>	<b>\$13,300,000</b>			

Notes:

- 1/ Section 12-67-140(B)(2), (3)(a)
- 2/ Section 12-67-140(B)(3)(b)
- 3/ 26 USC Sec. 47(a)(2)
- 4/ Section 12-6-3535(A), (C)(1)

In general, this bill removes the \$500,000 tax credit limitation that each taxpayer may claim each year for a state-owned abandoned building, and accelerates the time period the tax credits may be claimed from five years down to two years. This amendment would also affect the amount of tax credits for renovating a certified historic structure. Pursuant to IRS Code 47, a taxpayer may claim a twenty percent federal tax credit against qualified rehabilitation expenditures. Current state law allows the same taxpayer that is eligible for the federal tax credit to also claim a ten percent state tax credit for rehabilitating a certified historic structure. This is a combined federal-state subsidy of thirty percent of the total cost of rehabilitation expenses. This bill would allow a

state taxpayer to claim a state tax credit of twenty-five percent in lieu of the current ten percent state tax credit. This amendment would increase the combined federal-state subsidy to forty-five percent of the total cost of rehabilitation expenses, and accelerates the time period the tax credits may be claimed from five years down to two years.

Although it is difficult to predict the exact timing of the completion of each phase of the redevelopment project, it is reasonable to expect that the majority of the project would be completed in the early years of development. After combining the net effects of the state-owned abandoned building tax credit and the tax credit for rehabilitation expenses of a certified historic structure, this bill would reduce General Fund individual income tax, corporate income tax, bank tax, savings and loan tax, and corporate license fees by an estimated \$13,300,000 in FY2016-17 and by an estimated \$13,300,000 in FY2017-18.

**Section 4.** This section would add Section 12-67-160 to allow a taxpayer of a rehabilitated abandoned building to apply to the municipality or county in which the abandoned building is located for a certification of the abandoned building site made by ordinance or binding resolution of the governing body of the municipality or county. The taxpayer should include a copy of the certification with the first tax return in which the credit is claimed to aid in determining the credit allowed. This section is not expected to affect state General Fund revenue in FY2015-16.

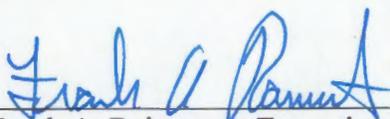
**Section 5.** This bill adds Section 12-6-3586, which grants an income and other specified tax credits for twenty-five percent of the cost of a non-residential solar energy system that uses solar radiation as a substitute for traditional energy used for water heating, active space heating and cooling, passive heating, daylighting, generating electricity, distillation, desalination, detoxification, or the production of industrial or commercial process heat. Also included are related devices necessary for collecting, storing, exchanging, conditioning, or converting solar energy to other useful forms of energy. The credit applies to systems placed in service beginning after 2015 and before 2019. The credit must be taken in three equal annual installments. The credit may not exceed three hundred thirty-three thousand dollars for each solar energy system installation and the credit may not exceed one million dollars for any taxpayer. The credit allowed pursuant to this section may not exceed one-half of the taxpayer's tax liability for a taxable year. The total amount of credits allocated for all taxpayers in a taxable year may not exceed five million dollars in the aggregate. The credit is allowed on a first come first serve basis and is monitored by the State Energy Office, with assistance from the Department of Revenue. Taxpayers wishing to claim the credit must submit an application fee equal to one percent of the credit applied for, but no more than two thousand five hundred dollars. The application fee will be credited to the State Energy Office and must be used to meet the requirements of this Section.

The Department of Revenue reports that five commercial firms claimed the solar energy tax credit in 2013. Based upon our analysis of solar energy equipment tax credits for non-residential purposes over the past three years, we estimate that five commercial firms will claim the tax credit in FY 2016-17, for a total of \$5,000,000. Adjusting for the fact that the tax credit is to be taken in three equal annual installments and applying the fifty percent tax liability limitation, it is estimated that this bill would reduce General Fund income tax, bank tax, license fees, or insurance premium tax revenue by an estimated \$833,333 in FY 2016-17. Also, since the

application fee is capped at two thousand five hundred dollars, Other Funds of the State Energy Office would increase by \$12,500 in FY 2016-17.

**Section 6.** Additionally, this bill amends Section 12-6-3587 by adding a subsection which applies to solar energy systems placed in service after tax year 2007 and before tax year 2019. Currently, Section 12-6-3587 allows for a credit not to exceed three thousand five hundred dollars for each facility, or fifty percent of the taxpayer's liability for that taxable year, whichever is less. If the amount of the credit exceeds three thousand five hundred dollars per facility, the taxpayer may carry forward the excess for up to ten years. Based on data from the Department of Revenue, two hundred fifty-six taxpayers claimed the existing solar energy tax credit for a total of \$625,628 in 2013. Assuming this trend continues, we expect a similar number of tax credits in 2019. We estimate fifty percent of these credits, or \$312,814 may be carried forward. Therefore, we expect an increase of \$312,814 in General Fund income tax revenue in FY 2019-20.

**Section 7.** Unless specified otherwise, this act takes effect upon approval by the Governor and applies for tax years beginning after 2015.

  
\_\_\_\_\_  
Frank A. Rainwater, Executive Director



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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Bill Number: H. 3772 As signed by the Governor on June 4, 2015  
 Author: Merrill  
 Requestor: Senate Banking and Insurance  
 Date: June 10, 2015  
 Subject: Medical Malpractice Insurance Joint Underwriting Association Board  
 RFA Analyst(s): Stein

**Estimate of Fiscal Impact**

	FY 2015-16	FY 2016-17
<b>State Expenditure</b>		
General Fund	\$0	N/A
Other and Federal	\$0	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

This bill would have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

**Explanation of Fiscal Impact**

**State Expenditure**

House Bill 3772 amends Section 38-79-260 relating to the appointment of directors to the board of the South Carolina Medical Malpractice Insurance Joint Underwriting Association so as to provide for the re-appointment of directors to successive terms by deleting the sentence prohibiting re-appointments.

**Department of Insurance.** The department reports that this bill would have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

**State Revenue**

N/A

**Local Expenditure**

N/A

**Local Revenue**

N/A

  
 \_\_\_\_\_  
 Frank A. Rainwater, Executive Director



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
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Bill Number: H. 3840 As signed by the Governor on June 1, 2015  
 Author: Clemmons  
 Requestor: Senate Judiciary  
 Date: June 10, 2015  
 Subject: Voting Precincts in Horry County  
 RFA Analyst(s): Fulmer and Wren

**Estimate of Fiscal Impact**

	FY 2015-16	FY 2016-17
<b>State Expenditure</b>		
General Fund	\$0	N/A
Other and Federal	\$0	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	indeterminable	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

The bill has no impact to the General Fund, Federal Funds, or Other Funds. The local expenditure impact is indeterminable at this time.

**Explanation of Fiscal Impact**

**State Expenditure**

This bill amends Section 7-7-30 relating to the designation of voting precincts in Horry County, South Carolina.

The Revenue and Fiscal Affairs Office indicates there is no expenditure impact to the General Fund, Federal Funds, or Other Funds.

**State Revenue**

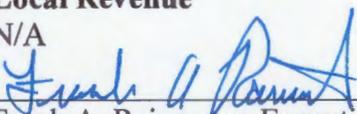
N/A

**Local Expenditure**

The Revenue and Fiscal Affairs Office contacted Horry County regarding the expenditure impact of this bill and received no response. Therefore, we are unable to determine the expenditure impact on Horry County.

**Local Revenue**

N/A

  
 Frank A. Rainwater, Executive Director



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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Bill Number: H. 3846 As signed by the Governor on June 1, 2015  
 Author: Yow  
 Requestor: Senate Finance  
 Date: June 10, 2015  
 Subject: Cheraw National Guard Armory  
 RFA Analyst(s): Fulmer and Wren

**Estimate of Fiscal Impact**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>State Expenditure</b>		
General Fund	\$0	N/A
Other and Federal	\$0	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	minimal	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

The bill has no expenditure impact to the General Fund, Federal Funds, or Other Funds. The expenditure impact to the Town of Cheraw is minimal and can be absorbed within their current budget.

**Explanation of Fiscal Impact**

**State Expenditure**

This bill directs the State Budget and Control Board to transfer ownership of the Cheraw National Guard Armory to the Town of Cheraw, South Carolina.

The State Budget and Control Board, General Services Division, indicates there is no expenditure impact to the General Fund, Federal Funds, or Other Funds.

**State Revenue**

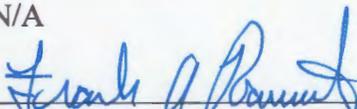
N/A

**Local Expenditure**

The Revenue and Fiscal Affairs Office contacted the Municipal Association of South Carolina regarding the expenditure impact of this joint resolution. The Municipal Association indicates that any expenses incurred due to this joint resolution can be absorbed by the Town of Cheraw.

**Local Revenue**

N/A

  
 Frank A. Rainwater, Executive Director



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
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Bill Number: H. 3852 As signed by the Governor on June 11, 2015  
 Author: Tallon  
 Requestor: Senate Judiciary  
 Date: June 25, 2015  
 Subject: Escheatment to the State of Unclaimed US Savings Bonds  
 RFA Analyst(s): Walling, Fulmer, and Shuford

**Estimate of Fiscal Impact**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>State Expenditure</b>		
General Fund	\$0	\$0
Other and Federal	\$109,475	\$59,475
Full-Time Equivalent Position(s)	1.00	1.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	\$0	Minimal
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

This bill as amended has no impact on General Fund or Federal Fund expenditures. Additional Other Fund authorization will be required for the expected non-recurring and recurring expenditures of \$109,475 in FY 2015-16. Recurring expenditures of \$59,475 are anticipated for FY 2016-17 and each year thereafter.

We estimate that no revenue from payments by the US Treasury to South Carolina's unclaimed property account for abandoned and unclaimed US savings bonds will be collected in FY 2015-16. Any payments in future years will increase Other Fund unclaimed property revenue by a minimal amount.

**Explanation of Fiscal Impact**

**Explanation of Amendment (May 12, 2015) – By the House of Representatives**

**State Expenditure**

This bill adds Section 27-18-75 to address procedures for abandoned and unclaimed US savings bonds registered to a person with a last known address in South Carolina to become property of the State. The abandoned and unclaimed bonds become property of the State five years after the maturity date, and the bonds no longer collect interest. The State Treasurer's Office may be reimbursed for the expenditures required by this section. Additionally, the bill adds Section 27-18-76 to provide procedures related to a person making a claim for a US savings bond that has previously escheated to the State.

The State Treasurer's Office indicates they will need \$109,475 in additional Other Fund authorization in FY 2015-16 for non-recurring expenses of \$50,000 and recurring expenses of \$59,475. The non-recurring authorization is due to the expense of initiating an action to obtain custody of savings bonds in possession of the US Treasury. The recurring authorization for the ongoing administration of the program is due to the additional expense of \$51,475 for the salary and fringe of one additional FTE and \$8,000 in administrative operating costs.

### **State Revenue**

This bill allows the State Treasurer's Office to commence civil actions in the court of common pleas in Richland County for a determination that abandoned and unclaimed US savings bonds shall escheat to the State. All property rights to the bonds upon this determination will vest solely with the State. Current US Department of the Treasury policy is that they will recognize claims where the States have legal ownership of the bonds pursuant to escheat proceedings. South Carolina, under current unclaimed property statutes, is considered more of a custodian of the abandoned securities, not the owner.

In other words, passage of this bill may allow the US Treasury to pay claims for payment of abandoned and unclaimed US saving bonds that escheat to South Carolina. The US Treasury's Bureau of Fiscal Services reports there are over \$16 billion matured and unredeemed savings bonds nationwide. Based on population, about \$240 million in bonds may belong to people with a last known address in South Carolina.

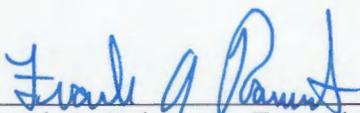
However, Kansas is currently the only state that has received payment from the US Treasury for claims for payment of abandoned and unclaimed US savings bonds, and the \$861,000 payment in 2014 was the result of a fourteen year lawsuit. The US Treasury is appealing this award. Based on the US Department of the Treasury's unwillingness to recognize state claims for the abandoned and unclaimed US savings bonds, we estimate that no revenue will be collected in FY 2015-16. Any payments in future years will increase Other Fund unclaimed property revenue by a minimal amount.

### **Local Expenditure**

N/A

### **Local Revenue**

N/A



Frank A. Rainwater, Executive Director



# SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

## STATEMENT OF ESTIMATED FISCAL IMPACT

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Bill Number: H. 3882 As signed by the Governor June 8, 2015  
 Author: Gambrell  
 Requestor: House Education and Public Works  
 Date: June 18, 2015  
 Subject: School Bus Drivers  
 RFA Analyst(s): Fulmer

### Estimate of Fiscal Impact

	FY 2015-16	FY 2016-17
<b>State Expenditure</b>		
General Fund	\$0	N/A
Other and Federal	\$0	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

#### Fiscal Impact Summary

The bill as amended will have no expenditure impact to the General Fund, Federal Funds, or Other Funds.

### Explanation of Fiscal Impact

#### Explanation of Amendment (June 2, 2015) – By the Senate

The bill as amended requires the physical examinations of school bus drivers meet the requirements of the Federal Motor Carrier Safety Regulations, 49 C.F.R. 391.41, as certified by a medical examiner as defined in 49 C.F.R. 390.5. The certified physical exam must be completed before the testing required to operate a school bus and at least every two years after that. This amendment is not expected to impact state expenditures, and the impact of the bill as amended is unchanged from the bill as filed.

#### Explanation of the Bill Filed on March 19, 2015

##### State Expenditure

The bill amends Section 59-67-160 to state that physical examinations of school bus drivers must meet the requirements of the Federal Motor Carrier Safety Regulations in addition to state regulations.

**State Department of Education.** The department currently requires all bus drivers to have a physical, which is paid for by the driver. The department indicates that its physical performance test meets the requirements of the regulations but also requires additional standards to insure a

bus driver is physically fit to fulfill the responsibilities of his/her job. Therefore, this bill has no expenditure impact to the General Fund, Federal Funds, or Other Funds.

**State Revenue**

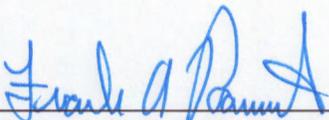
N/A

**Local Expenditure**

N/A

**Local Revenue**

N/A



Frank A. Rainwater, Executive Director



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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Bill Number: H. 3888 As signed by the Governor on June 3, 2015  
 Author: Cole  
 Requestor: Senate Judiciary  
 Date: June 29, 2015  
 Subject: Spartanburg County Voting Precincts  
 RFA Analyst(s): Fulmer and Walling

**Estimate of Fiscal Impact**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>State Expenditure</b>		
General Fund	\$0	N/A
Other and Federal	\$0	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

This bill has no impact on General Fund, Federal Fund, or Other Fund expenditures.

**Explanation of Fiscal Impact**

**Explanation of Amendment (May 21, 2015)**

The bill as amended consolidates and renames certain precincts in Section 7-7-490. The amendment is not expected to impact expenditures, and the impact of the bill as amended is unchanged from the bill as filed.

**Explanation of Bill Filed- March 25, 2015**

**State Expenditure**

This bill amends Section 7-7-490 by removing five voting precincts, adding two voting precincts, and changing the name of one voting precinct in Spartanburg County. Additionally, the bill changes the map number where the precinct names can be found and updates statute to reflect the institution that maintains the precinct map. Currently, Section 7-7-490 lists ninety-seven voting precincts in Spartanburg County. The bill removes Arrowood Baptist, Chesnee Senior Center, Powell Saxon Una Fire Station, Silverhill United Methodist, and Una Fire Station voting precincts. The bill adds Chesnee Elementary and Powell Saxon Una voting precincts which brings the total number of precincts in the county to ninety-four. The name of one voting precinct is changed from Canaan Baptist to Canaan. Additionally, the bill replaces the Office of Research and Statistics as the institution tasked with preparing and maintaining the precinct map

with the Revenue and Fiscal Affairs Office and changes the map document number from P-83-14 to P-83-15.

**Revenue and Fiscal Affairs Office (RFA).** RFA reports this bill will have no impact on General Fund, Federal Fund, or Other Fund expenditures.

**State Election Commission (SEC).** SEC reports this bill will have no impact on General Fund, Federal Fund, or Other Fund expenditures.

**State Revenue**

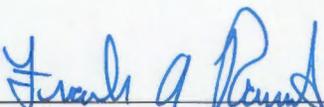
N/A

**Local Expenditure**

N/A

**Local Revenue**

N/A

  
\_\_\_\_\_  
Frank A. Rainwater, Executive Director



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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Bill Number: H. 3890 As signed by the Governor on May 7, 2015  
 Author: Norrell  
 Requestor: House Education and Public Works  
 Date: June 26, 2015  
 Subject: School Make Up Days  
 RFA Analyst(s): Fulmer and Walling

**Estimate of Fiscal Impact**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>State Expenditure</b>		
General Fund	\$0	N/A
Other and Federal	\$0	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	\$0	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

This bill will have no impact on General Fund, Federal Funds, or Other Fund expenditures.

**Explanation of Fiscal Impact**

**Explanation of Amendment (May 4, 2015) - By the Senate**

The amendment to this bill allows the local school board by majority vote to grant a waiver for three or fewer days missed because of extreme weather conditions. When a district waives a makeup day, the makeup day is waived for all charter schools and home schooling programs located in the district. The State Board of Education may waive the requirements of making up missed days beyond the three days forgiven by the local school district, not to exceed three additional days. The State Department of Education will provide a report to the General Assembly before July 1<sup>st</sup> of information from each district. The amendment is not expected to impact expenditures, and the impact of the bill as amended is unchanged from the bill as filed.

**Explanation of Bill as Filed on March 24, 2015**

**State Expenditure**

House Bill 3890 provides for the waiver of school days missed when the Governor declares a state of emergency due to extreme weather conditions or other disruptions. Students attending these schools are not required to make up any missed days.

The State Department of Education indicates there will be no expenditure impact on the General Fund, Federal Funds, or Other Funds.

**State Revenue**

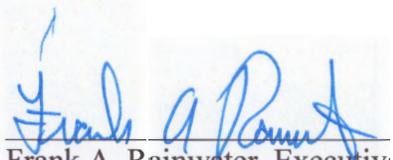
N/A

**Local Expenditure**

Responses from the local school districts to the State Department of Education indicate there will be no expenditure impact to the districts.

**Local Revenue**

N/A



Frank A. Rainwater, Executive Director



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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Bill Number: H. 4005 As signed by the Governor on June 11, 2015  
 Author: Southard  
 Requestor: Senate Judiciary  
 Date: June 29, 2015  
 Subject: Berkeley County voting precinct  
 RFA Analyst(s): Fulmer and Wren

**Estimate of Fiscal Impact**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>State Expenditure</b>		
General Fund	\$0	N/A
Other and Federal	\$0	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	Undeterminable	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

This bill has no impact to the General Fund, Federal Funds, or Other Funds. Since our office received no response from Berkeley County, we are unable to determine the local expenditure impact on the county.

**Explanation of Fiscal Impact**

**State Expenditure**

This bill amends Section 7-7-120, which relates to voting precincts in Berkeley County. The bill designates the official map number on file with the Revenue and Fiscal Affairs Office for the precincts in Berkeley County.

The Revenue and Fiscal Affairs Office reports there is no expenditure impact to the General Fund, Federal Funds, or Other Funds.

