



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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Bill Number: S.0375  
Author: Hayes  
Requestor: Senate Finance  
Date: February 23, 2015  
Subject: Local Government  
RFA Analyst(s): Wren and Fulmer

**Estimate of Fiscal Impact**

|                                  | <b>FY 2015-16</b> | <b>FY 2016-17</b> |
|----------------------------------|-------------------|-------------------|
| <b>State Expenditure</b>         |                   |                   |
| General Fund                     | N/A               | 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               | N/A               |
| <b>Local Revenue</b>             | \$0               | N/A               |

**Fiscal Impact Summary**

The Municipal Association reports this bill will have no expenditure or revenue impact on municipalities. We did not receive a response from the thirteen counties contacted. The Department of Education reports that there would be no expenditure or revenue impact on school districts.

**Explanation of Fiscal Impact**

**State Expenditure**

N/A

**State Revenue**

N/A

**Local Expenditure**

This bill amends Section 6-5-15 to allow local governments to invest surplus funds in an account with a qualified public depository that would then be deposited on behalf of the local government into separate accounts so that the entire account balance is insured by the Federal Deposit Insurance Corporation (FDIC). Deposits by local governments must be FDIC insured. Due to the \$250,000 limit on insurance for deposits, any amount above the limit must be collateralized. This new option for investing would allow the local government entity to deposit funds in a single qualifying bank, and the bank would then deposit the funds into several FDIC insured, qualifying accounts on behalf of the local government. Local governments are not

required to participate. The Revenue and Fiscal Affairs Office surveyed the Municipal Association of South Carolina and thirteen county governments. We received a response from the Municipal Association and no county responses. The Municipal Association reports this bill will have no expenditure impact on municipalities. The Department of Education reports that there would be no expenditure impact on school districts.

#### **Local Revenue**

The Revenue and Fiscal Affairs Office surveyed the Municipal Association of South Carolina and thirteen county governments. We received a response from the Municipal Association and no county responses. The Municipal Association reports this bill will have no revenue impact on municipalities. The Department of Education reports that there would be no revenue impact on school districts.

  
Frank A. Rainwater, Executive Director