



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number:	S. 0074	Prefiled on December 13, 2016
Author:	Campbell	
Subject:	Motion Picture Incentive Fund Carry-Forward	
Requestor:	Senate Finance	
RFA Analyst(s):	Stein	
Impact Date:	January 9, 2017	

Estimate of Fiscal Impact

	FY 2017-18	FY 2018-19
State Expenditure		
General Fund	\$0	\$0
Other and Federal	\$18,800	\$0
Full-Time Equivalent Position(s)	0.00	0.00
State Revenue		
General Fund	(\$18,800)	\$0
Other and Federal	\$0	\$0
Local Expenditure	\$0	\$0
Local Revenue	\$0	\$0

Fiscal Impact Summary

This bill would have no expenditure impact on the General Fund or Federal Funds. However, this bill diverts approximately \$18,800 of interest earnings annually from the General Fund to the Department of Parks, Recreation and Tourism. This impact may be negated, if certain provisos in the FY 2016-17 Appropriations Act are retained in future appropriations acts.

Explanation of Fiscal Impact

State Expenditure

This bill amends the South Carolina Motion Picture Incentive Act by authorizing the Department of Parks, Recreation and Tourism (PRT) to carry forward both committed and uncommitted funds (from both wage and supplier rebate sources) remaining at year-end into a separate interest-earning account to be used only for motion picture incentives. Additionally, the bill allows these funds (including interest earned) to award either wage or supplier rebates as needed.

Under current law (proviso 49.8) PRT is authorized to expend uncommitted fund balances on film projects, deferred maintenance and capital projects at state parks, marketing/advertising, and welcome centers. This bill would restrict the use of uncommitted carry forward funds to film projects. Under current law PRT retains interest earned only on the portion of uncommitted carry forward funds designated for use at welcome centers. This bill would allow PRT to retain the interest earned on the sum of both committed and uncommitted fund balances carried forward.

Proviso 49.17 authorizes PRT to issue wage rebates and/or supplier rebates from either of the two fund sources (i.e., payroll tax, admissions tax). This bill contains this same provision.

While this bill incorporates provisions from these two provisos, other provisions of the bill (i.e., basis of interest earnings, authorized expenditure categories) may be in conflict with proviso 49.8. To avoid any potential conflict or confusion, clarification between these provisions may be necessary. If the budget provisos are retained in the FY 2017-18 Appropriations Act, the fiscal impact reported for this bill may be negated.

Department of Parks, Recreation and Tourism. The department estimates that the diversion of revenue from the General Fund to PRT might result in additional revenue of approximately \$18,800 annually which the department may expend toward motion picture incentives.

State Revenue

This bill authorizes PRT to retain the interest earned on both committed and uncommitted year-end balances in the motion picture incentive funds. Under current law the interest earned on these funds accrues to the General Fund (excluding the portion set aside for welcome centers). This bill would divert the interest to PRT.

Last year the committed funds carry forward totaled \$3.9 million and the uncommitted funds carry forward totaled \$800,000. Carry forward funds are usually paid out to projects within four months dropping the balances to zero. Based on data from the 2016 year-end SCEIS cash status report, the interest earned by these carried forward balances accruing to the General Fund was 1.2 percent. This equates to approximately \$4,700 per month or \$18,800 over a four-month period. It is estimated that General Fund revenue would be reduced by less than \$18,800 annually.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director