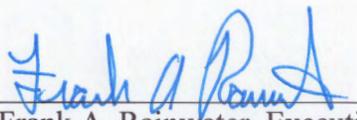
**State Revenue**

N/A

**Local Expenditure**

The Revenue and Fiscal Affairs Office contacted Berkeley County regarding the expenditure impact of this bill and received no response. Therefore, we are unable to determine the expenditure impact on Berkeley County.

**Local Revenue**  
N/A



Frank A. Rainwater, Executive Director



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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Bill Number: H. 4076 As signed by the Governor on June 1, 2015  
 Author: Pitts  
 Requestor: Senate Judiciary  
 Date: June 11, 2015  
 Subject: Laurens County Voting Precincts  
 RFA Analyst(s): Wren and Fulmer

**Estimate of Fiscal Impact**

	FY 2015-16	FY 2016-17
<b>State Expenditure</b>		
General Fund	\$0	N/A
Other and Federal	\$0	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	Undeterminable	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

This bill would have no expenditure impact on the General Fund, Federal Funds, or Other Funds. We are not able to determine the expenditure impact on Laurens County.

**Explanation of Fiscal Impact**

**State Expenditure**

This bill amends Section 7-7-360, which relates to voting precincts in Laurens County. The bill revises boundaries of existing precincts and designates the official map number on file with the Revenue and Fiscal Affairs Office for the precincts in Laurens County.

The Revenue and Fiscal Affairs Office and the State Election Commission indicate there is no expenditure impact to the General Fund, Federal Funds, or Other Funds.

**State Revenue**

N/A

**Local Expenditure**

The Revenue and Fiscal Affairs Office contacted Laurens County regarding the expenditure impact of this bill and received no response. Therefore, we are not able to determine the expenditure impact on Laurens County.

**Local Revenue**

N/A

Frank A. Rainwater, Executive Director



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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Bill Number: H. 4084 As signed by the Governor on June 11, 2015  
 Author: Stringer  
 Requestor: House Education and Public Works  
 Date: June 29, 2015  
 Subject: Charter school, school leader  
 RFA Analyst(s): Fulmer

**Estimate of Fiscal Impact**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>State Expenditure</b>		
General Fund	\$0	N/A
Other and Federal	\$0	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	\$0	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

The bill as amended will have no expenditure impact to the General Fund, Federal Funds, or Other Funds.

**Explanation of Fiscal Impact**

**Explanation of Amendment (May 20, 2015) – By the House of Representatives**

The amendment requires the charter school contract to contain a statement of assurance of ethical compliance on behalf of the school. This amendment is not expected to impact state or local expenditures, and the impact of this bill as amended is unchanged from the bill as filed.

**Explanation of Bill Filed- April 29, 2015**

**State Expenditure**

This bill amends Section 59-40-50 concerning the powers and duties of charter school leaders and to provide that employees, board members, and staff of the charter schools are subject to the ethics and government accountability requirements for public members and public employees in Chapter 13, Title 8.

**The State Department of Education.** The department indicates there is no expenditure impact to the department, local school districts, or charter schools.

**State Revenue**

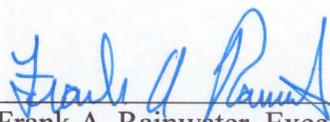
N/A

**Local Expenditure**

N/A

**Local Revenue**

N/A



Frank A. Rainwater, Executive Director



# SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

## STATEMENT OF ESTIMATED FISCAL IMPACT

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Bill Number: H. 4106 As signed by the Governor on June 1, 2015  
 Author: Long  
 Requestor: Senate Judiciary  
 Date: June 11, 2015  
 Subject: Lancaster County Voting Precincts  
 RFA Analyst(s): Wren and Fulmer

### Estimate of Fiscal Impact

	FY 2015-16	FY 2016-17
<b>State Expenditure</b>		
General Fund	\$0	N/A
Other and Federal	\$0	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	Undeterminable	N/A
<b>Local Revenue</b>	N/A	N/A

#### Fiscal Impact Summary

This bill will have no expenditure impact on the General Fund, Federal Funds, or Other Funds. We are not able to determine the expenditure on Lancaster County.

### Explanation of Fiscal Impact

#### Explanation of Amendment (May 20, 2015) – By the Senate

The amendment to the bill deletes an additional voting precinct in Lancaster County. The impact of the bill as amended is unchanged from the bill as filed.

#### Explanation of Bill Filed on April 30, 2015

##### State Expenditure

This bill deletes two voting precincts and adds nine precincts in Lancaster County. Also, the bill designates the official map number on file with the Revenue and Fiscal Affairs Office for the precincts in Lancaster County.

The Revenue and Fiscal Affairs Office and the State Election Commission indicate there is no expenditure impact to the General Fund, Federal Funds, or Other Funds.

##### State Revenue

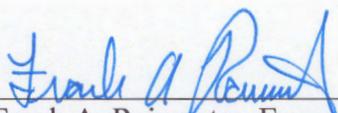
N/A

**Local Expenditure**

The Revenue and Fiscal Affairs Office contacted Lancaster County regarding the expenditure impact of this bill and received no response. Therefore, we are not able to determine the expenditure impact on Lancaster County.

**Local Revenue**

N/A



Frank A. Rainwater, Executive Director



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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Bill Number: H. 4142 As signed by the Governor on June 11, 2015  
 Author: Ballentine  
 Requestor: Senate Judiciary  
 Date: June 15, 2015  
 Subject: Richland County Voting Precincts  
 RFA Analyst(s): Wren and Fulmer

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**Estimate of Fiscal Impact**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>State Expenditure</b>		
General Fund	\$0	N/A
Other and Federal	\$0	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	\$0	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

This bill will have no expenditure impact on the General Fund, Federal Funds, or Other Funds. Additionally, there will be no local expenditure impact on Richland County.

**Explanation of Fiscal Impact**

**State Expenditure**

This bill amends Section 7-7-465, which relates to voting precincts in Richland County. The bill designates the official map number on file with the Revenue and Fiscal Affairs Office for the precincts in Richland County.

The Revenue and Fiscal Affairs Office and the State Election Commission indicate there is no expenditure impact to the General Fund, Federal Funds, or Other Funds.

**State Revenue**

N/A

**Local Expenditure**

The Revenue and Fiscal Affairs Office contacted Richland County regarding the expenditure impact of this bill. Richland County reports that this bill will have no impact on the county.

**Local Revenue**

N/A

Frank A. Rainwater, Executive Director



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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Bill Number: S. 0003 As signed by the Governor on June 4, 2015  
 Author: L. Martin  
 Requestor: Senate Judiciary  
 Date: August 18, 2015  
 Subject: Criminal Domestic Violence Offenses and Penalties  
 RFA Analyst(s): Walling, Gardner, Fulmer, and Stein

**Estimate of Fiscal Impact**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>State Expenditure</b>		
General Fund	Undetermined	N/A
Other and Federal	N/A	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

This bill is expected to increase General Fund expenditures of the Department of Corrections by an undetermined amount that will depend upon any increase in the prison population from the provisions of the bill.

**Explanation of Fiscal Impact**

**Explanation of Amendment (May 26, 2015) – By the Senate**

Senate Bill 3 as amended includes seven parts providing additional clarification and expansion of the definitions for domestic violence acts, amending other code sections referencing domestic violence offenses, and developing community programs and educational requirements. Part I of the bill as amended provides the citation of Domestic Violence Reform Act. Part II of the bill provides additional clarification and definitions for the degrees of domestic violence offenses, amends other criminal code sections to reflect the amended domestic violence sections, and provides restrictions for possession of firearms and ammunition for persons convicted of domestic violence offenses and provisions for a person to notify the State Law Enforcement Division to have ownership rights restored after the expiration of a restriction. Further, administration of the domestic violence intervention program, formerly referred to as a batterer treatment program, is moved from the Department of Social Services to the Circuit Solicitor or Attorney General’s Office, depending upon the prosecution of the offense. Part III of the bill amends Chapter 15 of Title 17 to provide requirements for bond hearings for persons charged with a domestic violence offense. Part IV amends §16-25-70 relating to arrest requirements for domestic violence, adds minors who witness domestic violence offenses to the definition of

victims of a crime eligible for compensation, and directs the Department of Social Services to study regulations and policies relating to childcare availability for domestic violence survivors. Section 20 of Part IV requires the formation of a Domestic Violence Advisory Committee and provides the composition, objectives, and procedures for the committee. Section 21 establishes community domestic violence coordinating councils under the auspices of the circuit solicitor in each county or judicial circuit and provides the purpose and requirements of the councils. Further, Section 22 of the amendment requires instruction in comprehensive health education for grades six through eight include domestic violence subject matter. Section 23 repeals §43-1-260 governing community domestic violence coordinating councils under the Department of Social Services. Part V of the bill as amended makes additional modifications to the new Article 18 of Chapter 3 of Title 16 on permanent restraining orders. Part VI of the bill amends §25-5-910 on expungement to allow persons convicted of a first offense of domestic violence in the third degree to have their record expunged after five years from the date of conviction. Part VII provides a savings clause, severability clause, and the effective date of the act.

### **State Expenditure**

**Department of Corrections.** The agency reports that this amendment will have an expenditure impact to the General Fund, but the extent of the increased expenditures cannot be determined due to the uncertain increase in the prison population from the provisions of the bill. The bill establishes degrees of criminal domestic violence (CDV), which are determined by the elements of the crime as well as by the existence of prior criminal domestic violence offenses. The agency also reports that there are currently 584 inmates at the South Carolina Department of Corrections (SCDC) who have been convicted of CDV, which is 2.7% of the inmate population. The annual average cost of an inmate at the Department of Corrections is \$19,137. Furthermore, the agency indicates that establishing a new crime of violation of no-contact orders with imprisonment penalties would significantly increase admissions and prison populations, thus incurring more cost to the agency.

The Judicial Department, Attorney General's Office, Department of Probation, Parole and Pardon Services, and South Carolina Department of Alcohol and Other Drug Abuse Services indicate the bill will have a minimal expenditure impact on each agency, which can be absorbed by the agencies through existing appropriations.

The Law Enforcement Training Council, Prosecution Coordination Commission, South Carolina Law Enforcement Division, The State's Office of Victim Assistance, Department of Social Services, Department of Mental Health, Department of Education, and Department of Health and Environmental Control indicate this amendment will have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

### **State Revenue**

N/A

### **Local Expenditure**

N/A

**Local Revenue**

N/A

**Explanation of Bill Filed on January 13, 2015****State Expenditure**

Senate Bill 3 restructures the criminal domestic violence offenses into degrees and provides penalties. This bill also provides that it is unlawful for a person convicted of a criminal domestic violence offense or a person subject to an order of protection for domestic violence to ship, transport, or receive a firearm or ammunition. Finally, the bill would provide necessary definitions to establish a procedure for the issuance of permanent civil no-contact orders and to provide a penalty for violation of civil no-contact orders.

**Department of Corrections.** The agency reports that this bill will have a cost to the General Fund, but the extent of the increased expenditures cannot be determined due to the uncertain increase in the prison population from the provisions of this bill. This bill establishes degrees of criminal domestic violence (CDV) that are determined by the elements of the crime as well as by the existence of prior criminal domestic violence offenses. The agency also reports that there are currently 584 inmates at the South Carolina Department of Corrections (SCDC) who have been convicted of CDV, which is 2.7% of the inmate population. The official annual average cost of an inmate at the Department of Corrections is \$19,137. Furthermore, the agency indicates that establishing a new crime of violation of no-contact orders with imprisonment penalties would significantly increase admissions and prison populations, thus incurring more cost to the agency.

**Judicial Department.** This proposed legislation, restructures criminal domestic violence offenses into degrees and provides penalties. This bill creates new emergency and permanent civil no-contact orders and penalties for violations. This legislation also requires the circuit court to provide self-represented litigants with permanent no-contact order complaints and motion forms. As a result of the creation of the new orders, it is anticipated that additional hearings will be held in family, circuit, and magistrates courts. It is anticipated that any additional costs would likely be absorbed by the General Fund. However, should this legislation result in a significant number of additional hearings, it could increase the backlog for the family, circuit, and magistrate courts. Additional education on the restructured offenses and new orders would be required but those costs would also be absorbed by the General Fund.

**State Revenue**

N/A

**Local Expenditure**

N/A

**Local Revenue**

N/A

  
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Frank A. Rainwater, Executive Director



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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Bill Number: S. 0008 As signed by the Governor on May 12, 2015  
 Author: Martin  
 Requestor: Senate Judiciary  
 Date: June 12, 2015  
 Subject: Constitutional Officers of S.C.  
 RFA Analyst(s): Fulmer and Shealy

**Estimate of Fiscal Impact**

	FY 2015-16	FY 2016-17
<b>State Expenditure</b>		
General Fund	\$0	N/A
Other and Federal	\$0	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

The bill will have no impact on General Fund, Federal Funds, or Other Funds.

**Explanation of Fiscal Impact**

**Explanation of Amendment (February 19, 2015) – By the House of Representatives**

This amendment to the bill corrects references to Joint Resolution 297 of 2014 in the bill. This amendment is not expected to impact local revenues or expenditures, and the impact of the bill as amended is unchanged from the bill as filed.

**State Expenditure**

This bill provides that beginning upon the expiration of the term of the Adjutant General serving in office on the date of the ratification of the provisions of this paragraph, the Adjutant General must be appointed by the Governor, upon the advice and consent of the Senate. The appointed Adjutant General shall serve for a term not coterminous with the Governor and may be removed only for cause. The General Assembly shall provide by laws for the term, duties, compensations, and qualifications for office, the procedures by which the appointment is made, and the procedures by which the Adjutant General may be removed from office.

**Office of the Adjutant General.** The proposed legislation will have no expenditure impact on the General Fund, Federal, or Other Funds.

**State Revenue**

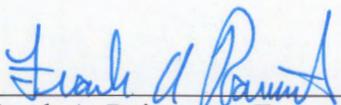
N/A

**Local Expenditure**

N/A

**Local Revenue**

N/A



Frank A. Rainwater, Executive Director



# SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

## STATEMENT OF ESTIMATED FISCAL IMPACT

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Bill Number: S. 0011 As signed by the Governor on June 8, 2015  
 Author: L. Martin  
 Requestor: Senate Judiciary  
 Date: June 18, 2015  
 Subject: Notice of meetings for public bodies  
 RFA Analyst(s): Cooper, Shuford, and Wren

### Estimate of Fiscal Impact

	FY 2015-16	FY 2016-17
<b>State Expenditure</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

#### Fiscal Impact Summary

This bill will have no expenditure or revenue impact on the General Fund, Other Funds, or Federal Funds. We expect no expenditure impact from this bill to local governments.

### Explanation of Fiscal Impact

#### Explanation of Free Conference Report as Adopted June 3, 2015

##### State Expenditure

The amended bill requires all public bodies, excluding legislative committees and subcommittees, to provide an agenda for regularly scheduled meetings. Meeting agendas must be posted on a bulletin board in a publicly accessible place at the office or meeting place of the public body and on a public website maintained by the body, if any, at least twenty-four hours prior to the meetings. Once an agenda is posted, no items may be added to the agenda without an additional twenty-four hour notice or a two-thirds vote of the members present and voting. We expect no expenditure or revenue impact from this bill.

##### State Revenue

N/A

##### Local Expenditure

There is no cost associated with this bill to local governments.

##### Local Revenue

N/A

**Explanation of Bill Filed January 13, 2015**

**State Expenditure**

This bill requires all public bodies, excluding legislative committees and subcommittees, to provide an agenda for regularly scheduled meetings. Items may not be added to the agenda later than twenty-four hours before the meeting, except upon a two-thirds vote of the public body. We expect no expenditure or revenue impact from this bill.

**State Revenue**

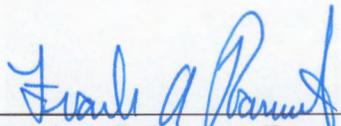
N/A

**Local Expenditure**

There is no cost associated with this bill to local governments.

**Local Revenue**

N/A

  
\_\_\_\_\_  
Frank A. Rainwater, Executive Director



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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Bill Number: S. 0047 As signed by the Governor on June 10, 2015  
 Author: Malloy  
 Requestor: Senate and House of Representatives  
 Date: June 25, 2015  
 Subject: Body-Worn Cameras  
 RFA Analyst(s): Gardner, Fulmer, Stein, and Wren

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**Estimate of Fiscal Impact**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>State Expenditure</b>		
General Fund	\$7,113,122*	\$4,055,668*
Other and Federal	N/A	N/A
Full-Time Equivalent Position(s)	5.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	\$14,400,000*	\$8,200,000*
<b>Local Revenue</b>	N/A	N/A

\* State and local law enforcement agencies indicate that expenditures could total \$21,513,122 in FY 2015-16 and \$12,255,668 in subsequent years. Upon approval of a state or local law enforcement agency's policies and procedures by the Law Enforcement Training Council, the amount of funding provided for body-worn cameras and ongoing costs related to the maintenance and storage of the recorded data are determined by the Public Safety Coordinating Council as established by this bill. State and local law enforcement agencies' funding would be limited to the amount of appropriations to the Body-Worn Camera Fund.

**Fiscal Impact Summary**

This bill could increase General Fund expenditures in FY 2015-16 by \$7,113,122 for one-time and recurring costs associated with the implementation of the bill. Recurring expenditures are expected to increase by \$4,055,668 in subsequent years. Local law enforcement agency expenditures are expected to increase by \$14,400,000 in FY 2015-16 and by \$8,200,000 in subsequent years. Actual expenditures will depend on disbursements from the Body-Worn Camera Fund.

**Explanation of Fiscal Impact**

**Explanation of Amendment (June 4, 2015) – By the Conference Committee**

**State Expenditure**

This amendment allows the South Carolina Law Enforcement Training Council (Council) 180 days within which to study the use and implementation of body-worn cameras by law enforcement officers. It also requires the Council, within 360 days of the effective date of this

section, to present to the General Assembly a report with recommendations to ensure the provisions and potential fiscal impact of this section are appropriately managed. Further, it clarifies the circumstances under which data recorded on a body-worn camera may be released. State and local law enforcement agencies are not required to implement the use of body-worn cameras until they have received full funding but may proceed with their use of such devices at any time. Reimbursements are allowable for those agencies using body-worn cameras prior to the approval of their respective policies and procedures or prior to their receipt of full funding. Upon approval of a state or local law enforcement agency's policies and procedures by the Law Enforcement Training Council, the amount of funding provided for body-worn cameras and ongoing costs related to the maintenance and storage of the recorded data are determined by the Public Safety Coordinating Council as established by this bill. State and local law enforcement agencies' funding would be limited to the amount of appropriations to the Body-Worn Camera Fund.

**South Carolina Department of Public Safety.** The department reports that the cost of cameras, license fees, and data storage is estimated at \$2,220,650 in the first year and \$1,476,400 for each year thereafter. The agency currently has 1,150 law enforcement officers.

**State Law Enforcement Division.** The agency reports that the costs associated with the equipment, training, maintenance, storage, data retrieval, and anticipated increased FOIA requests total approximately \$1,055,405 on a recurring basis and \$651,120 on a non-recurring basis. These costs include cameras worn at eye-level, as the agency believes this would be the most accurate record of what the officer sees. These estimates also include additional storage space, increased internet bandwidth, and surveillance feed maintenance. The number of cameras for the agency includes a small inventory for replacement and training purposes. The agency anticipates an information technology position would be necessary to administer the storage, maintenance, and retrieval of these electronic files. There would also need to be a Program Manager of the electronic surveillance system within the Command Post that house live video and audio feeds. Additionally, the agency anticipates an increase in FOIA requests, which would require an additional full-time Administrative Specialist position to disseminate data within the 15-day turnaround time.

