



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number:	S. 1115	Introduced on February 19, 2020
Author:	Cromer	
Subject:	Requirements and Conditions for Organizing a Bank	
Requestor:	Senate Banking and Insurance	
RFA Analyst(s):	Griffith	
Impact Date:	March 2, 2020	

Fiscal Impact Summary

This bill will have no expenditure impact on the Board of Financial Institutions (board) or the Secretary of State because any additional expenditures as a result of required filings would be managed within existing appropriations.

This bill will have no revenue impact on the board as it codifies the existing practice of collecting application fees for new banking institutions and conversion of national banking corporations to incorporated banks of South Carolina.

The Municipal Association of South Carolina (MASC) does not anticipate an expenditure impact to any municipalities.

Explanation of Fiscal Impact

Introduced on February 19, 2020

State Expenditure

The following sections will affect state expenditures as follows:

Section 1. This section requires persons wishing to organize or establish a bank to file an application with the Board of Financial Institutions (board). With the approval of the board, the organizers of the bank may file articles of incorporation with the Secretary of State, which must transmit to the board a certified copy of the articles of incorporation. Both the board and the Secretary of State's office indicate that any additional expenditures as a result of the required filings would be managed within existing appropriations. Therefore, this section has no expenditure impact on the General Fund, Federal Funds, or Other Funds.

Section 6. This section requires a national banking corporation or a banking corporation of another state that desires to become an incorporated bank of South Carolina to file an application of conversion with the board. The board indicates that any additional expenditures as a result of the required filings would be managed within its existing appropriations. Therefore, this section has no expenditure impact on the General Fund, Federal Funds, or Other Funds.

Sections 2, 3, 4, and 10. These sections of the bill replace references within the code of laws to the State Board of Bank Control with the Commissioner of Banking, whose office is under the

administration of the State Board of Financial Institutions. As such, there is no expenditure impact on the board.

State Revenue

Sections 1 and 6 of the bill authorize the Board of Financial Institutions (board) to collect application fees from those organizing a bank and from a banking corporation desiring to become an incorporated bank of South Carolina, respectively. The board is currently permitted to collect such fees under Proviso 79.1 of the FY 2019-20 General Appropriations bill. Since the proposed legislation codifies existing practice, there is no revenue impact to the board.

Local Expenditure

Section 19 of the bill repeals Title 34, Chapter 12, which authorizes a county council to establish a check clearing house. The Revenue and Fiscal Affairs Office surveyed the Municipal Association of South Carolina (MASC) as well as twenty-three county governments. MASC does not expect there to be any expenditure impact to municipalities due to the bill.

Local Revenue

N/A



Frank A. Rainwater, Executive Director