



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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|                        |                    |                                                    |
|------------------------|--------------------|----------------------------------------------------|
| <b>Bill Number:</b>    | H. 3184            | As amended by Senate Judiciary on February 3, 2016 |
| <b>Author:</b>         | Pope               |                                                    |
| <b>Subject:</b>        | Ethics Reform Act  |                                                    |
| <b>Requestor:</b>      | Senate Judiciary   |                                                    |
| <b>RFA Analyst(s):</b> | Gardner and Fulmer |                                                    |
| <b>Impact Date:</b>    | February 16, 2016  |                                                    |

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**Estimate of Fiscal Impact**

|                                  | <b>FY 2016-17</b> | <b>FY 2017-18</b> |
|----------------------------------|-------------------|-------------------|
| <b>State Expenditure</b>         |                   |                   |
| General Fund                     | \$336,500         | \$246,500         |
| Other and Federal                | \$0               | \$0               |
| Full-Time Equivalent Position(s) | 4.00              | 0.00              |
| <b>State Revenue</b>             |                   |                   |
| General Fund                     | \$0               | \$0               |
| Other and Federal                | \$0               | \$0               |
| <b>Local Expenditure</b>         | \$0               | \$0               |
| <b>Local Revenue</b>             | \$0               | \$0               |

**Fiscal Impact Summary**

House Bill 3184, as amended by Senate Judiciary on February 3, 2016, will have a recurring and nonrecurring \$336,500 expenditure impact in FY 2016-17 and a recurring \$246,500 expenditure impact on the General Fund in FY 2017-18 and each year thereafter. There will be no expenditure impact on Federal Funds or Other Funds.

**Explanation of Fiscal Impact**

**Explanation of Amendment by the Senate Judiciary on February 3, 2016**

**State Expenditure**

This bill modifies the composition of the State Ethics Commission, establishes requirements for member qualifications, provides for Commission officers, and establishes provisions for members' terms of office and manner of removal under certain conditions. It also enables the Commission to initiate, receive, investigate, and process complaints against members and staff of the General Assembly and candidates for election to the General Assembly. Further, it enables the Commission to refer substantive complaints related to General Assembly members or their staff to the appropriate House or Senate Ethics Committees for disposition and to refer substantive complaints related to judicial officials or their staff to both the Commission on Judicial Conduct and the Supreme Court for disposition. It also authorizes the House and Senate Ethics Committees to issue formal advisory opinions and provides for judicial complaint procedures.

The State Ethics Commission reports that the implementation of this bill will incur costs associated with hiring four new staff (two auditors and two investigators). Additional operating

expenditure for these staff would include leases for vehicles and office space; purchase of uniforms, car radios, ammunition, vehicle fire extinguishers, cell phones, body armor, IT equipment, and office furniture; and payment for annual fire extinguisher inspections. However, some expenditures would be reimbursed to the agency through administrative fees and fines collected for violations of the State Ethics Act. House Bill 3184, as amended by Senate Judiciary on February 3, 2016, will have a recurring and nonrecurring \$336,500 expenditure impact in FY 2016-17 and a recurring \$246,500 expenditure impact on the General Fund in FY 2017-18 and each year thereafter. There will be no expenditure impact on Federal Funds or Other Funds.

**The Senate, House of Representatives, Judicial Department, Attorney General's Office, and Department of Administration.** These agencies report that this bill will have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

**State Revenue**

N/A

**Local Expenditure**

N/A

**Local Revenue**

N/A

**Explanation of Amendment by the House of Representatives on January 28, 2015**

**State Expenditure**

This bill, as amended by the House of Representatives on January 28, 2015, modifies the composition of the State Ethics Commission, establishes requirements for member qualifications, provides for Commission officers, and establishes provisions for members' terms of office and manner of removal under certain conditions. It also enables the Commission to initiate, receive, investigate, and process complaints against members and staff of the General Assembly and candidates for election to the General Assembly, as well as judicial officials and their staff persons. Further, it enables the Commission to refer substantive complaints related to General Assembly members or their staff to the appropriate House or Senate Ethics Committees for disposition and to refer substantive complaints related to judicial officials or their staff to both the Commission on Judicial Conduct and the Supreme Court for disposition. It also authorizes the House and Senate Ethics Committees to issue formal advisory opinions and provides for judicial complaint procedures.

The State Ethics Commission reports that the implementation of this bill will incur costs associated with hiring six new staff (two auditors, three investigators and an Administrative Assistant). Additional operating costs for these staff would include leases for vehicles and office space; purchase of uniforms, car radios, ammunition, vehicle fire extinguishers, cell phones, body armor, IT equipment, and office furniture; and payment for annual fire extinguisher inspections. However, some costs would be reimbursed to the agency through administrative fees and fines collected for violations of the State Ethics Act. However, no administrative fees or reimbursements for legislative or judicial investigations could be collected. House Bill 3184, as

amended by the House of Representatives on January 28, 2015 will have a recurring and nonrecurring \$479,000 expenditure impact on the General Fund in FY 2016-17 and a recurring \$440,000 expenditure impact on the General Fund in FY 2017-18 and each year thereafter.

**The Senate, House of Representatives, Judicial Department, Attorney General's Office, and Department of Administration.** These agencies report that this bill will have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

**State Revenue**

N/A

**Local Expenditure**

N/A

**Local Revenue**

N/A



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Frank A. Rainwater, Executive Director