**South Carolina Criminal Justice Academy.** The agency reports that another staff attorney would need to be hired to assist the agency with developing the guidelines required in Section 1, subsections (C) and (D) of the bill, which will cost \$95,000 in General Fund expenditures.

**State Senate.** The Senate reports that the bill would have an expenditure impact of \$10,800. The agency would need to equip 14 law enforcement officers with cameras, which would cost approximately \$700, and would need an additional \$1,000 for computer software to manage the associated video records.

**State House of Representatives.** The House of Representatives reports that the bill would have an expenditure impact of \$8,700. The agency would need to equip 11 law enforcement officers with cameras, which would cost approximately \$700, and would need an additional \$1,000 for computer software to manage the associated video records.

**Department of Mental Health.** The agency reports that the cost of cameras, license fees, and data storage is estimated at \$114,000 in the first year for its 114 law enforcement positions.

**Department of Juvenile Justice.** The agency reports that the cost of cameras, license fees, and data storage for 18 officers with 2 spares is estimated at \$18,000 in the first year. The agency also reports that the initial purchase of the cameras would constitute a one-time cost and be funded by Other Funds. The recurring expenditures include video storage, maintenance, and camera expenses.

**Department of Probation, Parole and Pardon Services.** The department indicates there will be a cost to the General Fund of \$967,000 for the first year of implementation. This cost includes \$642,000 of recurring funds and \$325,000 of non-recurring funds. The recurring expenditures include video storage, maintenance, and camera expenses.

**Department of Health and Environmental Control.** The department reports that the cost of equipment, operating costs, and 1.00 FTE position to manage the data storage system would be \$818,415 in the first year and \$418,415 each year thereafter.

**Forestry Commission.** The commission reports that the cost of cameras, license fees, and data storage is estimated at \$40,000 in the first year and \$20,000 for each year thereafter.

**Department of Natural Resources.** The department reports that the cost of cameras, license fees, data storage, software, and 1.00 FTE position to manage and maintain the system would be \$448,000 in the first year and \$98,000 each year thereafter.

**Department of Parks, Recreation and Tourism.** The department reports that if their 72 constables are "law enforcement officers," the estimated cost of cameras, software, and data storage is \$139,032 in the first year and \$92,448 each year thereafter.

**South Carolina Commission on Higher Education.** The commission reports that 456 cameras would be required across 25 institutions, which would incur a startup cost of \$10,000 for each institution. The total initial cost would be \$527,000, and the cost for maintenance and licensing support in subsequent years is estimated at \$253,000 annually.

**The Governor's School for Arts and Humanities and the Governor's School for Science and Math.** The schools indicate the expenditure impact to purchase cameras would be minimal and can be absorbed by their current appropriations.

**Department of Social Services.** The agency indicates there is minimal expenditure impact that can be absorbed through existing appropriations.

**Department of Alcohol and Other Drug Abuse Services.** The agency indicates this bill will have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

The Governor's Office of Executive Policy and Programs, Department of Education, John de la Howe School, and Wil Lou Gray Opportunity School indicate there is no expenditure impact to the General Fund, Federal Funds, or Other Funds.

**State Revenue**

N/A

**Local Expenditure**

The Revenue and Fiscal Affairs Office contacted the Municipal Association of South Carolina, the South Carolina Association of Counties, and twenty-five county governments regarding the impact of this bill.

The Municipal Association of South Carolina responded with an estimate from 103 municipalities. This sample represents about fifty percent of the total incorporated population. Based on the information provided by the Municipal Association and prorating for a statewide incorporated population figure, we estimate the first year expense for municipal governments to be approximately \$5,400,000 and a recurring expense of \$3,400,000.

The South Carolina Association of Counties assisted in gathering data from six county governments. These six counties include Calhoun, Charleston, Georgetown, Lexington, Richland, and Spartanburg and represent approximately forty-five percent of the county population minus the incorporated population. Based on the responses received from these counties and prorating for a statewide county population figure, we estimate the first year expense for county governments to be approximately \$9,000,000 and a recurring expense of \$4,800,000.

In total, we estimate this bill will have a statewide local expenditure impact of \$14,400,000 in FY 2015-16 and \$8,200,000 in FY 2016-17 and each year thereafter. County and municipal expenditures may vary as the camera and video storage costs range from a few hundred dollars up to several thousand dollars. Since the bill does not specify the type of camera that must be purchased, county and municipal governments will be responsible for choosing equipment that meets the needs of their entities.

**Local Revenue**

N/A

**Explanation of Amendment (May 20, 2015) – By the Senate**

**State Expenditure**

This bill provides that state and local law enforcement officers be equipped with body-worn cameras. The bill requires the Law Enforcement Training Council, within 180 days of the effective date of the act, to develop guidelines that include provisions for data retention, release, and access. These guidelines will be shared with state and local law enforcement agencies, which will develop policies and procedures for the use of such cameras pursuant to the guidelines within 270 days of the effective date of the act. These state and local policies and procedures must be approved by the Law Enforcement Training Council. The bill also establishes a Body-Worn Cameras Fund within the Department of Public Safety to assist state and local law enforcement agencies with the purchase, maintenance, and data costs associated

with these devices. Within 180 days of the effective date of the act, the Public Safety Coordinating Council will establish a funding application process as well as a disbursement protocol. State and local law enforcement agencies are not required to implement the use of body-worn cameras until they have received full funding but may proceed with their use of such devices at any time. Reimbursements are allowable for those agencies using body-worn cameras prior to the approval of their respective policies and procedures or prior to their receipt of full funding. The bill also establishes provisions for the release of data recorded by these devices pursuant to the Freedom of Information Act.

**South Carolina Department of Public Safety.** The department reports that the cost of cameras, license fees, and data storage is estimated at \$2,220,650 in the first year and \$1,476,400 for each year thereafter. The agency currently has 1,150 law enforcement officers.

**State Law Enforcement Division.** The agency reports that the costs associated with the equipment, training, maintenance, storage, data retrieval, and anticipated increased FOIA requests total approximately \$1,055,405 on a recurring basis and \$651,120 on a non-recurring basis. These costs include cameras worn at eye-level, as the agency believes this would be the most accurate record of what the officer sees. These estimates also include additional storage space, increased internet bandwidth, and surveillance feed maintenance. The number of cameras for the agency includes a small inventory for replacement and training purposes. The agency anticipates an information technology position would be necessary to administer the storage, maintenance, and retrieval of these electronic files. There would also need to be a Program Manager of the electronic surveillance system within the Command Post that houses live video and audio feeds. Additionally, the agency anticipates an increase in FOIA requests, which would require an additional full-time Administrative Specialist position to disseminate data within the 15-day turnaround time.

**South Carolina Criminal Justice Academy.** The agency reports that another staff attorney would need to be hired to assist the agency with developing the guidelines required in Section 1, subsections (C) and (D) of the bill, which will cost \$95,000 in General Fund expenditures.

**State Senate.** The Senate reports that the bill would have an expenditure impact of \$10,800. The agency would need to equip 14 law enforcement officers with cameras, which would cost approximately \$700, and would need an additional \$1,000 for computer software to manage the associated video records.

**State House of Representatives.** The House of Representatives reports that the bill would have an expenditure impact of \$8,700. The agency would need to equip 11 law enforcement officers with cameras, which would cost approximately \$700, and would need an additional \$1,000 for computer software to manage the associated video records.

**Department of Mental Health.** The agency reports that the cost of cameras, license fees, and data storage is estimated at \$114,000 in the first year for its 114 law enforcement positions.

**Department of Juvenile Justice.** The agency reports that the cost of cameras, license fees, and data storage for 18 officers with 2 spares is estimated at \$18,000 in the first year. The agency

also reports that the initial purchase of the cameras would constitute a one-time cost and be funded by Other Funds. The recurring expenditures include video storage, maintenance, and camera expenses.

**Department of Probation, Parole and Pardon Services.** The department indicates there will be a cost to the General Fund of \$967,000 for the first year of implementation. This cost includes \$642,000 of recurring funds and \$325,000 of non-recurring funds. The recurring expenditures include video storage, maintenance, and camera expenses.

**Department of Health and Environmental Control.** The department reports that the cost of equipment, operating costs, and 1.00 FTE position to manage the data storage system would be \$818,415 in the first year and \$418,415 each year thereafter.

**Forestry Commission.** The commission reports that the cost of cameras, license fees, and data storage is estimated at \$40,000 in the first year and \$20,000 for each year thereafter.

**Department of Natural Resources.** The department reports that the cost of cameras, license fees, data storage, software, and 1.00 FTE position to manage and maintain the system would be \$448,000 in the first year and \$98,000 each year thereafter.

**Department of Parks, Recreation and Tourism.** The department reports that if their 72 constables are "law enforcement officers," the estimated cost of cameras, software, and data storage is \$139,032 in the first year and \$92,448 each year thereafter.

**South Carolina Commission on Higher Education.** The commission reports that 456 cameras would be required across 25 institutions, which would incur a startup cost of \$10,000 for each institution. The total initial cost would be \$527,000, and the cost for maintenance and licensing support in subsequent years is estimated at \$253,000 annually.

**The Governor's School for Arts and Humanities and the Governor's School for Science and Math.** The schools indicate the expenditure impact to purchase cameras would be minimal and can be absorbed by their current appropriations.

**Department of Social Services.** The agency indicates there is minimal expenditure impact that can be absorbed through existing appropriations.

**Department of Alcohol and Other Drug Abuse Services.** The agency indicates this bill will have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

The Governor's Office of Executive Policy and Programs, Department of Education, John de la Howe School, and Wil Lou Gray Opportunity School indicate there is no expenditure impact to the General Fund, Federal Funds, or Other Funds.

#### **State Revenue**

N/A

### **Local Expenditure**

The Revenue and Fiscal Affairs Office contacted the Municipal Association of South Carolina, the South Carolina Association of Counties, and twenty-five county governments regarding the impact of this bill.

The Municipal Association of South Carolina responded with an estimate from 103 municipalities. This sample represents about fifty percent of the total incorporated population. Based on the information provided by the Municipal Association and prorating for a statewide incorporated population figure, we estimate the first year expense for municipal governments to be approximately \$5,400,000 and a recurring expense of \$3,400,000.

The South Carolina Association of Counties assisted in gathering data from six county governments. These six counties include Calhoun, Charleston, Georgetown, Lexington, Richland, and Spartanburg and represent approximately forty-five percent of the county population minus the incorporated population. Based on the responses received from these counties and prorating for a statewide county population figure, we estimate the first year expense for county governments to be approximately \$9,000,000 and a recurring expense of \$4,800,000.

In total, we estimate this bill will have a statewide local expenditure impact of \$14,400,000 in FY 2015-16 and \$8,200,000 in FY 2016-17 and each year thereafter. County and municipal expenditures may vary as the camera and video storage costs range from a few hundred dollars up to several thousand dollars. Since the bill does not specify the type of camera that must be purchased, county and municipal governments will be responsible for choosing equipment that meets the needs of their entities.

### **Local Revenue**

N/A

### **Explanation of Amendment (May 13, 2015) – By the House of Representatives**

#### **State Expenditure**

This bill provides that state and local law enforcement officers be equipped with body-worn cameras. The bill requires the Law Enforcement Training Council, within 180 days of the effective date of the act, to develop guidelines that include provisions for data retention, release, and access. These guidelines will be shared with state and local law enforcement agencies, which will develop policies and procedures for the use of such cameras pursuant to the guidelines within 270 days of the effective date of the act. These state and local policies and procedures must be approved by the Law Enforcement Training Council. The bill also establishes a Body-Worn Cameras Fund within the Department of Public Safety to assist state and local law enforcement agencies with the purchase, maintenance, and data costs associated with these devices. Within 180 days of the effective date of the act, the Public Safety Coordinating Council will establish a funding application process as well as a disbursement protocol. State and local law enforcement agencies are not required to implement the use of body-worn cameras until they have received full funding but may proceed with their use of such devices at any time. Reimbursements are allowable for those agencies using body-worn cameras prior to the approval of their respective policies and procedures or prior to their receipt of full

funding. The bill also establishes provisions for the release of data recorded by these devices pursuant to the Freedom of Information Act.

**South Carolina Department of Public Safety.** The department reports that the cost of cameras, license fees, and data storage is estimated at \$2,220,650 in the first year and \$1,476,400 for each year thereafter. The agency currently has 1,150 law enforcement officers.

**State Law Enforcement Division.** The agency reports that the costs associated with the equipment, training, maintenance, storage, data retrieval, and anticipated increased FOIA requests total approximately \$1,055,405 on a recurring basis and \$651,120 on a non-recurring basis. These costs include cameras worn at eye-level, as the agency believes this would be the most accurate record of what the officer sees. These estimates also include additional storage space, increased internet bandwidth, and surveillance feed maintenance. The number of cameras for the agency includes a small inventory for replacement and training purposes. The agency anticipates an information technology position would be necessary to administer the storage, maintenance, and retrieval of these electronic files. There would also need to be a Program Manager of the electronic surveillance system within the Command Post that houses live video and audio feeds. Additionally, the agency anticipates an increase in FOIA requests, which would require an additional full-time Administrative Specialist position to disseminate data within the 15-day turnaround time.

**South Carolina Criminal Justice Academy.** The agency reports that another staff attorney would need to be hired to assist the agency with developing the guidelines required in Section 1, subsections (C) and (D) of the bill, which will cost \$95,000 in General Fund expenditures.

**State Senate.** The Senate reports that the bill would have an expenditure impact of \$10,800. The agency would need to equip 14 law enforcement officers with cameras, which would cost approximately \$700, and would need an additional \$1,000 for computer software to manage the associated video records.

**State House of Representatives.** The House of Representatives reports that the bill would have an expenditure impact of \$8,700. The agency would need to equip 11 law enforcement officers with cameras, which would cost approximately \$700, and would need an additional \$1,000 for computer software to manage the associated video records.

**Department of Mental Health.** The agency reports that the cost of cameras, license fees, and data storage is estimated at \$114,000 in the first year for its 114 law enforcement positions.

**Department of Juvenile Justice.** The agency reports that the cost of cameras, license fees, and data storage for 18 officers with 2 spares is estimated at \$18,000 in the first year. The agency also reports that the initial purchase of the cameras would constitute a one-time cost and be funded by Other Funds. The recurring expenditures include video storage, maintenance, and camera expenses.

**Department of Probation, Parole and Pardon Services.** The department indicates there will be a cost to the General Fund of \$967,000 for the first year of implementation. This cost

includes \$642,000 of recurring funds and \$325,000 of non-recurring funds. The recurring expenditures include video storage, maintenance, and camera expenses.

**Department of Health and Environmental Control.** The department reports that the cost of equipment, operating costs, and 1.00 FTE position to manage the data storage system would be \$818,415 in the first year and \$418,415 each year thereafter.

**Forestry Commission.** The commission reports that the cost of cameras, license fees, and data storage is estimated at \$40,000 in the first year and \$20,000 for each year thereafter.

**Department of Natural Resources.** The department reports that the cost of cameras, license fees, data storage, software, and 1.00 FTE position to manage and maintain the system would be \$448,000 in the first year and \$98,000 each year thereafter.

**Department of Parks, Recreation and Tourism.** The department reports that if their 72 constables are "law enforcement officers," the estimated cost of cameras, software, and data storage is \$139,032 in the first year and \$92,448 each year thereafter.

**South Carolina Commission on Higher Education.** The commission reports that 456 cameras would be required across 25 institutions, which would incur a startup cost of \$10,000 for each institution. The total initial cost would be \$527,000, and the cost for maintenance and licensing support in subsequent years is estimated at \$253,000 annually.

**The Governor's School for Arts and Humanities and the Governor's School for Science and Math.** The schools indicate the expenditure impact to purchase cameras would be minimal and can be absorbed by their current appropriations.

**Department of Social Services.** The agency indicates there is minimal expenditure impact that can be absorbed through existing appropriations.

**Department of Alcohol and Other Drug Abuse Services.** The agency indicates this bill will have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

The Governor's Office of Executive Policy and Programs, Department of Education, John de la Howe School, and Wil Lou Gray Opportunity School indicate there is no expenditure impact to the General Fund, Federal Funds, or Other Funds.

#### **State Revenue**

N/A

#### **Local Expenditure**

The Revenue and Fiscal Affairs Office contacted the Municipal Association of South Carolina, the South Carolina Association of Counties, and twenty-five county governments regarding the impact of this bill.

The Municipal Association of South Carolina responded with an estimate from 103 municipalities. This sample represents about fifty percent of the total incorporated population. Based on the information provided by the Municipal Association and prorating for a statewide incorporated population figure, we estimate the first year expense for municipal governments to be approximately \$5,400,000 and a recurring expense of \$3,400,000.

The South Carolina Association of Counties assisted in gathering data from six county governments. These six counties include Calhoun, Charleston, Georgetown, Lexington, Richland, and Spartanburg and represent approximately forty-five percent of the county population minus the incorporated population. Based on the responses received from these counties and prorating for a statewide county population figure, we estimate the first year expense for county governments to be approximately \$9,000,000 and a recurring expense of \$4,800,000.

In total, we estimate this bill will have a statewide local expenditure impact of \$14,400,000 in FY 2015-16 and \$8,200,000 in FY 2016-17 and each year thereafter. County and municipal expenditures may vary as the camera and video storage costs range from a few hundred dollars up to several thousand dollars. Since the bill does not specify the type of camera that must be purchased, county and municipal governments will be responsible for choosing equipment that meets the needs of their entities.

#### **Local Revenue**

N/A

#### **Explanation of Bill Filed on January 13, 2015**

##### **State Expenditure**

This bill requires that all state and local law enforcement officers be equipped with body-worn cameras, contains provisions for the operation of such cameras, and establishes notification and data retention and release requirements.

**South Carolina Department of Public Safety.** The department reports that the cost of cameras, license fees, and data storage is estimated at \$2,220,650 in the first year and \$1,476,400 for each year thereafter. The agency currently has 1,150 law enforcement officers.

**State Law Enforcement Division.** The agency reports that the costs associated with the equipment, training, maintenance, storage, data retrieval, and anticipated increased FOIA requests total approximately \$1,055,405 on a recurring basis and \$651,120 on a non-recurring basis. These costs include cameras worn at eye-level, as the agency believes this would be the most accurate record of what the officer sees. These estimates also include additional storage space, increased internet bandwidth, and surveillance feed maintenance. The number of cameras for the agency includes a small inventory for replacement and training purposes. The agency anticipates an information technology position would be necessary to administer the storage, maintenance, and retrieval of these electronic files. There would also need to be a Program Manager of the electronic surveillance system within the Command Post that houses live video and audio feeds. Additionally, the agency anticipates an increase in FOIA requests, which would

require an additional full-time Administrative Specialist position to disseminate data within the 15-day turnaround time.

**South Carolina Criminal Justice Academy.** The agency reports that another staff attorney would need to be hired to assist the agency with developing the guidelines required in Section 1, subsections (C) and (D) of the bill, which will cost \$125,000 in General Fund expenditures.

**State Senate.** The Senate reports the bill would have an expenditure impact of \$10,800. The agency would need to equip 14 law enforcement officers with cameras, which would cost approximately \$700, and would need an additional \$1,000 for computer software to manage the associated video records.

