



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: S. 0862 Introduced on January 9, 2018
Author: Young
Subject: Securities Commissioners' Investigations and Subpoenas
Requestor: Senate Banking and Insurance
RFA Analyst(s): Gardner
Impact Date: March 7, 2018

Estimate of Fiscal Impact

	FY 2018-19	FY 2019-20
State Expenditure		
General Fund	Undetermined	\$0
Other and Federal	\$0	\$0
Full-Time Equivalent Position(s)	0.00	0.00
State Revenue		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Local Expenditure	\$0	\$0
Local Revenue	\$0	\$0

Fiscal Impact Summary

This bill will have an undetermined impact on General Fund expenditures. This bill deletes the option for a respondent to seek protection in a court of their home state; however, the Office of the Attorney General cannot determine the amount of cost savings that will result from the bill because there is a lack of empirical data from which to quantify the potential costs.

Explanation of Fiscal Impact

Introduced on January 9, 2018

State Expenditure

This bill deletes the reference to “a court of another state,” leaving the Richland County Court of Common Pleas as a requestor’s sole option for applying for relief from securities investigations and subpoenas. This bill pertains to investigations and subpoenas provided for by the South Carolina Uniform Securities Act. Currently, a person may apply to the Richland County Court of Common Pleas or a court of another state for relief from a request to appear, testify, file a statement, produce records, or obey a subpoena.

Office of the Attorney General. The Attorney General serves as the state’s Securities Commissioner and has the power to request that a respondent appear, testify, file a statement, produce records, or obey a subpoena. Currently, if an out-of-state respondent does not comply with a request from the Securities Commissioner, he can seek protection in a court of his home state. To address cases where an out-of-state respondent files for protection in a court of his home state, the Attorney General’s office must either retain counsel in the respondent’s jurisdiction, travel to that location and be admitted (which could also require employment of

outside counsel), or drop the matter. All of the aforementioned options would result in increased costs to the agency.

The agency has not collected data on the costs to retain outside counsel or travel to other states in cases where out-of-state respondents seek protection from securities investigations and subpoenas from courts of their home states. While the bill deletes the option for a respondent to seek protection in a court of his home state, the agency cannot determine the amount of cost savings that will result from the bill because there is a lack of empirical data from which to quantify the potential costs.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director