

Statement of Estimated Local Revenue Impact

Date: March 18, 2014
Bill Number: H.B. 4369
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Committee Requesting Impact: House Committee on Education and Public Works

Bill Summary


A Bill to amend the Code of Laws of South Carolina, 1976, by adding Section 59-67-35 so as to provide a school district must offer for sale child-friendly commercial advertisements on public school buses operated in the district except for those buses owned by a school or district, in which case the sale is optional but only if in compliance with other applicable provisions; to provide that the districts only may use the resulting revenue to purchase new school buses; to provide the State Board of Education shall develop related guidelines and a standard contract that districts must use, to provide that the board of a school district must approve these advertising contracts; and to define necessary terminology.

REVENUE IMPACT ^{1/}

While this bill codifies Proviso 1.79 of the FY2013-14 Appropriation Act, it creates the potential for school districts to receive additional advertising revenue on public school buses. The impact on local funds in FY2014-15 is indeterminable at this time, as revenue will be dependent on the terms of the contract.

Explanation

This bill codifies Proviso 1.79 of the FY2013-14 Appropriation Act, which allows commercial advertising on school or district owned activity buses. Additionally, this bill proposes to add Section 59-67-35, which would require school districts to offer for sale the placement of child-friendly advertisements on the sides and back of public school buses. The provisions are mandatory for a bus owned by the State or a private contractor who provides bus service to a public school, but are optional for a bus owned by a local school or school district. Advertisements placed on school or district owned buses must follow the same provisions as outlined in this proposed bill. The State Board of Education must develop guidelines for the placement of advertisements and the rates and terms of advertisement contracts. Additionally, the Board must develop a standard contract that districts must use for the sale of advertising. Revenue received from the sale of advertisements may only be used to defray costs incurred to enable the bus to mount advertisements and to purchase new buses in the district where the bus that generates the advertising revenue operates. As the State Board of Education must develop the guidelines for the placement of the advertisements and the rates and terms of advertisement contracts, the impact on other local funds is indeterminable at this time. The provisions of this act take effect upon approval of the Governor and are applicable beginning with the 2014-2015 school year.


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^{1/} This statement meets the requirement of Section 2-7-76 for a local revenue impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.