**State House of Representatives.** The House of Representatives reports that the bill would have an expenditure impact of \$8,700. The agency would need to equip 11 law enforcement officers with cameras, which would cost approximately \$700, and would need an additional \$1,000 for computer software to manage the associated video records.

**Department of Mental Health.** The agency reports that the cost of cameras, license fees, and data storage is estimated at \$114,000 in the first year for its 114 law enforcement positions.

**Department of Juvenile Justice.** The agency reports that the cost of cameras, license fees, and data storage for 18 officers with 2 spares is estimated at \$18,000 in the first year. The agency also reports that the initial purchase of the cameras would constitute a one-time cost and be funded by Other Funds. The recurring expenditures include video storage, maintenance, and camera expenses.

**Department of Probation, Parole and Pardon Services.** The department indicates there will be a cost to the General Fund of \$967,000 for the first year of implementation. This cost includes \$642,000 of recurring funds and \$325,000 of non-recurring funds. The recurring expenditures include video storage, maintenance, and camera expenses.

**Department of Health and Environmental Control.** The department reports that the cost of equipment, operating costs, and 1.00 FTE position to manage the data storage system would be \$818,415 in the first year and \$418,415 each year thereafter.

**Forestry Commission.** The commission reports that the cost of cameras, license fees, and data storage is estimated at \$40,000 in the first year and \$20,000 for each year thereafter.

**Department of Natural Resources.** The department reports that the cost of cameras, license fees, data storage, software, and 1.00 FTE position to manage and maintain the system would be \$448,000 in the first year and \$98,000 each year thereafter.

**Department of Parks, Recreation and Tourism.** The department reports that if their 72 constables are "law enforcement officers," the estimated cost of cameras, software, and data storage is \$139,032 in the first year and \$92,448 each year thereafter.

**South Carolina Commission on Higher Education.** The commission reports that 456 cameras would be required across 25 institutions, which would incur a startup cost of \$10,000 for each institution. The total initial cost would be \$527,000, and the cost for maintenance and licensing support in subsequent years is estimated at \$253,000 annually.

**The Governor's School for Arts and Humanities and the Governor's School for Science and Math.** The schools indicate the expenditure impact to purchase cameras would be minimal and can be absorbed by their current appropriations.

**Department of Social Services.** The agency indicates there is minimal expenditure impact that can be absorbed through existing appropriations.

**Department of Alcohol and Other Drug Abuse Services.** The agency indicates this bill will have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

The Governor's Office of Executive Policy and Programs, Department of Education, John de la Howe School, and Wil Lou Gray Opportunity School indicate there is no expenditure impact to the General Fund, Federal Funds, or Other Funds.

#### **State Revenue**

N/A

#### **Local Expenditure**

The Revenue and Fiscal Affairs Office contacted the Municipal Association of South Carolina, the South Carolina Association of Counties, and twenty-five county governments regarding the impact of this bill.

The Municipal Association of South Carolina responded with an estimate from 103 municipalities. This sample represents about fifty percent of the total incorporated population. Based on the information provided by the Municipal Association and prorating for a statewide incorporated population figure, we estimate the first year expense for municipal governments to be approximately \$5,400,000 and a recurring expense of \$3,400,000.

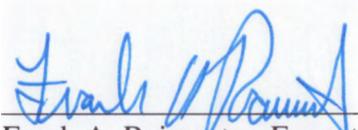
The South Carolina Association of Counties assisted in gathering data from six county governments. These six counties include Calhoun, Charleston, Georgetown, Lexington, Richland, and Spartanburg and represent approximately forty-five percent of the county population minus the incorporated population. Based on the responses received from these counties and prorating for a statewide county population figure, we estimate the first year expense for county governments to be approximately \$9,000,000 and a recurring expense of \$4,800,000.

In total, we estimate this bill will have a statewide local expenditure impact of \$14,400,000 in FY 2015-16 and \$8,200,000 in FY 2016-17 and each year thereafter. County and municipal expenditures may vary as the camera and video storage costs range from a few hundred dollars up to several thousand dollars. Since the bill does not specify the type of camera that must be

purchased, county and municipal governments will be responsible for choosing equipment that meets the needs of their entities.

**Local Revenue**

N/A



Frank A. Rainwater, Executive Director



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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Bill Number: S. 0078 As signed by the Governor on June 4, 2015  
 Author: Massey  
 Requestor: Senate Finance  
 Date: June 11, 2015  
 Subject: Forfeited Lands Emergency Development Act  
 RFA Analyst(s): Jolliff and Wren

**Estimate of Fiscal Impact**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>State Expenditure</b>		
General Fund	Minimal	N/A
Other and Federal	N/A	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	\$0.00	\$0.00
<b>Local Revenue</b>	Undeterminable	N/A

**Fiscal Impact Summary**

This bill will have a minimal impact on expenditures for the Department of Revenue that can be absorbed within the agency's current funding. The bill is not expected to significantly impact local expenditures as long as proceeds from the sale of forfeited lands are sufficient to cover payments on any issued special revenue bonds. For those counties that do elect to use the provisions of the bill, sales of forfeited lands may be accelerated but would not likely alter the total local revenue impact for a county over time. Due to the permissive nature of the bill and the many uncertain factors that could potentially alter the timing of the local revenue impact, we are unable to determine if there will be any accelerated local revenue impact as a result of the bill.

**Explanation of Fiscal Impact**

**Explanation of Amendment (May 27, 2015) – By the House of Representatives**

**State Expenditures**

The amendment changes the body to which a county's forfeited lands commission must apply for the authority to use the provisions outlined in the bill from the county's legislative delegation to the Department of Revenue. The department indicates that the amendment would have a minimal impact on expenditures that can be absorbed by the agency for reviewing the petitions.

**State Revenue**

N/A

**Local Expenditures**

The impact of the bill as amended on local expenditures is unchanged from the bill as filed.

**Local Revenues**

The impact of the bill as amended on local revenues is unchanged from the bill as filed.

**Explanation of Amendment (February 12, 2015) – By the Senate**

The amendment to the bill adds the cost of site cleanup to the list of expenses for which a forfeited land commission expend funds in order to make a property saleable. Additionally, the amendment adds a section to specify that a family member of a county forfeited lands commission member may not purchase land from the commission unless the sale is through a competitive bid process or open to the public. The impact of the bill as amended is unchanged from the bill as filed.

**Explanation of Bill Filed on January 13, 2015****State Expenditure**

N/A

**State Revenue**

N/A

**Local Expenditure**

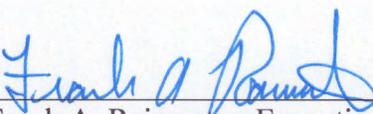
The Revenue and Fiscal Affairs Office contacted twenty-five county governments concerning the impact of this bill. Charleston, Florence, and Richland Counties responded and indicate there would be no significant impact to county governments as long as proceeds from the sale of forfeited lands are sufficient to cover payments on any issued special revenue bonds.

**Local Revenue**

This bill creates the Forfeited Lands Emergency Development Act, which would allow local governments special provisions for disposing of properties held by the counties' forfeited lands commissions. In order for a county to use the provisions of this bill, the county council and the county's forfeited land commission must petition its legislative delegation and show that the properties bid into the commission have a significant adverse effect on county ad valorem tax and a significant adverse effect on economic development. If the delegation approves the petition, the forfeited land commission would then be able to establish a revolving fund to pay for legal and other expenses as follows: compensation of a secretary to the commission, payment of legal expenses to accept or reject a property and to obtain clear title to properties, payment of a real estate commission, and advertising the sale of the forfeited lands. The county council would also be permitted to issue special revenue bonds for the purpose of the initial funding of the revolving fund. Payment of the revenue bonds would be from the sale of the forfeited lands.

The impact of this bill on local revenue will depend upon the number of counties that elect to use this provision, the value of land bid into the forfeited land commission for those counties, and the ultimate sale of the forfeited lands. Currently, counties have the ability to dispose of properties held by the forfeited land commission. Based upon a limited number of responses, few counties anticipate using the provisions of this bill. For those counties that do elect to use these

provisions, the bill may accelerate the sale of forfeited lands but would not likely alter the total revenue impact for a county over time. Due to the permissive nature of the bill and the many uncertain factors that could potentially alter the revenue impact, we are unable to determine the timing of any accelerated revenue impact as a result of the bill.

  
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Frank A. Rainwater, Executive Director



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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Bill Number: S. 0133 As signed by the Governor on June 1, 2015  
 Author: Davis  
 Requestor: Senate Judiciary  
 Date: June 25, 2015  
 Subject: Automatic Expungement of Juvenile Records  
 RFA Analyst(s): Shealy and Walling

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**Estimate of Fiscal Impact**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>State Expenditure</b>		
General Fund	\$ 0	N/A
Other and Federal	\$ 0	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

This bill will have no impact on the General Fund, Federal Funds, or Other Funds.

**Explanation of Fiscal Impact**

**Explanation of Amendment (May 20, 2015) – By the House of Representatives**

**State Expenditure**

Senate Bill 133 amends Section 17-22-910 to require that the expungement be based on the offense that the person was convicted of committing, not on an offense for which the person may have been charged. The expungement process primarily occurs within solicitors' offices. Therefore, it is anticipated by the Judicial Department that this bill would have no impact on the General Fund, Federal Funds, or Other Funds.

**State Revenue**

N/A

**Local Expenditure and Revenue**

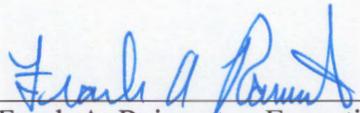
N/A

**Explanation of Bill Filed January 13, 2015**

**State Expenditure**

This bill provides for automatic expungement of juvenile records for certain non-violent crimes, for the circumstances under which automatic expungement may occur, and for an expungement process for certain juvenile records. The expungement process primarily occurs within

793 exemptions for surviving spouses over three years from 2012 through 2014 for an annual average of 264. Cumulatively, DOR reports 3,365 denials for all available records. Based upon these figures, we anticipate that in an average year, an additional 264 vehicle exemptions for surviving spouses would be allowed under this provision. Based upon an average vehicle value of \$9,400 and an average millage rate of 329.2, we estimate that the annual property tax reduction for local jurisdictions would be \$49,000 beginning in FY 2015-16. If all 3,365 taxpayers previously denied exemptions applied and were approved in the first year, the maximum local revenue reduction for FY 2015-16 would be approximately \$625,000.



Frank A. Rainwater, Executive Director



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
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Bill Number: S. 0153 As signed by the Governor on June 1, 2015  
 Author: Shealy  
 Requestor: Senate  
 Date: June 11, 2015  
 Subject: Disabled veteran tax exemption  
 RFA Analyst(s): Jolliff

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**Estimate of Fiscal Impact**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>State Expenditure</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	(\$49,000) to (\$625,000)	N/A

**Fiscal Impact Summary**

This bill is not expected to impact State expenditures or revenues.

The bill is expected to lower local property tax revenue beginning in FY 2015-16 by \$49,000. If all 3,365 taxpayers previously denied the exemption applied and were approved in the first year, the maximum local revenue reduction for FY 2015-16 would be approximately \$625,000.

**Explanation of Fiscal Impact**

**State Expenditure**

N/A

**State Revenue**

N/A

**Local Expenditure**

N/A

**Local Revenue**

The bill extends the current private passenger vehicle property tax exemption for disabled veterans to a surviving spouse. Under Section 12-37-220(B)(3), two vehicles owned or leased by a disabled veteran are exempt from local property taxes. The bill would extend the exemption for one vehicle to a surviving spouse of a disabled veteran and would go into effect immediately upon approval by the Governor. Department of Revenue records report that the agency denied

793 exemptions for surviving spouses over three years from 2012 through 2014 for an annual average of 264. Cumulatively, DOR reports 3,365 denials for all available records. Based upon these figures, we anticipate that in an average year, an additional 264 vehicle exemptions for surviving spouses would be allowed under this provision. Based upon an average vehicle value of \$9,400 and an average millage rate of 329.2, we estimate that the annual property tax reduction for local jurisdictions would be \$49,000 beginning in FY 2015-16. If all 3,365 taxpayers previously denied exemptions applied and were approved in the first year, the maximum local revenue reduction for FY 2015-16 would be approximately \$625,000.



Frank A. Rainwater, Executive Director



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Bill Number: S. 0154 As signed by the Governor on June 1, 2015  
 Author: Shealy  
 Requestor: Senate Education  
 Date: June 10, 2015  
 Subject: Interscholastic Activities  
 RFA Analyst(s): Fulmer

**Estimate of Fiscal Impact**

	FY 2015-16	FY 2016-17
<b>State Expenditure</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

The State Department of Education anticipates no expenditure impact to the General Fund, Federal Funds, or Other Funds.

**Explanation of Fiscal Impact**

This bill amends Section 59-39-160 concerning a student's ineligibility to participate in interscholastic activities due to a long term absences as a result of a medical condition. If the student has been medically cleared to participate by his health care provider or any reasonable circumstance as determined by the State Board of Education, the State Board may grant a waiver.

**State Expenditure**

The State Department of Education anticipates no expenditure impact to the General Fund, Federal Funds, or Other Funds.

**State Revenue**

N/A

**Local Expenditure and Revenue**

N/A

  
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 Frank A. Rainwater, Executive Director



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
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Bill Number: S. 0176 As signed by the Governor on June 8, 2015  
 Author: Alexander  
 Requestor: Senate Medical Affairs  
 Date: June 15, 2015  
 Subject: Cremation  
 RFA Analyst(s): Stein

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**Estimate of Fiscal Impact**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>State Expenditure</b>		
General Fund	\$0	N/A
Other and Federal	N/A	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

This bill would have no expenditure impact on the General Fund or Federal Funds. As the amended bill authorizes the Department of Health and Environmental Control to retain administrative penalties, there may be an expenditure impact on Other Funds.

**Explanation of Fiscal Impact**

**Explanation of Amended Bill (June 3, 2015) – by House Medical, Military, Public and Municipal Affairs Committee**

**State Expenditure**

Senate Bill 176, as amended, amends Section 44-63-74 by requiring death certificates to be electronically filed with the Bureau of Vital Statistics within five days after death. Medical certifications of cause of death must be completed by the patient’s physician and returned to the funeral home director within forty-eight hours after death. The bill provides for exceptions due to specified unavoidable delays in obtaining information and specifies administrative penalties for failure to meet deadlines. The amendment authorizes the Department of Health and Environmental Control (DHEC) to retain these administrative penalties for use by the Bureau of Vital Statistics. The bill amends Section 32-8-325 to authorize cremation after an abstract of information from a filed death certificate posted on the electronic vital records system or a certified copy of the death certificate has been received by a crematory. The amendment allows a physician, coroner or medical examiner to sign the death certificate in lieu of the State Registrar of Vital Statistics’ signature during periods when DHEC is not open to the public, but requires the Registrar to file a signed copy by the next working day and to transmit a certified copy to the

crematory. An amendment to Section 32-8-340 allows human remains to be cremated after twenty-four hours have elapsed from the time of death as indicated on a death certificate or an abstract of information from a filed death certificate posted on the electronic vital records system.

The Department of Health and Environmental Control indicates that this bill would have no expenditure impact on the General Fund or Federal Funds. To whatever degree administrative penalties, if any, are assessed against violators, there may be an expenditure impact on Other Funds.

**State Revenue**

N/A

**Local Expenditure & Revenue**

N/A

**Explanation of Bill Pre-filed December 10, 2014**

**State Expenditure**

Senate Bill 176 amends Section 44-63-74 by requiring death certificates to be electronically filed with the Bureau of Vital Statistics within three days after death. Medical certifications of cause of death must be completed by the patient's physician and returned to the funeral home director within forty-eight hours after death. The bill provides for exceptions and penalties for failure to meet deadlines. The bill amends Section 32-8-325 to authorize cremation after a death certificate abstract posted on the death certificate electronic filing system has been received by a crematory. An amendment to Section 32-8-340 allows human remains to be cremated after twenty-four hours have elapsed from the time of death as indicated on a death certificate abstract posted on the death certificate electronic filing system.

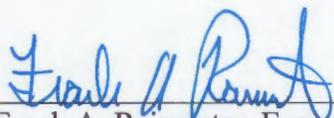
The Department of Health and Environmental Control indicates that this bill would have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

**State Revenue**

N/A

**Local Expenditure & Revenue**

N/A



Frank A. Rainwater, Executive Director



# SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

## STATEMENT OF ESTIMATED FISCAL IMPACT

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Bill Number: S. 177 As signed by the Governor on March 27, 2015  
 Author: L. Martin  
 Requestor: Senate Judiciary  
 Date: June 30, 2015  
 Subject: Procedure for certification of domestic and foreign records  
 RFA Analyst(s): Shealy

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### Estimate of Fiscal Impact

	FY 2015-16	FY 2016-17
<b>State Expenditure</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

#### Fiscal Impact Summary

This bill will provide a cost savings for the Attorney General's (AG's) office and various Solicitor's offices.

### Explanation of Fiscal Impact

#### Explanation of Amendment (January 29, 2015) – By Senate Judiciary

##### State Expenditure

The amended bill provides additional guidelines for the certification of foreign records. This bill will provide a cost savings for the AG's office and various Solicitor's offices that is difficult to calculate. The AG's office has provided RFA staff with some examples of cost savings, but a complete analysis would require reviewing many records on a case by case basis.

##### State Revenue

N/A

##### Local Expenditure and Revenue

N/A

## **Explanation of Bill Filed January 13, 2015**

### **State Expenditure**

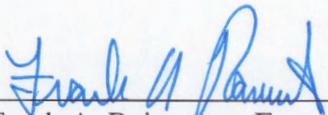
This bill provides a procedure for the certification of domestic and foreign records of regularly conducted activity, or business records, in accordance with Federal Rule 902(11) and (12). This bill will provide a cost savings for the AG's office and various Solicitor's offices that is difficult to calculate. The AG's office has provided RFA staff with some examples of cost savings, but a complete analysis would require reviewing many records on a case by case basis.

### **State Revenue**

N/A

### **Local Expenditure and Revenue**

N/A



Frank A. Rainwater, Executive Director



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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Bill Number: S. 0179 As signed by the Governor on June 5, 2015  
 Author: L. Martin  
 Requestor: Senate Judiciary  
 Date: June 10, 2015  
 Subject: Definition of Alcoholic Liquors  
 RFA Analyst(s): Gardner, Shealy, and Wren

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**Estimate of Fiscal Impact**

	FY 2015-16	FY 2016-17
<b>State Expenditure</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

Senate Bill 0179 is not expected to significantly impact state expenditures or revenues. All agencies surveyed indicated that either the costs associated with the bill would be minimal and could be absorbed, or there would be no cost to the agency.

**Explanation of Fiscal Impact**

**State Expenditure**

This bill changes the definition of “alcoholic liquors” so as to include powdered or crystalline alcohols that have been hydrolyzed and to prohibit the possession, use, sale or purchase of powdered or crystalline alcohol that has been hydrolyzed and to provide for exceptions.

**Judicial Department.** The Department reports that this bill will have a minimal impact on the State’s General Fund, which the agency can absorb at their current level of funding.

**Department of Corrections.** The Department reports that this bill will have a minimal impact on the State’s General Fund, which the agency can absorb at their current level of funding.

**Department of Revenue.** The Department of Revenue indicates this bill will have no expenditure impact on the General Fund, Federal, or Other Funds.

