

FISCAL IMPACT STATEMENT ON BILL NO. **S. 505**

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TO:	The Honorable Larry A. Martin, Chairperson, Senate Judiciary Committee		
FROM:	State Budget Division, Budget and Control Board		
ANALYSTS:	Rodney Grizzle, K. Earle Powell and Stephen Gardner		
DATE:	April 16, 2013	SBD:	2013248

AUTHOR:	Senator Hayes	PRIMARY CODE CITE:	23-2-10
SUBJECT:	Public Integrity Unit		

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

A Cost to the General Fund (See Below)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

\$0 (No additional expenditures or savings are expected)

BILL SUMMARY:

Senate Bill 505 amends the Code of Laws of South Carolina, 1976, by adding Chapter 2 to Title 23 which establishes the South Carolina Public Integrity Unit and provides for its membership, powers, duties and functions. The Bill also amends Sections 8-13-540 and 12-54-240 dealing with the manner in which ethics committees of the General Assembly investigate allegations.

EXPLANATION OF IMPACT:

Attorney General

The Attorney General's Office indicates that this Bill will have a fiscal impact on the General Fund of the State of approximately \$92,000 annually for cost associated with the personal service/fringe and operating expense for 1.00 State FTE (Attorney III).

State Law Enforcement Division

The Division indicates that this Bill will have an impact on the General Fund of the State of approximately \$282,111 in the first year of implementation and \$203,851 annually in subsequent years. The annual cost would be \$130,960 in personal service/fringe benefits for 2.00 SLED Agents and \$72,891 in operating expenses. Within the operating expenses there would be contractual services in the amount of \$50,000 for external auditors for financial investigations to be used on case by case bases. The non-recurring amount of the first year cost is \$78,260 and is for equipment for the 2.00 new SLED Agents.

State Ethics Commission

The Commission estimates this Bill will have a fiscal impact of a cost to the General Fund. The cost is based on the addition of one FTE, an increase in recurring funds of \$79,750, and \$12,000 in non-recurring funds. The agency does estimate that some costs will be reimbursed through administrative fees and fines if complainants are found in violation of the State Ethics Act.

Office of Inspector General

The Office Inspector General (OIG) reports that this Bill would require additional OIG resources to support this effort, but the Office can start up the unit with agency existing resources and reassess additional resources later based on results. The OIG indicates they would be careful to limit its involvement to only Executive Branch corruption, fraud, and integrity cases to stay within its statutory jurisdiction.

Department of Revenue

The Agency has been forwarded a copy of the Bill, but to date, has not submitted impact of the proposed Bill.

LOCAL GOVERNMENT IMPACT:

None.

SPECIAL NOTES:

The Board of Economic Advisors is the appropriate entity to address any revenue impact associated with this Bill.

Approved by:

A handwritten signature in black ink, appearing to read "Brenda Hart". The signature is fluid and cursive, with the first name being more prominent.

Brenda Hart
Assistant Director, State Budget Division