SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number:	S. 0143
Author:	Coleman
Requestor:	Senate Finance
Date:	January 30, 2015
Subject:	Financing agreements by governmental entities
RFA Analyst(s):	Jolliff

Estimate of Fiscal Impact

	FY 2015-16	FY 2016-17
State Expenditure		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
Full-Time Equivalent Position(s)	0.00	0.00
State Revenue		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
Local Expenditure	N/A	N/A
Local Revenue	N/A	N/A

Fiscal Impact Summary
This bill is not expected to impact State or local revenues.

Explanation of Fiscal Impact

State Expenditure
N/A

State Revenue
This bill adds a new item to Section 11-27-110(A) to specify that after July 1, 2015 a governmental entity may not enter into a lease purchase agreement. The governmental entities affected are the State and any political subdivision of the State including a municipality, county, school district, special purpose district, or similar entity, whose general obligation debt is limited as provided in Sections 14 and 15, in Article X of the Constitution. Lease purchase agreements allow for installment payments on assets extending across fiscal years after which, if all payments are made, the governmental entity will obtain title to the asset. This bill would end the practice of entering into lease purchase agreements to finance the purchase of assets and is not expected to impact State revenues.

Local Expenditure
N/A

Local Revenue
This bill adds a new item to Section 11-27-110(A) to specify that after July 1, 2015 no governmental entity may enter into a lease purchase agreement. The governmental entities affected are the State and any political subdivision of the State including a municipality, county, school district, special purpose district, or similar entity, whose general obligation debt is limited as provided in Sections 14 and 15, in Article X of the Constitution. Lease purchase agreements allow for installment payments on assets extending across fiscal years after which, if all payments are made, the governmental entity will obtain title to the asset. This bill would end the practice of entering into lease purchase agreements to finance the purchase of assets and is not expected to impact local revenues.

Frank A. Rainwater, Executive Director