**State Revenue**

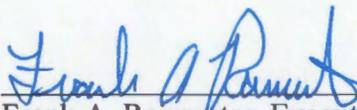
This bill amends Section 61-6-20 by defining powdered and crystalline alcohol. Additionally, Section 61-6-4157 is amended by adding crystalline alcohol as an illegal form of alcohol. Violations related to this Section are unchanged. The Department of Revenue (DOR) reports they do not provide licensing for crystalline alcohol. Therefore, DOR states there will be no revenue impact on the State's General Fund, Federal, or Other Funds.

**Local Expenditure**

N/A

**Local Revenue**

N/A

  
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Frank A. Rainwater, Executive Director



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Bill Number: S. 0183 As signed by the Governor on June 8, 2015  
 Author: Hayes  
 Requestor: Senate Judiciary  
 Date: July 16, 2015  
 Subject: Human Trafficking  
 RFA Analyst(s): Gardner

**Estimate of Fiscal Impact**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>State Expenditure</b>		
General Fund	Minimal	N/A
Other and Federal	\$0	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

This bill will have minimal expenditure impact on the General Fund, with affected agencies able to absorb any additional costs within their current level of funding. The bill will have no expenditure impact on Federal Funds or Other Funds.

**Explanation of Fiscal Impact**

**State Expenditure**

This bill amends existing statutes related to human trafficking to provide that persons who give or offer an item of value to a trafficking victim for the purposes of engaging in commercial sexual activity shall be considered traffickers. A trafficking victim convicted of a violation of trafficking in persons or prostitution may motion the court to vacate the conviction. Trafficking victims who are minors may not be subject to prosecution under certain circumstances for trafficking in persons or prostitution. For businesses involved in trafficking, a court may consider disgorgement of profit or disbarment from government contracts. A court may order restitution for trafficking victims in an amount representing the value of the victim's labor or services and include attorney's fees. The task force on trafficking in persons may make grants or contracts to develop or expand victims' service programs to the extent that funds are appropriated

**Judicial Department.** The Judicial Department reports that the implementation of this bill may result in an increase in hearings related to human trafficking. However, minimal expenditure impact is expected, and any increased expenditures would likely be absorbed within the agency's current level of General Fund appropriations.

**Attorney General's Office.** The Attorney General's Office indicates this act will have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

**State Revenue**

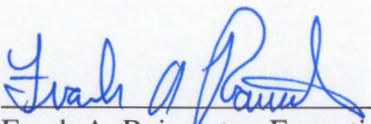
N/A

**Local Expenditure**

N/A

**Local Revenue**

N/A



Frank A. Rainwater, Executive Director



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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Bill Number: S. 0196 As signed by the Governor on April 2, 2015  
 Author: Hutto  
 Requestor: Senate Judiciary  
 Date: June 30, 2015  
 Subject: Human Trafficking  
 RFA Analyst(s): Shealy

**Estimate of Fiscal Impact**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>State Expenditure</b>		
General Fund	Minimal	N/A
Other and Federal	Minimal	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

This bill as amended will have minimal impact on General Fund and Other Fund expenditures with no impact on Federal Funds.

**Explanation of Fiscal Impact**

**Explanation of Amendment (March 31, 2015) – By the Conference Committee**

**State Expenditure**

This amendment requires the State Commission for Minority Affairs to establish and maintain a toll-free telephone line and website to allow for reports of violations committed by non-U.S. citizens or immigrants against the provisions of federal immigration and related South Carolina laws and programs. Violations include E-Verify and other work authorization programs, immigration assistance services, human trafficking laws, landlord tenant laws, and any laws related to public assistance benefits or public services. The amendment also revises the definitions of violent crime and most serious offense and modifies human trafficking references as they relate to the state sex offender registry, electronic monitoring requirements and the administration of controlled substances.

**South Carolina Commission for Minority Affairs.** The commission indicates that the costs associated with the implementation of this bill would be minimal to Other Funds and could be absorbed with the current level of funding.

**Judicial Department.** The Judicial Department reports that there will be no impact on the General Fund of the State.

**Attorney General's Office.** The proposed legislation will have minimal impact on the General Fund of the State and it can be absorbed.

**State Revenue**

N/A

**Local Expenditure**

N/A

**Local Revenue**

N/A

**Explanation of Bill Filed on December 10, 2014**

**State Expenditure**

Senate Bill 196 adds the crime of Human Trafficking to the list of crimes that can be investigated by the State Grand Jury. The definition of "Sex Trafficking" is revised and a section is added to require the posting of information regarding the National Human Trafficking Resource Center Hotline. The bill also amends the membership of the Interagency Task Force for the Prevention of Trafficking in Persons.

**Judicial Department.** The Judicial Department reports that there will be no impact on the General Fund of the State.

**Attorney General's Office.** The proposed legislation will have minimal impact on the General Fund of the State and it can be absorbed.

**State Revenue**

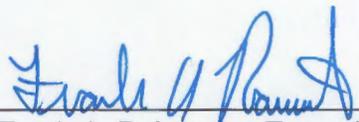
N/A

**Local Expenditure**

N/A

**Local Revenue**

N/A



Frank A. Rainwater, Executive Director



# SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

## STATEMENT OF ESTIMATED FISCAL IMPACT

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Bill Number: S. 0211 As signed by the Governor on June 9, 2015  
 Author: Campsen  
 Requestor: House Education and Public Works  
 Date: June 11, 2015  
 Subject: Golf cart paths  
 RFA Analyst(s): Wren and Shealy

### Estimate of Fiscal Impact

	FY 2015-16	FY 2016-17
<b>State Expenditure</b>		
General Fund	\$0	N/A
Other and Federal	\$0	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	Undeterminable	N/A
<b>Local Revenue</b>	N/A	N/A

#### Fiscal Impact Summary

The Department of Motor Vehicles reports this bill will have no expenditure impact on the General Fund, Federal Funds, or Other Funds. Additionally, the local expenditure impact of this bill will depend upon the number of political subdivisions that elect to create separate golf cart paths within their jurisdictions. Due to the permissive nature of this bill, we are unable to determine the expenditure impact on local jurisdictions.

### Explanation of Fiscal Impact

#### State Expenditure

This bill amends Section 56-2-105(E), which allows political subdivisions to create separate golf cart paths on primary highways, secondary highways, streets, and roads within the jurisdiction of the political subdivision. Political subdivisions must obtain the necessary approval to create the golf cart paths and may not amend the current restrictions placed on the operation of permitted golf carts.

**Department of Motor Vehicles.** The Department of Motor Vehicles states that no additional expenditures or savings are expected as there is no fiscal impact to departmental operational funds or the General Fund.

#### State Revenue

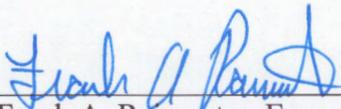
N/A

**Local Expenditure**

The local expenditure impact of this bill will depend upon the number of political subdivisions that elect to create separate golf cart paths within their jurisdictions. Therefore, due to the permissive nature of this bill, we are unable to determine the expenditure impact on local jurisdictions.

**Local Revenue**

N/A



Frank A. Rainwater, Executive Director



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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Bill Number: S. 0225 As signed by the Governor on March 9, 2015  
 Author: Cromer  
 Requestor: Senate Finance  
 Date: June 15, 2015  
 Subject: State Health Plan  
 RFA Analyst(s): Fulmer, Shealy

---

**Estimate of Fiscal Impact**

	FY 2015-16	FY 2016-17
<b>State Expenditure</b>		
General Fund	\$0	N/A
Other and Federal	\$0	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

This joint resolution is not expected to have any expenditure impact on the General Fund, Federal Funds, or Other Funds.

**Explanation of Fiscal Impact**

**State Expenditure**

This is a proposed joint resolution relating to reimbursement rates paid to pharmacies that are participating in the State Health Plan. This joint resolution would suspend Proviso 105.15 of the FY 2014-15 Appropriations Act beginning January 1, 2015. Proviso 105.15 required the Public Employees Benefit Authority (PEBA) to reimburse all pharmacies participating in the State Health Plan on an equal and uniform per-product basis.

**Public Employees Benefit Authority.** PEBA does not anticipate the adoption of Senate Bill 225 to have any expenditure impact on the General Fund or Other Funds. PEBA reports that suspending Proviso 105.15 of Part 1B of the 2014-15 General Appropriations Act, as proposed would maintain the status quo by allowing the current reimbursement and pricing schedules for pharmacies participating the State Health Plan's pharmacy benefit network to remain in place for 2015. Conversely, if the proviso remains in effect, PEBA expects that reimbursement changes could require a modification of the State Health Plan's contract with its pharmacy benefit manager. PEBA reports a modification could potentially be on terms less favorable to the State Health Plan.

**State Revenue**

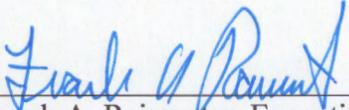
N/A

**Local Expenditure**

N/A

**Local Revenue**

N/A

  
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Frank A. Rainwater, Executive Director



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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Bill Number: S. 0237 As signed by the Governor on May 12, 2015  
 Author: Allen  
 Requestor: Senate Judiciary  
 Date: June 10, 2015  
 Subject: Study Committee on Expungement of Criminal Records  
 RFA Analyst(s): Fulmer

**Estimate of Fiscal Impact**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>State Expenditure</b>		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

The bill would have minimal expenditure impact which can be absorbed within existing appropriations.

**Explanation of Fiscal Impact**

**State Expenditure**

The joint resolution continues the Study Committee on Expungement of Criminal Offenses until December 31, 2015.

The Senate and the House of Representatives indicate that there would be some travel costs including per diem and mileage for members of the Senate and House on non-session days. Both legislative bodies indicate that the costs can be absorbed within current appropriations.

**State Revenue**

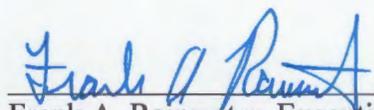
N/A

**Local Expenditure**

N/A

**Local Revenue**

N/A

  
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 Frank A. Rainwater, Executive Director



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Bill Number: S. 0250 As signed by the Governor on June 8, 2015  
 Author: Shealy  
 Requestor: Senate Judiciary  
 Date: June 21, 2015  
 Subject: Release of a child's medical records  
 RFA Analyst(s): Fulmer

**Estimate of Fiscal Impact**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>State Expenditure</b>		
General Fund	\$0	N/A
Other and Federal	\$0	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

The amended bill has no expenditure impact to the General Fund, Federal Funds, or Other Funds.

**Explanation of Fiscal Impact**

**Explanation of Amendment (June 2, 2015) - By the Senate**

This bill as amended would require the primary care physician to release the medical records, radiologic imaging, photos, and all other health information only to the consulting care physician and the hospital facility. It further amends the bill to allow only the consulting physician and the hospital facility to release the records to law enforcement in accordance with the Health Insurance Portability Act, Section CFR 164.512(b). This amendment is not expected to impact state expenditures, and the impact of the bill as amended is unchanged from the bill as filed.

**Explanation of Bill Filed on December 10, 2014**

**State Expenditure**

This bill would amend Section 63-7-380 to provide for the release of a child's medical records without parental consent to a child abuse health care provider. This bill further amends Section 63-7-1990 to add that the Department of Social Services is authorized to provide a summary of referrals and the outcomes of the referrals. Section 63-7-2000 would be amended to add that the department is authorized to release a summary of the allegations and the outcome of an investigation for unfounded cases regarding a child and family to a child abuse health care provider.

According to the Department of Social Services, this bill would have no expenditure impact on the General Fund, Federal Funds, and Other Funds.

**State Revenue**

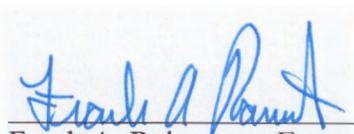
N/A

**Local Expenditure**

N/A

**Local Revenue**

N/A



Frank A. Rainwater, Executive Director



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**

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Bill Number:	S. 0261	As signed by the Governor on June 3, 2015
Author:	Thurmond	
Requestor:	Senate Education	
Date:	June 23, 2015	
Subject:	Persons age sixty and over attending classes	
RFA Analyst(s):	Walling and Kincaid	

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**Estimate of Fiscal Impact**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>State Expenditure</b>		
General Fund	\$0	N/A
Other and Federal	\$0	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

This bill would have no expenditure impact to the General Fund, Federal Funds, or Other Funds.

**Explanation of Fiscal Impact**

**State Expenditure**

The bill amends Section 59-111-320 by deleting language that requires persons sixty and over receiving compensation as full-time employees to pay tuition while attending classes at state-supported colleges, universities, and technical schools.

**Commission on Higher Education (CHE).** The proposed legislation offers a benefit to persons sixty and over only if space is available. Based on this permissive nature of the statute, CHE reports that public institutions expect no additional cost to the General Fund, Federal Funds, or Other Funds.

**State Revenue**

N/A

**Local Expenditure and Revenue**

N/A

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Bill Number: S. 0268 As signed by the Governor on June 3, 2015  
 Author: L. Martin  
 Requestor: House Judiciary  
 Date: June 25, 2015  
 Subject: Jurisdiction of State Grand Jury  
 RFA Analyst(s): Shealy, Gardner, and Stein

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**Estimate of Fiscal Impact**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>State Expenditure</b>		
General Fund	\$0	N/A
Other and Federal	\$0	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

This bill would have no fiscal impact on the State General Fund, Federal Funds, or Other Funds.

**Explanation of Fiscal Impact**

**Explanation of Amendment (May 20, 2015) – By the House**

The amendment provides that the Attorney General shall determine whether an investigation of crimes specified in Section 14-7-1630 should be presented to a county grand jury or to initiate a state grand jury investigation. The amendment states the Attorney General may either refer the matter to a solicitor for investigation and prosecution or remove himself entirely from any involvement in a case. A hearing on a motion to disqualify the Attorney General from a state grand jury investigation shall be held in public. The amendment also provides that a person indicted by a state grand jury for a bailable offense must have a bond hearing before the end of the second day following the day of arrest. The amendment has no additional impact; therefore, the impact of the bill as amended is unchanged from the bill as filed.

**Explanation of Bill Filed on December 10, 2014**

**State Expenditure**

This bill amends the code relating to the jurisdiction of state grand juries, the duties and obligations of the Attorney General regarding the state grand jury system, and the impaneling of the grand jury to provide changes to the selection of grand jurors. The bill also makes amendments relating to the areas of inquiry and related procedures, secrecy of proceedings, and procedures regarding the communications between the presiding judge and the Attorney General,

including appellate review of a judge's refusal to impanel a state grand jury. The bill also provides a procedure when a conflict of interest arises involving the Attorney General and provides procedures related to secrecy of certain grand jury proceedings.

The State Law Enforcement Division, the Office of the Attorney General, and the Department of Health & Environmental Control all report that this bill will have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

**State Revenue**

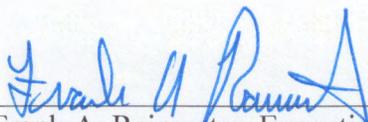
N/A

**Local Expenditure**

N/A

**Local Revenue**

N/A



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Bill Number: S. 0301 As signed by the Governor on June 3, 2015  
Author: Alexander  
Requestor: Senate Labor, Commerce, and Industry  
Date: June 10, 2015  
Subject: SC Board of Accountancy  
RFA Analyst(s): Stein

**Estimate of Fiscal Impact**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>State Expenditure</b>		
General Fund	N/A	N/A
Other and Federal	\$5,000	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

This bill would have no expenditure impact on the General Fund or Federal Funds. The \$5,000 expenditure impact on Other Funds would be offset by license and administrative fee revenues authorized by the bill.

**Explanation of Fiscal Impact**

**State Expenditure**

Senate Bill 301 amends Chapter 2, Title 40 relating to the regulation of public accountants and Certified Public Accountants. The bill increases the number of Board members from nine to eleven by adding two Certified Public Accountants, and requires that one of the public members must be an attorney. The bill requires both state and federal criminal background checks for licensure, and imposes additional continuing education and experience requirements for certain applicants. The bill requires only a majority (not a super majority) be CPAs licensed by a state in order to register as a CPA firm. The bill moves the annual license renewal date from January to February.

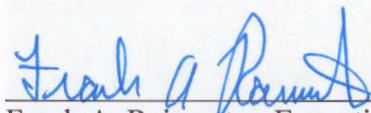
**Department of Labor, Licensing and Regulation.** The Department indicates that the required criminal record checks may cost an estimated \$5,000. These costs may be offset by license fees or other administrative fees (Other Funds) authorized by Section 6 item (H)(3) of the bill. Otherwise, this bill would have no expenditure impact on the General Fund or Federal Funds. The expenditure impact on Other Funds would be offset by fees collected by the agency.

**State Revenue**

N/A

**Local Expenditure & Revenue**

N/A



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Bill Number: S. 0304 As signed by the Governor on June 1, 2015  
Author: L. Martin  
Requestor: Senate Judiciary  
Date: June 11, 2015  
Subject: Contracts to Buy Power  
RFA Analyst(s): Wren

**Estimate of Fiscal Impact**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>State Expenditure</b>		
General Fund	\$0	N/A
Other and Federal	\$0	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

This bill is not expected to impact State or local expenditures.

**Explanation of Fiscal Impact**

**State Expenditure**

This bill amends Section 6-23-110, which relates to contracts to buy power between a joint power and energy agency and its constituent municipalities. This bill also provides for the renewal or extension of contracts to buy power for additional periods not to exceed fifty years from the date of the renewal or extension.

The Public Service Commission indicates this bill will have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

**State Revenue**

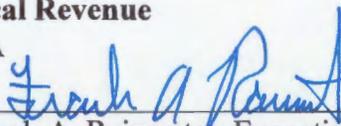
N/A

**Local Expenditure**

The Revenue and Fiscal Affairs Office contacted the Municipal Association of South Carolina concerning the impact of this bill. The Municipal Association indicates this bill will have no expenditure impact on municipal governments.

**Local Revenue**

N/A

  
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Bill Number: S. 0341 As signed by the Governor on June 8, 2015  
 Author: Kimpson  
 Requestor: Senate Medical Affairs  
 Date: June 16, 2015  
 Subject: Renal Medullary Carcinoma  
 RFA Analyst(s): Stein and Wren

**Estimate of Fiscal Impact**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>State Expenditure</b>		
General Fund	\$0	N/A
Other and Federal	\$10,000	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	Minimal	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

This bill is expected to have no expenditure impact on the General Fund or Federal Funds. This bill would have an expenditure impact of \$10,000 in Other Funds on the Medical University of South Carolina.

This bill would have a minimal impact on county governments that own a county hospital in FY 2015-16.

**Explanation of Fiscal Impact**

**Explanation of Amendment (June 3, 2015) – By House Medical, Military, Public and Municipal Affairs Committee**

**State Expenditure**

Senate Bill 341, as amended, adds Section 44-37-65 requiring each hospital and birthing center in the state to provide parents of each newborn who is at high risk for sickle cell disease or sickle cell trait with educational information on the disease and associated complications.

**Department of Health and Environmental Control.** The department reports that this bill would have no impact on the General Fund, Federal Funds, or Other Funds.

**Medical University of South Carolina.** The Medical University reports that printing the brochures would cost approximately \$10,000 which would be paid for from patient fees (Other Funds).

**State Revenue**

N/A

**Local Expenditure**

The Revenue and Fiscal Affairs Office contacted twenty-three county governments regarding the expenditure impact of this bill and received responses from two counties. Clarendon and Florence counties report that neither county operates a hospital. Based on information obtained from the South Carolina Hospital Association, there are eight county owned hospitals in the state. Since hospitals are only required to provide education materials on sickle cell disease / trait and associated complications to parents of newborns and are not required to provide or pay for the testing, we estimate a minimal expenditure impact on county governments that own a county hospital in FY 2015-16.

