

FISCAL IMPACT STATEMENT ON BILL NO. **S.658**

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TO: The Honorable Larry A. Martin, Chairman, Senate Judiciary Committee
FROM: State Budget Division, Budget and Control Board
ANALYSTS: Torina Wood and Rodney Grizzle
DATE: May 28, 2013 SBD: 2013352

AUTHOR: Senator Rankin PRIMARY CODE CITE: 16-13-485
SUBJECT: Deferred Presentment Services

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

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

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

A Cost to Federal and/or Other Funds (See Below)

BILL SUMMARY:

Senate Bill 658 amends the Code of Laws of South Carolina, 1976, as amended, by adding Section 16-13-485 so as to provide that it is unlawful to engage in the business of deferred presentment services in this State and to provide a civil penalty. The Bill further repeals Chapter 39, Title 34 relating to deferred presentment services.

EXPLANATION OF IMPACT:

Board of Financial Institutions

The Board estimates this Bill would create a cost to Other Funds of \$117,925. The Board indicates outlawing Deferred Presentment Services in the State would eliminate licensing fee revenue of \$131,750 (one half or \$65,875 of which is transferred to the Attorney General's Office) and examination fee revenue of \$52,050. All fees collected are utilized by the agency's Consumer Finance Division which reports there are currently 347 licensed locations authorized to provide Deferred Presentment Services in the State. The \$117,925 Other Fund revenue loss equates to the salaries, fringe, and other operating costs (including travel) for two Auditor III positions. The Board reports that while the revenue loss would affect the two positions, it would make every effort to reallocate the audit staff to perform other statutorily mandated examinations performed by the Board of Financial Institutions.

The Office of the Attorney General

The Attorney General indicates that this Bill will have no fiscal impact on the General Fund of the State, but would create a loss of Other Fund revenue of \$65,000 due to the elimination of this fee.

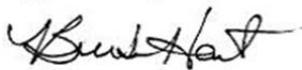
LOCAL GOVERNMENT IMPACT:

None.

SPECIAL NOTES:

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

Approved by:



Brenda Hart
Assistant Director, State Budget Division