

FISCAL IMPACT STATEMENT ON BILL NO. **H.3021**

(Doc. No. 13035dg13.docx)

---

TO: The Honorable Hugh K. Leatherman, Sr., Chairperson, Senate Finance Committee  
FROM: State Budget Division, Budget and Control Board  
ANALYSTS: K. Earle Powell, Torina Wood, Rodney Grizzle  
DATE: February 25, 2014 SBD: 2013361

---

AUTHOR: Representative Clemmons PRIMARY CODE CITE: 11-55-10  
SUBJECT: Iran Divestment Act

---

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

Minimal (Some additional costs expected but can be absorbed)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

Minimal (Some additional costs expected but can be absorbed)

---

**BILL SUMMARY:**

House Bill 3021 amends the Code of Laws of South Carolina, 1976, to enact the Iran Divestment Act of 2013. The Bill prohibits certain investments and contracts with persons deemed to be engaging in investment activities in Iran.

**EXPLANATION OF IMPACT:**

State Budget and Control Board

The Board reports that this Bill directs the Budget and Control Board to develop or contract to develop, using credible information available to the public, a list of persons determined to engage in investment activities in Iran within 120 days of the effective date of the Bill. The list shall be posted on the Board's website and persons included on the list shall be ineligible to contract with the State. Further, the Bill directs the Board to update the list every 180 days. Before the list can be finalized, the Board must provide persons included on the list a 90 day protest period to comment on their investment activities in Iran and be removed from the list should it be determined they were included erroneously.

The agency indicates that it does not have the ability to perform these duties in-house, therefore it would need to contract with an outside entity. Recently, the state of New Jersey entered into a contract with an entity to provide similar services. New Jersey reports this service will cost their state \$15,000 annually. The \$15,000 represents an example of a similar service being provided to the state of New Jersey. The actual cost for South Carolina to obtain this service may be greater or less dependent upon the terms of a negotiated contract.

Retirement System Investment Commission,

Office of the Attorney General,

Office of the Secretary of State,

Office of the State Treasurer

The Offices report enactment of this Bill would have minimal or no impact on the General Fund of the State or Federal and/or Other funds.

Approved by:



Brenda Hart  
Assistant Director, State Budget Division