**Local Revenue**

N/A

**Explanation of Bill Filed on January 15, 2015****State Expenditure**

Senate Bill 341 amends Chapter 37, Title 44 by adding Section 44-37-65 requiring all hospitals in the state to provide parents of each newborn with educational information about renal medullary carcinoma, including the relationship to sickle cell trait and the CDC recommendation for testing.

**Department of Health and Environmental Control.** The department reports that this bill would have no impact on the agency, the General Fund, Federal Funds, or Other Funds.

**Medical University of South Carolina.** The Medical University reports that printing the brochures would cost approximately \$10,000 which would be paid for from patient fees (Other Funds).

**State Revenue**

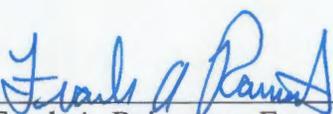
N/A

**Local Expenditure**

The Revenue and Fiscal Affairs Office contacted twenty-three county governments regarding the expenditure impact of this bill and received responses from two counties. Clarendon and Florence counties report that neither county operates a hospital. Based on information obtained from the South Carolina Hospital Association, there are eight county owned hospitals in the state. Since hospitals are only required to provide education materials on renal medullary carcinoma to parents of newborns and are not required to provide or pay for the testing, we estimate a minimal expenditure impact on county governments that own a county hospital in FY 2015-16.

**Local Revenue**

N/A

  
\_\_\_\_\_  
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Bill Number: S. 0342 As signed by the Governor on March 9, 2015  
 Author: Hayes  
 Requestor: Senate Banking and Insurance  
 Date: June 15, 2015  
 Subject: Annual Enterprise Risk Report  
 RFA Analyst(s): Stein and Shealy

**Estimate of Fiscal Impact**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>State Expenditure</b>		
General Fund	\$0	N/A
Other and Federal	\$0	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

This bill is expected to have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

**Explanation of Fiscal Impact**

**State Expenditure**

Senate Bill 342 amends Chapter 21, Title 38 relating to the Insurance Holding Company Regulatory Act. In general, the bill specifies improved reporting requirements for insurance companies so as to insure compliance and conformity with the requirements of the National Association of Insurance Commissioners. The amended guidelines are intended to facilitate insurance company monitoring by the Department of Insurance.

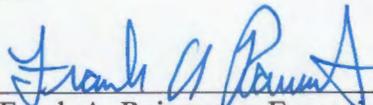
The Department of Insurance, the Attorney General's Office, and the Administrative Law Court report that this bill would have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

**State Revenue**

N/A

**Local Expenditure & Revenue**

N/A

  
 \_\_\_\_\_  
 Frank A. Rainwater, Executive Director



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Bill Number: S.0350 As signed by the Governor on June 3, 2015  
 Author: Campbell  
 Requestor: Senate  
 Date: June 11, 2015  
 Subject: SC Community Economic Development Act  
 RFA Analyst(s): Martin

**Estimate of Fiscal Impact**

	FY 2015-16	FY 2016-17
<b>State Expenditure</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

This bill would have no effect on General Fund income, bank, or insurance premium tax revenues in FY2015-16.

**Explanation of Fiscal Impact**

**State Expenditure**

N/A

**State Revenue**

This bill would amend Section 4 of Act 314 of 2000, as last amended by Act 248 of 2010 to extend the provision of the South Carolina Community Economic Development Act through June 30, 2020. After this date, all laws and regulations dealing with community development corporations and community development financial institutions would be repealed. A community development corporation is a nonprofit corporation which is tax exempt and has a primary mission of developing and improving low-income communities and neighborhoods through economic and related development. A community development financial institution is an organization that has a primary mission of promoting community development by providing credit, capital, or development services to small businesses or home mortgage assistance to individuals. Pursuant to Act 314 of 2000 and Section 12-6-3530, a taxpayer is allowed a tax credit against South Carolina income tax, bank tax, or insurance premium tax equal to thirty-three (33) percent of the investment in a community development corporation or community

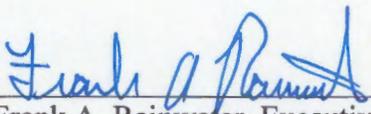
development financial institution. The total credit that may be claimed by all taxpayers is \$1,000,000 in one calendar year and \$5,000,000 for all calendar years. Any unused credit may be carried forward and must be used before the taxable year that begins on or after ten (10) years from the date of the acquisition of stock or other equity interest that is the basis for the credit. The provisions of this credit terminate on June 30, 2015. This bill extends the termination date by five years to June 30, 2020, and is a continuation of programs and services that are currently in place.

**Local Expenditure**

N/A

**Local Revenue**

N/A



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# SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

## STATEMENT OF ESTIMATED FISCAL IMPACT

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Bill Number: S. 0358 As signed by the Governor on May 7, 2015  
 Author: Verdin  
 Requestor: House Education and Public Works  
 Date: June 15, 2015  
 Subject: Vehicular requirements  
 RFA Analyst(s): Shealy

### Estimate of Fiscal Impact

	FY 2015-16	FY 2016-17
<b>State Expenditure</b>		
General Fund	\$0	N/A
Other and Federal	\$0	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

#### Fiscal Impact Summary

Both the South Carolina Department of Transportation and Department of Motor Vehicles stated that they do not anticipate any expenditures or savings to the General Fund, Federal Funds, or Other Funds.

### Explanation of Fiscal Impact

#### Explanation of Bill as Passed by the Senate (March 31, 2015)

##### State Expenditure

This bill amends the law relating to vehicle requirements that are suspended during a state of emergency. This bill extends the period during which the requirements are suspended and provides that the time of service suspensions applying to commercial and utility vehicles traveling on non-interstate routes are for thirty days unless extended by federal regulation for both interstate and non-interstate routes.

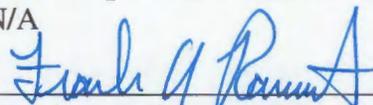
Both the South Carolina Department of Transportation and Department of Motor Vehicles stated that they do not anticipate any expenditures or savings to the General Fund, Federal Funds, or Other Funds from this bill.

##### State Revenue

N/A

##### Local Expenditure and Local Revenue

N/A

  
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Bill Number: S. 0361 As signed by the Governor on June 1, 2015  
 Author: Hayes  
 Requestor: Senate Banking and Insurance  
 Date: June 10, 2015  
 Subject: Automobile Insurance Rate Reductions  
 RFA Analyst(s): Stein and Shealy

**Estimate of Fiscal Impact**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>State Expenditure</b>		
General Fund	\$0	N/A
Other and Federal	\$0	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

The Department of Insurance and Department of Transportation report that this bill would have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

**Explanation of Fiscal Impact**

**State Expenditure**

Senate Bill 361 requires private automobile insurers to offer a discounted premium rate to non-youthful operators who successfully complete a driver training course approved by the Department of Motor Vehicles. The bill reduces the number of classroom hours required in training courses from six to four. The bill allows each insurer to determine the amount of the discount based on certain criteria and specifies that the discount must be granted for a three-year period.

The Department of Insurance reports that this bill would have no expenditure impact on the General Fund, Federal Funds, or Other Funds. Additionally, this bill is not expected to significantly reduce the insurance premium tax revenue remitted to the General Fund.

The Department of Transportation reports that this bill would have minimal or no expenditure impact on the General Fund, Federal Funds, or Other Funds. It would require some changes to internal policies and procedures.

**State Revenue**

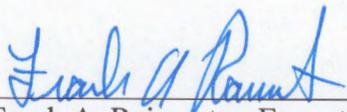
N/A

**Local Expenditure**

N/A

**Local Revenue**

N/A



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Bill Number: S. 0373 As signed by the Governor on June 1, 2015  
 Author: Setzler  
 Requestor: Senate Finance  
 Date: June 10, 2015  
 Subject: SC Retirement System  
 RFA Analyst(s): Fulmer

**Estimate of Fiscal Impact**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>State Expenditure</b>		
General Fund	\$0	N/A
Other and Federal	\$0	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

This bill would have no expenditure impact to the General Fund, Federal Funds, or Other Funds.

**Explanation of Fiscal Impact**

**Explanation of Amendment (February 10, 2015) – By Senate Finance Committee**

The bill, as amended, would modify Section 9-1-1620 to allow a member to change the form of monthly payment within five years after a change of marital status. The new form of monthly payment is effective on the first day of the month in which the election of the new form of payment is received by the system. The monthly payment must be calculated based upon the ages of the retired member and the member's beneficiary as of that effective date.

The Public Employee Benefit Authority indicates that this bill would have no expenditure impact to the General Fund, Federal Funds, or Other Funds. Since the conversion factors for determining optional forms of payment are intended to be actuarially cost neutral, there should be no fiscal impact from this bill.

**Explanation of the Bill as Filed on January 28, 2015**

**State Expenditure**

The bill would amend Section 9-1-1620 to allow a member to change the form of monthly payment within five years after a change of marital status. In certain situations, the member may be required to reimburse the retirement system of any excess payment received.

The Public Employee Benefit Authority indicates that this bill would have no expenditure impact to the General Fund, Federal Funds, or Other Funds. Since the conversion factors for determining optional forms of payment are intended to be actuarially cost neutral, there should be no fiscal impact from this bill.

**State Revenue**

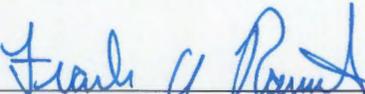
N/A

**Local Expenditure**

N/A

**Local Revenue**

N/A

  
\_\_\_\_\_  
Frank A. Rainwater, Executive Director



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Bill Number: S.0375 As signed by the Governor on June 1, 2015  
 Author: Hayes  
 Requestor: Senate Finance  
 Date: June 11, 2015  
 Subject: Local Government  
 RFA Analyst(s): Wren and Fulmer

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**Estimate of Fiscal Impact**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>State Expenditure</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	\$0	N/A
<b>Local Revenue</b>	\$0	N/A

**Fiscal Impact Summary**

The Municipal Association reports this bill will have no expenditure or revenue impact on municipalities. We did not receive a response from the thirteen counties contacted. The Department of Education reports that there would be no expenditure or revenue impact on school districts.

**Explanation of Fiscal Impact**

**State Expenditure**

N/A

**State Revenue**

N/A

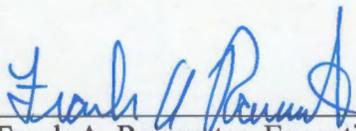
**Local Expenditure**

This bill amends Section 6-5-15 to allow local governments to invest surplus funds in an account with a qualified public depository that would then be deposited on behalf of the local government into separate accounts so that the entire account balance is insured by the Federal Deposit Insurance Corporation (FDIC). Deposits by local governments must be FDIC insured. Due to the \$250,000 limit on insurance for deposits, any amount above the limit must be collateralized. This new option for investing would allow the local government entity to deposit funds in a single qualifying bank, and the bank would then deposit the funds into several FDIC insured, qualifying accounts on behalf of the local government. Local governments are not

required to participate. The Revenue and Fiscal Affairs Office surveyed the Municipal Association of South Carolina and thirteen county governments. We received a response from the Municipal Association and no county responses. The Municipal Association reports this bill will have no expenditure impact on municipalities. The Department of Education reports that there would be no expenditure impact on school districts.

**Local Revenue**

The Revenue and Fiscal Affairs Office surveyed the Municipal Association of South Carolina and thirteen county governments. We received a response from the Municipal Association and no county responses. The Municipal Association reports this bill will have no revenue impact on municipalities. The Department of Education reports that there would be no revenue impact on school districts.



Frank A. Rainwater, Executive Director



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Bill Number: S. 0376 As signed by the Governor on May 7, 2015  
 Author: Grooms  
 Requestor: House Education and Public Works  
 Date: June 15, 2015  
 Subject: Aeronautics  
 RFA Analyst(s): Wren

**Estimate of Fiscal Impact**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>State Expenditure</b>		
General Fund	\$0	N/A
Other and Federal	\$0	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	Insufficient data	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

This bill is not expected to have an expenditure impact on the General Fund, Federal Funds, or Other Funds. Additionally, this bill would have no expenditure impact on municipal governments. We do not have sufficient data to determine an expenditure impact on county governments.

**Explanation of Fiscal Impact**

**Explanation of Amendment (February 10, 2015) – By the Senate**

The amendment to the bill adds Section 55-1-80(D), which provides that the section does not apply in the case of any multicounty aviation commission or authority. The impact of the bill as amended is unchanged from the bill as filed.

**Explanation of Bill Filed on January 28, 2015**

**State Expenditure**

This bill amends Section 55-1-80 by providing increases in the number of members of an aviation authority and provides for the appointment of the members.

**Aeronautics Commission.** The Aeronautics Commission reports this bill would have no impact on the General Fund, Federal Funds, or Other Funds.

**State Revenue**

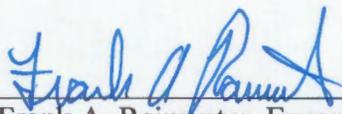
N/A

**Local Expenditure**

The Revenue and Fiscal Affairs Office contacted the Municipal Association of South Carolina and twenty-three county governments regarding the expenditure impact of this bill. We received responses from the Municipal Association and Richland County. The Municipal Association reports this bill will have no expenditure impact on municipal governments, and Richland County reports this bill will have no expenditure impact. Due to the limited responses from county governments, we do not have sufficient data to determine a statewide expenditure impact on a county level.

**Local Revenue**

N/A



Frank A. Rainwater, Executive Director



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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Bill Number: S. 0379 As signed by the Governor on June 11, 2015  
 Author: Courson  
 Requestor: House of Representatives  
 Date: June 15, 2015  
 Subject: County tax officials  
 RFA Analyst(s): Jolliff, Shealy, and Wren

**Estimate of Fiscal Impact**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>State Expenditure</b>		
General Fund	N/A	N/A
Other and Federal	Minimal	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	(Less than \$100,000)	N/A

**Fiscal Impact Summary**

The Department of Motor Vehicles indicates that the bill will have a minimal impact on Other Funds for reprogramming costs, which can be absorbed by the department. The Department of Revenue has not indicated that the bill will have an expenditure impact. Based upon contact with local officials, the bill makes technical changes to conform to current practices and is not expected to impact local expenditures. The impact, if any, on local property tax revenues is expected to be a reduction of less than \$100,000 statewide due to simplification of the refund process.

**Explanation of Fiscal Impact**

**Explanation of Amendment (June 3, 2015)-By the House of Representatives**

The amendment modifies Section 12-39-220 relating to property taxes for properties that were omitted from the property tax rolls due to an error on the part of the county. The section is amended to specify that a county may only collect property taxes for three prior tax years before the discovery of the error. This change does not impact the time period for recovery of taxes in the event that the taxpayer committed fraud. The SC Association of Auditors, Treasurers and Tax Collectors (SCATT) has indicated that it is current practice to collect only three prior years for taxes that were not charged or paid due to an error by the county. Based upon this, we do not anticipate that this amendment will impact local revenues or expenditures. The impact of the bill as amended is unchanged from the bill as filed.

**Explanation of Bill Filed on January 28, 2015**

**State Expenditure**

**Department of Motor Vehicles.** The department has indicated that this bill will have a minimal expenditure impact on Other Funds for reprogramming costs, which can be absorbed by the department.

**Department of Revenue.** The Department of Revenue has not indicated that the bill will have an expenditure impact.

**State Revenue**

N/A

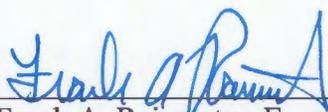
**Local Expenditure**

Based upon contact with local officials, the bill makes technical changes to conform to current practices and is not expected to impact local expenditures.

**Local Revenue**

The bill makes numerous changes to sections in Title 12 relating to property taxes to conform the Code to current practices, to remove outdated references, and to update sections of the Code to reflect recent legislative amendments.

Section 19 of the bill amends Section 12-37-2725 to allow Form 5051 issued by the Department of Motor Vehicles to substitute for the license plate and registration certificate when applying for a prorated property tax refund on a vehicle when the owner moves out of state. The impact, if any, on local property tax revenues is expected to be a reduction of less than \$100,000 statewide due to simplification of the refund process. We do not anticipate a local revenue impact from the other technical changes in the bill.



Frank A. Rainwater, Executive Director



# SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

## STATEMENT OF ESTIMATED FISCAL IMPACT

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Bill Number: S. 0382 As signed by the Governor on April 2, 2015  
 Author: Matthews  
 Requestor: Senate Finance  
 Date: June 18, 2015  
 Subject: SC State University  
 RFA Analyst(s): Walling

### Estimate of Fiscal Impact

	FY 2014-15	FY 2015-16
<b>State Expenditure</b>		
General Fund	(\$2,413,237)	(\$2,506,060)
Other and Federal	*	*
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

\*We are unable to determine the amount of savings by expenditure category; therefore, total savings are indicated as General Fund savings.

### Fiscal Impact Summary

This bill would generate General Fund, Federal Funds, and Other Funds savings of \$2,413,060 in FY 2014-2015 and additional savings of \$2,506,060 in FY 2015-2016.

### Explanation of Fiscal Impact

#### Explanation of Amendment (March 25, 2015) – By the House of Representatives

##### State Expenditure

This amendment authorizes the agency head of South Carolina State University (SCSU) to institute a mandatory furlough program of up to twenty working days in FY 2014-15 and FY 2015-16. South Carolina State University reported a total payroll of \$32,578,715 paid from the General Fund, Federal Funds, and Other Funds. Using 260 work days per year, the average savings per day of furlough is estimated to be \$125,303. This daily savings for twenty days is approximately \$2,506,060. To date, the university has already instituted a voluntary furlough program saving it \$92,823. This bill would generate General Fund, Federal Funds, and Other Funds savings of \$2,413,060 in FY 2014-2015 and additional savings of \$2,506,060 in FY 2015-2016.

##### State Revenue

N/A

**Local Expenditure and Revenue**

N/A

**Explanation of Amendment (February 5, 2015) – By the Senate Finance Subcommittee  
State Expenditure**

This amendment increases the mandatory furlough program for South Carolina State University (SCSU) from seven days to twenty days. SCSU reported a total actual payroll of \$32,578,715 for full time staff from a mixture of General Fund, Federal Funds and Other Funds. Using 260 work days per year, the average savings per day of furlough is estimated to be \$125,303. A total furlough of twenty working days would equal \$2,506,060 in savings. The University has already instituted a voluntary furlough program which has netted a savings to date of \$92,823. We estimate a net savings of \$2,413,237 for the twenty day furlough would result after subtracting out the voluntary furlough dollars already saved. This net savings would accrue to a mixture of General Fund, Federal Funds, and Other Fund dollars.

**State Revenue**

N/A

**Local Expenditure and Revenue**

N/A

**Explanation of Bill Filed January 28, 2015****State Expenditure**

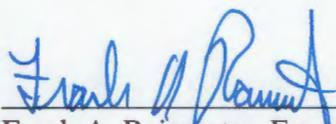
This Joint Resolution authorizes the Agency Head of South Carolina State University (SCSU) to institute a mandatory furlough program of up to seven days in FY 2014-2015 and to provide certain requirements for the furlough program. SCSU reported a total actual payroll of \$32,578,715 for full time staff from a mixture of General Fund, Federal Funds, and Other Funds. Using 260 work days per year, the average savings per day of furlough is estimated to be \$125,303. A total furlough of seven days would equal \$877,121 in savings. The University has already instituted a voluntary furlough program which has netted a savings to date of \$92,823. We estimate a net savings of \$784,298 for the seven day furlough would result after subtracting out the voluntary furlough dollars already saved. This net savings would accrue to a mixture of General Fund, Federal Funds, and Other Fund dollars.

