



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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Bill Number: S. 0078 As signed by the Governor on June 4, 2015  
 Author: Massey  
 Requestor: Senate Finance  
 Date: June 11, 2015  
 Subject: Forfeited Lands Emergency Development Act  
 RFA Analyst(s): Jolliff and Wren

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**Estimate of Fiscal Impact**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>State Expenditure</b>		
General Fund	Minimal	N/A
Other and Federal	N/A	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	\$0.00	\$0.00
<b>Local Revenue</b>	Undeterminable	N/A

**Fiscal Impact Summary**

This bill will have a minimal impact on expenditures for the Department of Revenue that can be absorbed within the agency’s current funding. The bill is not expected to significantly impact local expenditures as long as proceeds from the sale of forfeited lands are sufficient to cover payments on any issued special revenue bonds. For those counties that do elect to use the provisions of the bill, sales of forfeited lands may be accelerated but would not likely alter the total local revenue impact for a county over time. Due to the permissive nature of the bill and the many uncertain factors that could potentially alter the timing of the local revenue impact, we are unable to determine if there will be any accelerated local revenue impact as a result of the bill.

**Explanation of Fiscal Impact**

**Explanation of Amendment (May 27, 2015) – By the House of Representatives**

**State Expenditures**

The amendment changes the body to which a county’s forfeited lands commission must apply for the authority to use the provisions outlined in the bill from the county’s legislative delegation to the Department of Revenue. The department indicates that the amendment would have a minimal impact on expenditures that can be absorbed by the agency for reviewing the petitions.

**State Revenue**

N/A

**Local Expenditures**

The impact of the bill as amended on local expenditures is unchanged from the bill as filed.

**Local Revenues**

The impact of the bill as amended on local revenues is unchanged from the bill as filed.

**Explanation of Amendment (February 12, 2015) – By the Senate**

The amendment to the bill adds the cost of site cleanup to the list of expenses for which a forfeited land commission expend funds in order to make a property saleable. Additionally, the amendment adds a section to specify that a family member of a county forfeited lands commission member may not purchase land from the commission unless the sale is through a competitive bid process or open to the public. The impact of the bill as amended is unchanged from the bill as filed.

**Explanation of Bill Filed on January 13, 2015****State Expenditure**

N/A

**State Revenue**

N/A

**Local Expenditure**

The Revenue and Fiscal Affairs Office contacted twenty-five county governments concerning the impact of this bill. Charleston, Florence, and Richland Counties responded and indicate there would be no significant impact to county governments as long as proceeds from the sale of forfeited lands are sufficient to cover payments on any issued special revenue bonds.

**Local Revenue**

This bill creates the Forfeited Lands Emergency Development Act, which would allow local governments special provisions for disposing of properties held by the counties' forfeited lands commissions. In order for a county to use the provisions of this bill, the county council and the county's forfeited land commission must petition its legislative delegation and show that the properties bid into the commission have a significant adverse effect on county ad valorem tax and a significant adverse effect on economic development. If the delegation approves the petition, the forfeited land commission would then be able to establish a revolving fund to pay for legal and other expenses as follows: compensation of a secretary to the commission, payment of legal expenses to accept or reject a property and to obtain clear title to properties, payment of a real estate commission, and advertising the sale of the forfeited lands. The county council would also be permitted to issue special revenue bonds for the purpose of the initial funding of the revolving fund. Payment of the revenue bonds would be from the sale of the forfeited lands.

The impact of this bill on local revenue will depend upon the number of counties that elect to use this provision, the value of land bid into the forfeited land commission for those counties, and the ultimate sale of the forfeited lands. Currently, counties have the ability to dispose of properties held by the forfeited land commission. Based upon a limited number of responses, few counties anticipate using the provisions of this bill. For those counties that do elect to use these

provisions, the bill may accelerate the sale of forfeited lands but would not likely alter the total revenue impact for a county over time. Due to the permissive nature of the bill and the many uncertain factors that could potentially alter the revenue impact, we are unable to determine the timing of any accelerated revenue impact as a result of the bill.



Frank A. Rainwater, Executive Director