



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: H. 4717 As amended by House Ways and Means on February 11, 2016
Author: White
Subject: Farm Aid Fund
Requestor: House Ways and Means
RFA Analyst(s): Stein
Impact Date: February 12, 2016

Estimate of Fiscal Impact

	FY 2016-17	FY 2017-18
State Expenditure		
General Fund	\$40,000,000	\$0
Other and Federal	\$230,000	\$0
Full-Time Equivalent Position(s)	0.00	0.00
State Revenue		
General Fund	\$0	\$0
Other and Federal	See Below	\$0
Local Expenditure	\$0	\$0
Local Revenue	\$0	\$0

Fiscal Impact Summary

This bill appropriates \$40,000,000 to the Farm Aid Fund from the FY 2014-15 Contingency Reserve Fund noting that any funds remaining on June 30, 2017, shall lapse to the General Fund. This bill will increase Other Fund expenditures by \$230,000 annually beginning in FY 2016-17 for operating and personnel expenditures to administer the S.C. Farm Aid Fund. Other Fund and Federal Fund expenditures will increase by the amount of the financial assistance awarded to farmers. Correspondingly, Other Fund and Federal Fund revenues will increase by the amount of the federal grants and private donations received by the fund.

Explanation of Fiscal Impact

Explanation of Amendment by House Ways and Means Committee on February 11, 2016

State Expenditure

The Ways and Means Committee amendment to H. 4717 clarifies several provisions. Grant eligibility criteria now include the provisions that the Governor must have declared a state of emergency in the state, and the U.S. Secretary of Agriculture must have issued a disaster declaration for the county in which the farm is located. The term county and price yield is corrected to read county price and county yield as used to determine the value of uninsured commodities. The new item (C) clarifies that grants are to be used only for agricultural production expenses and losses. They must not be used to purchase new equipment or to pay down debt. The Farm Aid Board shall require submission of verifying receipts. Item (D) amends the section dealing with the repayment of grants. In addition to requiring full repayment of the grant if the grantee is found to have submitted inaccurate information, the amendment provides

that if funds were used for ineligible expenses, the grantee must refund the amount spent on ineligible expenses.

The Department of Agriculture reports that this bill would require one program coordinator and four support staff. Salaries and fringes are estimated at \$185,000, and operating costs are estimated at \$45,000 annually. No new FTE positions would be requested. Federal and Other Fund expenditures would be limited to the revenues received.

State Revenue

This bill creates the S.C. Farm Aid Fund. The fund can accept private donations, grants, and property in order to make financial awards from the grant program to farmers facing substantial losses from a natural disaster. The revenue credited to the fund will depend upon the amount of grants and contributions received, and the Revenue and Fiscal Affairs Office is unable to estimate the fund may receive.

Local Expenditure

N/A

Local Revenue

N/A

Explanation of Fiscal Impact

Explanation of Bill Filed on January 21, 2016

State Expenditure

This bill creates the S.C. Farm Aid Fund to provide grants to farmers who have suffered at least a forty percent loss resulting from a natural disaster. The bill also creates the seven-member Farm Aid Board, specifies grant eligibility criteria, and sets grant limits. The board is authorized to accept private funds, grants, and property. Staff support is to be provided by the Department of Agriculture, and revenues credited to the trust fund must be used to operate the program.

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Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director