**State Revenue**

N/A

**Local Expenditure and Revenue**

N/A



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Frank A. Rainwater, Executive Director



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Bill Number: S0389 As signed by the Governor on June 4, 2015  
 Author: Lourie  
 Requestor: Senate  
 Date: June 11, 2015  
 Subject: Business Development Corporations  
 RFA Analyst(s): Martin

**Estimate of Fiscal Impact**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>State Expenditure</b>		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	\$0	\$0
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

This bill, as amended, is not expected to affect General Fund, Federal Fund, or Other Fund revenue in FY2015-16.

**Explanation of Fiscal Impact**

**Explanation of Amendment (May 14, 2015) – By the House LCI Committee**

**State Expenditure**

This bill is not expected to change state expenditures for any state, federal, or other agency.

**State Revenue**

This amendment would amend Section 33-37-10(2) by deleting the item in its entirety and inserting an amended definition of “area or operation” in which the business development corporation is authorized to transact business as the areas that comprise the Federal Reserve Districts Five and Six. According to the Board of Governors of the Federal Reserve System, the Fifth Federal Reserve District consists of Virginia, Maryland, North Carolina, South Carolina, the District of Columbia, and most of West Virginia. The Sixth Federal Reserve District consists of Alabama, Florida, Georgia, and portions of Louisiana, Mississippi, and Tennessee. The amended definition of “area of operation” allows the business development corporation a broader geographical region in which to operate. This amendment is not expected to affect General Fund revenue in FY2015-16.

A business development corporation (BDC), created by Congress as an amendment to the Investment Company Act of 1940, is a form of publically registered company in the United States that make loans to, and/or invest in small, developing, or financially troubled companies. They've stepped into a role that commercial banks vacated during the financial crisis, lending to companies that may not otherwise get financing. The yields are routinely above eight percent. These high payouts reflect the rewards of the sort of risky investments that many banks no longer can make. BDC's are similar in some sense to private equity or venture capital firms.

BDC, a privately owned, non-bank, term commercial lending organization was organized in 1958 by the South Carolina State Legislature as a non-governmental source of loan capital to promote business and industry in the state. The BDC specializes in the Small Business Administration (SBA) 7(a) loan guaranty program. These loans help small, for-profit, businesses secure financing with a demonstrated ability repay the loan.

This legislation also provides for banks in South Carolina to become members of BDC and to make lines of credit available to BDC. BDC partners with banks and other financial institutions to provide another arm of financing to small businesses which are unable to obtain financing through traditional lending sources. BDC can lend to most business operations, including industrial and manufacturing as well as retail, service, wholesale and contracting organizations. BDC is a term lender only and does not make short-term loans or provide lines of credit. Through the various SBA and other economic development programs, BDC can facilitate project financing for up to \$5 million, and in some cases, more.

Certified Development Corporation of SC (CDC), a sister corporation of BDC, has participated in providing financial assistance to businesses since 1994. CDC is a private, non-profit corporation associated with BDC and is a statewide certified development company that can arrange 100% government-guaranteed debenture financing under the SBA 504 lending program – all of which are limited to the state of South Carolina. The SBA 504 lending program provides financing for major fixed assets such as equipment and real estate. Since 1958, BDC and CDC have approved more than 3,000 loans totaling in excess of \$1.4 billion. Both BDC and CDC serve a unique role primarily by providing promising businesses a source for commercial loans not usually undertaken by traditional lending institutions.

This bill amends Chapter 37 of Title 33 to amend sections throughout relating to the organization, regulation, and operation of business development corporations. This bill would make the following changes:

- This amended bill would amend Section 33-37-10 to add the term “area of operation” to include the geographical area in which the corporation is authorized to transact business pursuant to this chapter as the areas that comprise the Federal Reserve Districts Five and Six. According to the Board of Governors of the Federal Reserve System, the Fifth Federal Reserve District consists of Virginia, Maryland, North Carolina, South Carolina, the District of Columbia, and most of West Virginia. The Sixth Federal Reserve District consists of Alabama, Florida, Georgia, and portions of Louisiana, Mississippi, and Tennessee.

- Section 33-37-30 would be deleted to allow a business development corporation to receive and hold money on deposit with the corporation.
- Section 33-37-40 would be deleted to no longer set aside at least ten percent of its net earnings for the preceding fiscal year as earned surplus. This surplus would be equal to one-half of the amount paid in on the capital stock then outstanding. This action would remove the reserve requirement of the BDC and remove any safety factor should the BDC have to absorb any losses from bad loans. This section would provide more funds for lending, but would increase the risk exposure of the overall portfolio from outstanding loan balances. This section is not expected to affect state General Fund revenue in FY2015-16.

Overall, this bill would expand the area of operation of the BDC to outside the state of South Carolina. This will expand the loan servicing area of the BDC and promote the growth of future loans. By eliminating the reserve requirement, the BDC will have an increased lending ability; however, the loans that a BDC make are inherently more risky, and the BDC will have to exercise considerable caution in weighing loan risk versus the return on loanable funds. Overall, this bill is not expected to affect General Fund revenue in FY2015-16.

**Local Expenditure**

N/A

**Local Revenue**

N/A

**Explanation of Bill Filed January 29, 2015**

**State Expenditure**

This bill is not expected to change state expenditures for any state, federal, or other agency.

**State Revenue**

A business development corporation (BDC), created by Congress as an amendment to the Investment Company Act of 1940, is a form of publically registered company in the United States that make loans to, and/or invest in small, developing, or financially troubled companies. They've stepped into a role that commercial banks vacated during the financial crisis, lending to companies that may not otherwise get financing. The yields are routinely above eight percent. These high payouts reflect the rewards of the sort of risky investments that many banks no longer can make. BDC's are similar in some sense to private equity or venture capital firms.

BDC, a privately owned, non-bank, term commercial lending organization was organized in 1958 by the South Carolina State Legislature as a non-governmental source of loan capital to promote business and industry in the state. The BDC specializes in the Small Business Administration (SBA) 7(a) loan guaranty program. These loans help small, for-profit, businesses secure financing with a demonstrated ability repay the loan.

This legislation also provides for banks in South Carolina to become members of BDC and to make lines of credit available to BDC. BDC partners with banks and other financial institutions to provide another arm of financing to small businesses which are unable to obtain financing through traditional lending sources. BDC can lend to most business operations, including industrial and manufacturing as well as retail, service, wholesale and contracting organizations. BDC is a term lender only and does not make short-term loans or provide lines of credit. Through the various SBA and other economic development programs, BDC can facilitate project financing for up to \$5 million, and in some cases, more.

Certified Development Corporation of SC (CDC), a sister corporation of BDC, has participated in providing financial assistance to businesses since 1994. CDC is a private, non-profit corporation associated with BDC and is a statewide certified development company that can arrange 100% government-guaranteed debenture financing under the SBA 504 lending program – all of which are limited to the state of South Carolina. The SBA 504 lending program provides financing for major fixed assets such as equipment and real estate. Since 1958, BDC and CDC have approved more than 3,000 loans totaling in excess of \$1.4 billion. Both BDC and CDC serve a unique role primarily by providing promising businesses a source for commercial loans not usually undertaken by traditional lending institutions.

This bill amends Chapter 37 of Title 33 to amend sections throughout relating to the organization, regulation, and operation of business development corporations. This bill would make the following changes:

- This bill would amend Section 33-37-10 to add the term “area of operation” to include the geographical area in which the corporation is authorized to transact business pursuant to this chapter which includes, but is not limited to, South Carolina, North Carolina, Georgia, Florida, Alabama, Virginia, and Tennessee. Previously, the South Carolina Business Development Corporation was restricted to activities and operation within the boundaries of the state.
- Section 33-37-30 would be deleted to allow a business development corporation to receive and hold money on deposit with the corporation.
- Section 33-37-40 would be deleted to no longer set aside at least ten percent of its net earnings for the preceding fiscal year as earned surplus. This surplus would be equal to one-half of the amount paid in on the capital stock then outstanding. This action would remove the reserve requirement of the BDC and remove any safety factor should the BDC have to absorb any losses from bad loans. This section would provide more funds for lending, but would increase the risk exposure of the overall portfolio from outstanding loan balances. This section is not expected to affect state General Fund revenue in FY2015-16.

Overall, this bill would expand the area of operation of the BDC to outside the state of South Carolina. This will expand the loan servicing area of the BDC and promote the growth of future loans. By eliminating the reserve requirement, the BDC will have an increased lending ability;

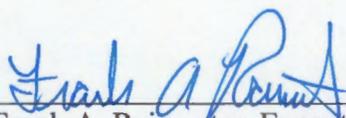
however, the loans that a BDC make are inherently more risky, and the BDC will have to exercise considerable caution in weighing loan risk versus the return on loanable funds. Overall, this bill is not expected to affect General Fund revenue in FY2015-16.

**Local Expenditure**

N/A

**Local Revenue**

N/A



Frank A. Rainwater, Executive Director



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Bill Number: S. 0391 As signed by the Governor on May 7, 2015  
 Author: Young  
 Requestor: Senate Education  
 Date: June 30, 2015  
 Subject: In-State Tuition Rates for Military Personnel  
 RFA Analyst(s): Walling, Fulmer and Kincaid

**Estimate of Fiscal Impact**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>State Expenditure</b>		
General Fund	\$0	N/A
Other and Federal	\$0	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	(\$14,766,702)	N/A
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

This bill would result in a loss of Other Fund tuition and fee revenues of up to \$14,766,702 due to the in-state/out-of-state tuition differential for each eligible student.

**Explanation of Fiscal Impact**

**Explanation of Amendment (March 18, 2015) –Senate Education**

**State Expenditure**

N/A

**State Revenue**

The amendment defines a covered individual as active duty military that enrolls in a state supported college within three years of discharge. This amendment to Senate Bill 391 is not expected to have any additional impact; therefore, the impact of the bill as amended is unchanged from the bill as filed.

**Local Expenditure and Revenue**

N/A

**Explanation of Bill as filed January 29, 2015**

**State Expenditure**

N/A

**State Revenue**

This bill amends Section 59-112-50 to provide that veterans of the Armed Services of the United States and their dependents enrolled in a public institution of higher education and receiving educational assistance under Chapter 30 and Chapter 33, Title 38 of the United States Code are entitled to pay in-state tuition and fees without regard to the length of time the veteran or dependents have resided in South Carolina.

**Commission on Higher Education.** The commission surveyed all 33 public institutions and based on enrollment information received as of February 2015, there were 8,641 graduate and undergraduates receiving Veterans Administration (VA) educational assistance. Of these, there were 1,086 out-of-state students on VA educational assistance including those who receive Chapters 30 and 33 educational assistance. For undergraduate full-time students, the in-state/out-of-state student differential for the 2014-2015 academic year ranged from \$1,752 to \$19,608 per student. For graduate students (excluding law, medicine, and pharmacy), the differential per student ranged from \$5,206 to \$18,690. Applying the in-state/out-of-state student differential to the number of veterans reported for each institution, the Commission on Higher Education estimates an annual loss of tuition and fees of \$13,698,331 to \$14,766,702.

This bill is intended to bring South Carolina in compliance with Section 702 of the Veterans Access, Choice and Accountability Act of 2014 (Veterans Choice Act) which requires that public institutions provide in-state tuition to individuals covered under the Act. If a covered individual is charged tuition and fees in excess of the rate of in-state residents, Section 702 also requires the Veterans Administration to disapprove educational programs at the public institutions for purposes of education benefits under the Post-9/11 GI Bill and the Montgomery GI Bill (Chapters 30 & 33 of US Code Title 38).

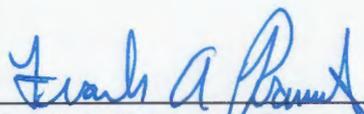
States must be in compliance by July 1, 2015 as Section 702 of the Veterans Choice Act requires disapproval of benefits if not in compliance for terms commencing July 1, 2015 and after. Should legislation not be enacted to bring South Carolina in compliance with Section 702 of the Veterans Choice Act, the public institutions would lose the availability of Chapter 30 and 33 VA benefits for all enrolled students, regardless of residency. The VA estimates that 72% of those on VA education benefits in public institutions are covered under Chapters 30 and 33. Based on that estimate, the Commission on Higher Education further estimates a loss of revenue to public institutions of \$51,932,759 if the state is not in compliance by July 1, 2015.

**Local Expenditure**

N/A

**Local Revenue**

N/A



Frank A. Rainwater, Executive Director



# SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

## STATEMENT OF ESTIMATED FISCAL IMPACT

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Bill Number: S. 0397 As signed by the Governor on March 27, 2015  
 Author: Leatherman  
 Requestor: Senate Finance  
 Date: June 11, 2015  
 Subject: 2014 Internal Revenue Code Conformity  
 RFA Analyst(s): Shuford and Shealy

### Estimate of Fiscal Impact

	FY 2014-15	FY 2015-16
<b>State Expenditure</b>		
General Fund	\$0	N/A
Other and Federal	\$0	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	\$196,281	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

#### Fiscal Impact Summary

This bill would have no expenditure impact to the General Fund, Federal Funds, or Other Funds.

This bill would increase General Fund income tax revenue by \$196,281 in FY 2014-15 due to the expiration of the refinery property provision.

### Explanation of Fiscal Impact

#### Explanation of Amendment (February 19, 2015) – By the Senate

The amendment would adopt expired provisions of the Internal Revenue Code previously adopted by the State in the event any of these expired sections are extended, but not otherwise amended, by the federal government in 2015. This amendment proactively adopts these expired provisions in the event Congress retroactively reinstates these enhanced deductions and exclusions from income. This amendment is not expected to impact state revenue or expenditures, and the impact of the bill as amended is unchanged from the bill as filed.

#### Explanation of Bill Filed on February 3, 2015

##### State Expenditure

The Department of Revenue anticipates that this bill would have no expenditure impact to the General Fund, Federal Funds, or Other Funds.

## **State Revenue**

This bill updates South Carolina's conformity to the Internal Revenue Code (IRC) through December 31, 2014. Research by the Department of Revenue reports the only significant federal tax legislation enacted in 2014 was the Tax Increase Prevention Act of 2014. This legislation retroactively restored over fifty federal tax provisions that expired at the end of 2013. Of these extended provisions, twenty-four directly impact South Carolina taxpayers. The attached table provides a brief summary of the twenty-four provisions including the year they were first enacted.

South Carolina has proactively adopted the twenty-four extended federal tax provisions that impact South Carolina taxpayers pursuant to §12-6-40(A)(1)(c), as added in Act 126 of 2014. This new subsection adopted these expired provisions of the federal IRC for South Carolina income tax purposes in the event any of these expired sections were extended, but not otherwise amended, by the federal government in 2014.

These twenty-four temporary provisions have generally been in the Internal Revenue Code for years and are routinely extended as they were most recently extended in the Tax Increase Prevention Act of 2014. While Congress extended these provisions in 2014, this is a one-year extension that expires at the end of 2014. Additional federal legislation is necessary to continue their effectiveness for 2015 and beyond.

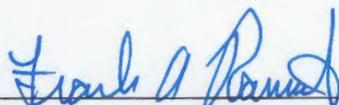
Given the continuing nature of these twenty-four provisions, proactively adopted under the South Carolina income tax code, we expect no revenue impact from the continuation of the extended provisions.

One provision that impacts South Carolina taxpayers was not extended for 2014. This provision allows taxpayers to expense 50 percent of the cost of qualified refinery property when placed in service. Normally, this type of property is depreciated over a ten-year time frame. Qualified refinery property includes assets used in the refining of liquid fuels, including biomass or biodiesel. The federal provision was originally enacted as part of the Energy Policy Act of 2005. It was extended through 2013 as part of the Emergency Economic Stabilization Act of 2008. Based on U.S. revenue estimates of extending this provision by the U.S. Joint Committee on Taxation and adjusting for South Carolina taxpayers only, we expect that the expiration of this provision will increase income tax revenue by \$196,281 in FY 2014-15 when the impacted taxpayers file their 2014 tax returns.

The Tax Increase Prevention Act of 2014 also created the Achieving a Better Life Experience Act (ABLE) tax-favored savings accounts for individuals with disabilities for tax years after 2014. The ABLE Act authorizes states to create an ABLE program similar to Code Section 529 college savings accounts. Any revenue impact from this authorization will be determined when the South Carolina enabling legislation is introduced.

## **Local Expenditure and Revenue**

N/A



Frank A. Rainwater, Executive Director



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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Bill Number: S. 0413 As signed by the Governor on June 1, 2015  
 Author: Cleary  
 Requestor: Senate Medical Affairs  
 Date: June 10, 2015  
 Subject: Pharmacists  
 RFA Analyst(s): Stein

**Estimate of Fiscal Impact**

	FY 2015-16	FY 2016-17
<b>State Expenditure</b>		
General Fund	\$0	N/A
Other and Federal	\$0	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

The Department of Labor, Licensing and Regulation reports that this bill would have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

**Explanation of Fiscal Impact**

**State Expenditure**

Senate Bill 413 amends Section 40-43-190 and Section 40-43-200 relating to the administration of vaccines by pharmacists. The bill creates the Joint Pharmacist Administered Vaccines Committee and prescribes its membership, duties, and responsibilities. The Committee is to recommend which specific vaccines are appropriate for administration by a pharmacist without a written prescription, and to submit proposed written protocols for the administration of each recommended vaccine. The bill authorizes the Board of Medical Examiners to issue protocols for vaccine administration and further specifies the requirements for pharmacists seeking authorization to administer approved vaccines.

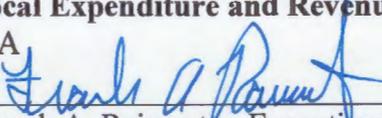
The Department of Labor, Licensing and Regulation reports that this bill would have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

**State Revenue**

N/A

**Local Expenditure and Revenue**

N/A

  
 Frank A. Rainwater, Executive Director



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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Bill Number: S. 0426 As signed by the Governor on June 1, 2015  
 Author: Sheheen  
 Requestor: Senate Judiciary  
 Date: June 15, 2015  
 Subject: Mental Health Court Program  
 RFA Analyst(s): Gardner and Shealy

**Estimate of Fiscal Impact**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>State Expenditure</b>		
General Fund	Minimal	N/A
Other and Federal	\$0	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

This bill is not expected to significantly impact State expenditures. All agencies surveyed indicated that either the costs associated with implementation would be minimal and could be absorbed, or that there would be no cost to the agency.

**Explanation of Fiscal Impact**

**Explanation of Amendment (May 26, 2015) – Senate Judiciary**

**State Expenditure**

The amendment to the bill clarifies three distinct formats under which a circuit solicitor may establish a new mental health court. Additionally, the bill contains provisions that determine an offender's eligibility for Mental Health Court and mandates that each solicitor establish such a program. Further, the bill requires solicitors accepting state funding for the program to establish it within one hundred eighty days.

**Department of Mental Health.** There will be no fiscal impact to the Department of Mental Health (DMH) from the passage of this legislation. DMH currently provides services to eligible clients in the existing Mental Health Courts in Charleston, Greenville, and Richland counties through its Community Mental Health Services Division and utilizes Medicaid and self-pay billing methods. Additional eligible clients who may present at newly established Mental Health Courts in the state will access services in accordance with this same model.

