



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number:	S. 0675	Introduced on March 16, 2021
Author:	Kimbrell	
Subject:	State Aviation Fund	
Requestor:	Senate Finance	
RFA Analyst(s):	Miller	
Impact Date:	March 23, 2021	

Fiscal Impact Summary

This bill will shift aircraft property tax revenue of \$1,250,000 from the General Fund to the State Aviation Fund in FY 2021-22. Additionally, if the aircraft property tax revenue exceeds \$5,000,000, this bill will result in 50 percent of the revenue above \$5,000,00 shifting from the General Fund to the State Aviation Fund. Also, it is unclear where the first \$1,250,000 is credited, as the bill eliminates the provision in §12-37-2460 that directs proceeds to the General Fund. Therefore, this bill may result in an additional decrease of \$1,250,000 from the General Fund, resulting in a total General Fund revenue decrease of at least \$2,500,000 in FY 2021-22.

Further, this bill will result in an increase of at least \$2,500,000 to the State Aviation Fund and a total decrease of at least \$2,500,000 from the General Fund, beginning in FY 2022-23 as all aircraft property tax revenue will be credited to the State Aviation Fund.

The bill may also affect local revenue. The bill requires that the State Aviation Fund be used, in part, to fund obtaining or developing local airport facilities. The amount for each county may vary as the distribution of funds is not specified in the bill.

Explanation of Fiscal Impact

Introduced on March 16, 2021

State Expenditure

N/A

State Revenue

This bill requires any property tax revenue collected for aircraft, pursuant to §12-37-2410 et seq., above \$1,250,000 to be directed to the State Aviation Fund in FY 2021-22. Additionally, all aircraft property tax revenue will be directed to the State Aviation Fund, beginning in FY 2022-23. This revenue will be used, in part, to aid counties within the State that do not have an airport facility. Further, this bill eliminates the requirement that the proceeds collected pursuant to §12-37-2410 et seq. be paid into the General Fund.

Currently, the first \$2,500,000 of the aircraft property tax revenue is placed into the General Fund. Any additional revenue up to \$5,000,000 is placed in the State Aviation Fund, and any

revenue above \$5,000,000 is split 50 percent to the General Fund and 50 percent to the State Aviation Fund.

The following table displays the distribution of the aircraft property tax revenue for the last three years.

Aircraft Property Tax Revenue			
	FY 2018-19	FY 19-20	FY 2020-21
General Fund	\$2,500,000	\$2,500,000	\$2,621,301
State Aviation Fund	\$2,317,213	\$2,211,732	\$2,621,323
Total	\$4,817,213	\$4,711,732	\$5,242,664

The current forecast estimates that the General Fund will receive \$2,500,000 from the aircraft property tax in both FY 2021-22 and FY 2022-23.

This bill will result in a shift of revenue of at least \$1,250,000 from the General Fund to the State Aviation Fund in FY 2021-22. Additionally, if the aircraft property tax revenue exceeds \$5,000,000, this bill will result in 50 percent of the revenue above \$5,000,00 shifting from the General Fund to the State Aviation Fund. In FY 2022-23 and thereafter, all funds will be credited to the State Aviation Fund. Therefore, this bill will result in an increase of at least \$2,500,000 to the State Aviation Fund and a total decrease of at least \$2,500,000 from the General Fund, beginning in FY 2022-23.

Further, it is unclear where the first \$1,250,000 that is not directed to the State Aviation Fund will be allocated in FY 2021-22 since the provision that directs proceeds to the General Fund in §12-37-2460 is amended to direct funds to the State Aviation Fund. If this revenue does not go to the General Fund, this bill will result in an additional decrease of \$1,250,000 from the General Fund, resulting in a decrease of at least \$2,500,000 in General Fund revenue in FY 2021-22.

Local Expenditure

N/A

Local Revenue

The revenue shifted to the State Aviation Fund will be used, in part, to assist in obtaining or developing local airport facilities, as required by this bill. Currently, according to the State Aviation website, all counties have at least one airport facility. However, some of these facilities are private and/or not for public use. The amount for each county may vary as the distribution of funds is not specified in the bill.



Frank A. Rainwater, Executive Director