**Judicial Department.** While there will be no impact on Federal Funds or Other Funds allotted to the Judicial Department, the passage of this bill will have a minimal fiscal impact on the agency's General Funds. The proposed bill will allow solicitors to develop Mental Health Court programs in their local areas of purview using state funds. The Chief Justice of the S.C. Supreme Court is required to appoint judges overseeing Mental Health Courts. These judges must be members in good standing of the South Carolina bar as well as either probate judges, summary court judges, or active or retired members of the state's judiciary. Service as a Mental Health Court judge is voluntary. Provided new Mental Health Courts are operated in accordance with the financial model used by the three existing Mental Health Courts, there should be no additional cost to Judicial Department General Funds.

### **Explanation of Bill Filed on February 5, 2015**

#### **State Expenditure**

Senate Bill 426 adds Chapter 31 to establish a Mental Health Court Program. The bill provides for a system that diverts mentally ill offenders to appropriate treatment programs rather than incarceration. Additionally, the bill contains provisions that determine an offender's eligibility for Mental Health Court and mandates that each solicitor establish such a program. Further, the bill requires solicitors accepting state funding for the program to establish it within one hundred eighty (180) days.

**Department of Mental Health.** There will be no fiscal impact to the Department of Mental Health (DMH) from the passage of this legislation. DMH currently provides services to eligible clients in the existing Mental Health Courts in Charleston, Greenville, and Richland counties through its Community Mental Health Services Division and utilizes Medicaid and self-pay billing methods. Additional eligible clients who may present at newly established Mental Health Courts in the state will access services in accordance with this same model.

**Judicial Department.** While there will be no impact on Federal Funds or Other Funds allotted to the Judicial Department, the passage of this bill will have a minimal fiscal impact on the agency's General Funds. The proposed bill will allow solicitors to develop Mental Health Court programs in their local areas of purview using state funds. The Chief Justice of the S.C. Supreme Court is required to appoint judges overseeing Mental Health Courts. These judges must be members in good standing of the South Carolina bar as well as either probate judges, summary court judges, or active or retired members of the state's judiciary. Service as a Mental Health Court judge is voluntary. Provided new Mental Health Courts are operated in accordance with the financial model used by the three existing Mental Health Courts, there should be no additional cost to Judicial Department General Funds.

#### **State Revenue**

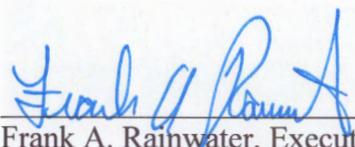
N/A

#### **Local Expenditure**

N/A

**Local Revenue**

N/A



Frank A. Rainwater, Executive Director



# SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

## STATEMENT OF ESTIMATED FISCAL IMPACT

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Bill Number: S. 0437 As signed by the Governor on June 3, 2015  
 Author: Campsen  
 Requestor: Senate Education  
 Date: June 26, 2015  
 Subject: James B. Edwards Civics Education Initiative  
 RFA Analyst(s): Fulmer

### Estimate of Fiscal Impact

	FY 2015-16	FY 2016-17
<b>State Expenditure</b>		
General Fund	\$0	N/A
Other and Federal	\$0	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

#### Fiscal Impact Summary

This bill, as amended, would have no expenditure impact to the General Fund, Federal Funds, or Other Funds.

### Explanation of Fiscal Impact

#### Explanation of Amendment (May 27, 2015) – By the House of Representatives

The amendment to this bill requires high school students to take the civics test but students are not required to obtain a minimum score. Students, who receive a passing grade, as determined by the United States Citizenship and Immigration Services, may be recognized by the school district. Each public school must report the percentage of students at or above the passing score on the test to the Education Oversight Committee, which will include the percentage on the school report card. The amendment is not expected to impact expenditures, and the impact of the bill as amended is unchanged from the bill as filed.

#### Explanation of Bill Filed on February 10, 2015

##### State Expenditure

This bill would add Section 59-29-240 to require all students of public or charter schools to take the United States Citizenship Civics Test produced by the United States Citizenship and Immigration Service and to award a Certificate of Achievement to all students who receive a grade of sixty or better on the test.

**State Department of Education.** The agency indicates this bill would have no expenditure impact on the General Fund, Federal Funds, or Other Funds. The instruction could be

incorporated into the current curriculum, and there is currently no cost for the exam referenced in the bill.

**State Revenue**

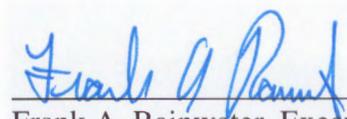
N/A

**Local Expenditure**

N/A

**Local Revenue**

N/A



Frank A. Rainwater, Executive Director



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
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Bill Number: S. 0441 As signed by the Governor on June 1, 2015  
 Author: Hayes  
 Requestor: Senate Banking and Insurance  
 Date: June 16, 2015  
 Subject: Guaranteed Asset Protection Act  
 RFA Analyst(s): Stein and Wren

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**Estimate of Fiscal Impact**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>State Expenditure</b>		
General Fund	Minimal	N/A
Other and Federal	\$0	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

This bill would have minimal to no expenditure impact on the General Fund. This bill would have no expenditure impact on Federal Funds or Other Funds.

**Explanation of Fiscal Impact**

**Explanation of Amendment (April 16, 2015) – By the Senate**

**State Expenditure**

Senate Bill 441 amends Title 37 by adding Chapter 30 entitled the Guaranteed Asset Protection Act. The bill provides a framework within which guaranteed asset protection waivers for motor vehicles are defined and may be offered. The bill provides for required disclosures, cancellation of waivers, and enforcement of the Chapter. The amendment to the original bill substitutes Manager for Administrator. The amendment limits guaranteed asset protection waivers for loans unrelated to the purchase of a motor vehicle to loans with a repayment term of more than twelve months and a principal amount of over four thousand dollars. Additional truth in lending requirements are added and lessors of motor vehicles are not required to insure obligations of guaranteed asset protection waivers. Additional restrictions on the sale of guaranteed asset protection waivers and certain consumer protections are added. The amendment authorizes the Administrator of the Department of Consumer Affairs to enforce the provisions of this Chapter and to protect guaranteed asset protection waiver holders, and deletes the requirement to hold hearings contained in the original bill before taking action. The bill also provides that a consumer who suffers loss as a result of a violation of this Chapter may bring a civil action and if successful shall recover actual damages, reasonable attorney’s fees, and court costs.

**Department of Insurance.** The department reports that this bill would have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

**Department of Consumer Affairs.** The department reports that this bill would have a minimal expenditure impact on the General Fund which would be absorbed using available resources. This bill would have no expenditure impact on Federal Funds or Other Funds.

**State Revenue**

N/A

**Local Expenditure**

N/A

**Local Revenue**

N/A

**Explanation of Bill Filed on February 11, 2015**

**State Expenditure**

Senate Bill 441 amends Title 37 by adding Chapter 30 entitled the "Guaranteed Asset Protection Act." The bill provides a framework within which guaranteed asset protection waivers for motor vehicles are defined and may be offered. The bill provides for required disclosures, cancellation of waivers, and enforcement of the Chapter.

The Department of Insurance reports that this bill would have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

**State Revenue**

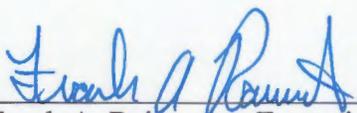
N/A

**Local Expenditure**

N/A

**Local Revenue**

N/A



Frank A. Rainwater, Executive Director



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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Bill Number: S. 0474 As signed by the Governor on June 1, 2015  
 Author: O'Dell  
 Requestor: Senate Medical Affairs  
 Date: June 17, 2015  
 Subject: Patient's Rights  
 RFA Analyst(s): Stein and Gardner

**Estimate of Fiscal Impact**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>State Expenditure</b>		
General Fund	\$0	N/A
Other and Federal	\$0	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

This bill would have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

**Explanation of Fiscal Impact**

**Explanation of Amendment (April 23, 2015) – By the Senate**

**State Expenditure**

Senate Bill 474 amends Chapter 22, Title 44 relating to the rights of mental health patients. The bill adds a definition for authorized health care provider and grants such entities the same authority as physicians regarding examination and treatment of patients under the care of the Department of Mental Health. The amendment to the bill restricts the definition of authorized health care provider to advanced practice registered nurses and physician assistants licensed in this state. The impact of the bill as amended is unchanged from the bill as originally filed.

**Department of Mental Health.**

The agency indicates this bill would have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

**State Revenue**

N/A

**Local Expenditure**

N/A

**Local Revenue**

N/A

**Explanation of Bill Filed on February 19, 2015**

**State Expenditure**

Senate Bill 474 amends Chapter 22, Title 44 relating to the rights of mental health patients. The bill adds a definition for authorized health care provider and grants such entities the same authority as physicians regarding examination and treatment of patients under the care of the Department of Mental Health.

**Department of Mental Health.**

The agency indicates this bill would have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

**State Revenue**

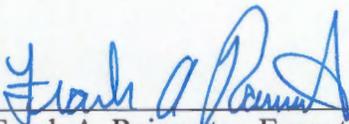
N/A

**Local Expenditure**

N/A

**Local Revenue**

N/A

  
\_\_\_\_\_  
Frank A. Rainwater, Executive Director



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
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Bill Number: S. 0500 As signed by the Governor on June 1, 2015  
 Author: Hayes  
 Requestor: Senate Judiciary  
 Date: June 15, 2015  
 Subject: Uniform Interstate Family Support Act  
 RFA Analyst(s): Fulmer and Shealy

**Estimate of Fiscal Impact**

	FY 2015-16	FY 2016-17
<b>State Expenditure</b>		
General Fund	Minimal	Minimal
Other and Federal	\$0	\$0
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

The bill will have a minimal impact to the General Fund and no impact to Federal Funds and Other Funds.

**Explanation of Fiscal Impact**

**Explanation of Amendment (April 15, 2015) – By the Senate**

The amendment to this bill adds language to include a foreign support order to ensure compliance with Federal regulations. This amendment is not expected to impact state expenditures, and the impact of the bill as amended is unchanged from the bill as filed.

**Explanation of Bill Filed on March 4, 2015**

**State Expenditure**

This bill provides for recovery of child support and other family maintenance as well as determination of parentage pursuant to the amendments of the Uniform Interstate Family Support Act adopted by the National Conference of Commissioners for Uniform State Laws in 2008.

The Judicial Department and the Department of Social Services indicate that this bill would have a minimal expenditure impact to the General Fund. Both agencies report a small number of international child support cases and do not anticipate a large increase in the volume of international cases as a result of this bill.

**State Revenue**

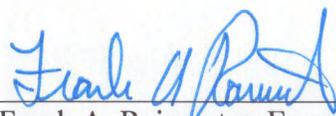
N/A

**Local Expenditure**

N/A

**Local Revenue**

N/A



Frank A. Rainwater, Executive Director



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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Bill Number: S. 0526 As signed by the Governor on June 8, 2015  
 Author: Leatherman  
 Requestor: Senate Finance  
 Date: June 11, 2015  
 Subject: Tax Amnesty  
 RFA Analyst(s): Shuford and Shealy

**Estimate of Fiscal Impact**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>State Expenditure</b>		
General Fund	\$0	N/A
Other and Federal	\$0	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	\$0	N/A
Other and Federal	\$0	N/A
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

This bill would have no expenditure impact on the General Fund, Federal Funds, or Other Funds since all revenue collection processes and procedures at the Department of Revenue are currently in place.

Given the permissive nature of this legislation as to when an amnesty program may be implemented, if at all, we do not estimate any appreciable increase in revenue from the enactment of this bill. If an amnesty period is announced, the revenue impact will depend upon the details and conditions existing at that time.

**Explanation of Fiscal Impact**

**State Expenditure**

This bill adds Section 12-4-397 to allow the Department of Revenue (DOR) to designate an amnesty period from time to time as determined by DOR. DOR may waive a portion or all penalties and interest for taxpayers who voluntarily file delinquent returns and pay all taxes owed. DOR must inform the General Assembly at least 60 days before the commencement of the amnesty period. DOR must be reimbursed five percent of the amounts collected through amnesty for administrative costs. Overdue tax debt, defined as tax debt that remains unpaid one hundred twenty days or more after a notice of assessment has been issued by DOR, may be subject to an additional ten percent collection assistance fee. The current collection assistance fee pursuant to Section 12-55-60 is twenty percent of the overdue tax.

This bill would have no expenditure impact on the General Fund, Federal Funds, or Other Funds since all revenue collection processes and procedures at the Department of Revenue are currently in place.

**State Revenue**

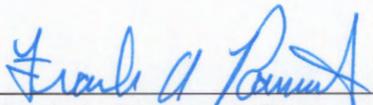
Given the permissive nature of this legislation as to when an amnesty program may be implemented, if at all, we do not estimate any appreciable increase in revenue from the enactment of this bill. If an amnesty period is announced, the estimated revenue impact will be based upon the details and conditions at that time. These details include the type of tax revenue affected and the impact the amnesty program has upon regular enforcement activity and collections for that fiscal year. The timing of an amnesty program will significantly impact revenue due to the cyclical nature of tax collections. Adjustments for potential increased revenue collections in one year may need to be offset with a potential decrease in the next year. Offsets for increased DOR administrative cost reimbursements and additional collection assistance fees will also require analysis. Currently, insufficient data exists to provide a concise estimate.

**Local Expenditure**

N/A

**Local Revenue**

N/A

  
\_\_\_\_\_  
Frank A. Rainwater, Executive Director



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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Bill Number: S. 0588 As signed by the Governor on May 8, 2015  
 Author: Young  
 Requestor: Senate Judiciary  
 Date: June 10, 2015  
 Subject: Aiken County Voting Precincts  
 RFA Analyst(s): Walling

**Estimate of Fiscal Impact**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>State Expenditure</b>		
General Fund	\$0	N/A
Other and Federal	\$0	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

This bill has no impact on General Fund, Federal Fund, or Other Fund expenditures.

**Explanation of Fiscal Impact**

**State Expenditure**

This bill amends Section 7-7-40 by adding five additional voting precincts in Aiken County, changes the map number where the precinct names can be found, and updates statute to reflect the institution that maintains the precinct map. Currently, Section 7-7-40 lists seventy-nine voting precincts in Aiken County. The five precincts added are Ascauga Lake No. 84, Hammon No. 81, Levels No. 83, North Augusta No. 80, and Windsor No. 82. Additionally, the bill replaces the Office of Research and Statistics as the institution tasked with preparing and maintaining the precinct map with the Revenue and Fiscal Affairs Office and changes the map document number from P-03-14 to P-03-15.

**Revenue and Fiscal Affairs Office (RFA).** RFA reports this bill will have no impact on General Fund, Federal Fund, or Other Fund expenditures.

**State Election Commission (SEC).** SEC reports this bill will have no impact on General Fund, Federal Fund, or Other Fund expenditures.

**State Revenue**

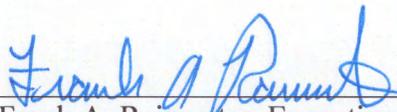
N/A

**Local Expenditure**

N/A

**Local Revenue**

N/A



Frank A. Rainwater, Executive Director



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**

**STATEMENT OF ESTIMATED FISCAL IMPACT**

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Bill Number: S. 0590 As signed by the Governor on June 1, 2015  
 Author: L. Martin  
 Requestor: Senate Judiciary  
 Date: June 11, 2015  
 Subject: Interlock Device  
 RFA Analyst(s): Shealy

**Estimate of Fiscal Impact**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>State Expenditure</b>		
General Fund	\$ 0	N/A
Other and Federal	\$36,000	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

This bill is expected to have an expenditure impact of \$36,000 to the Department of Motor Vehicles. This bill will have no impact on the General Fund or Federal Funds.

**Explanation of Fiscal Impact**

**Explanation of Amendment (May 20, 2015) – By the House of Representatives**

This bill as amended requires that the Department of Probation, Parole, and Pardon Services purge all photographic images collected by the ignition interlock device no later than twelve months from the date of the person’s completion of the Ignition Interlock Device Program except for information that is relevant for pending legal matters. The amendment makes it unlawful to conduct a running test on the device while the vehicle is in operation and for another person to engage an ignition interlock device on behalf of a person. The Department of Motor Vehicles has reported that the changes will cost \$36,000 to reprogram computer systems to reflect the law and that they will need six months to reprogram, test, and develop the business process to implement these changes.

**Explanation of Bill as Filed on March 24, 2015**

**State Expenditure**

This bill allows a person required to operate a motor vehicle only with an ignition interlock device who does not own a vehicle, cannot obtain a vehicle owner’s permission to have an ignition interlock device installed on a vehicle, will not be driving a vehicle other than one owned by the person’s employer and will not own a vehicle during the interlock period, may

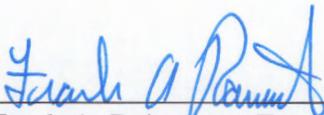
petition the department, for issuance of an ignition interlock restricted license. This license shall permit the person to operate a vehicle specified by the employer during the days and hours specified in the employer's statement without having to show that an ignition interlock device has been installed. The South Carolina Department of Motor Vehicles reports that this bill will have no impact on the General Fund, Federal Funds, or Other Funds.

**State Revenue**

N/A

**Local Expenditure and Local Revenue**

N/A



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Frank A. Rainwater, Executive Director



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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Bill Number: S. 0897 As signed by the Governor on July 9, 2015  
 Author: Sheheen  
 Requestor: Senate  
 Date: July 10, 2015  
 Subject: Removal of the South Carolina Infantry Battle Flag  
 RFA Analyst(s): Fulmer

**Estimate of Fiscal Impact**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>State Expenditure</b>		
General Fund	See Fiscal Impact Summary Below	N/A
Other and Federal	N/A	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

The expenditure impact of this bill is undeterminable at this time. While Department of Administration expenditures associated with the removal of the flag and returning the area where the flagpole stands to its previous condition are minimal and can be absorbed within existing resources, the Confederate Relic Room expenditures for the museum display will depend upon the final criteria established for appropriate display of the flag.

**Explanation of Fiscal Impact**

**State Expenditure**

This bill permanently removes the South Carolina Battle Flag of the Confederate States of America from its designated location on the grounds of the Capitol Complex within twenty-four hours of the effective date of the bill. The flag will be transported to the Confederate Relic Room for appropriate display. The area where the flagpole currently stands must be returned its original condition.

**Department of Administration.** The Division of General Services would be responsible for returning the area where the flagpole stands to its previous condition. The department indicates that the impact would be minimal and can be absorbed within existing resources.

**Confederate Relic Room.** The South Carolina Infantry Battle Flag of the Confederate States of America would be transported to the Confederate Relic Room for appropriate display. Senate

Bill 897 is silent on the definition of an appropriate display, but the agency estimates that refurbishment of existing space and creation of a display may require a one-time expenditure of at least \$1,020,000, as well as recurring expenditures of \$130,000. The Confederate Relic Room is also considering other approaches to display the South Carolina Infantry Battle Flag of the Confederate States of America that could cost in the range of \$10 to \$15 million dollars depending on design proposals. In summary, the one-time and recurring expenditures by the Confederate Relic Room are undeterminable at this time and will depend upon the final criteria established for appropriate display of the flag.

**State Revenue**

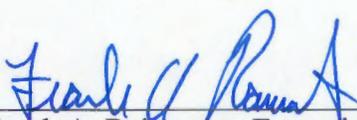
N/A

**Local Expenditure**

N/A

**Local Revenue**

N/A

  
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Frank A. Rainwater, Executive Director