

Statement of Estimated State Revenue Impact

Date: May 25, 2012 (As passed by House A&NR: 05/24/12)

Bill Number: S.B. 1220

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Committee Requesting Impact: House Agriculture and Natural Resources

Bill Summary: A bill to amend Section 48-2-50, as amended, Code of Laws of South Carolina, 1976, relating to fees imposed by the Department of Health and Environmental Control (DHEC) for certain environmental programs, including the Surface Water Withdrawal Program, which are deposited into the Environmental Protection Fund for administration of these programs, so as to enumerate the fees for surface water withdrawal applications and permits that would otherwise have been repealed January 1, 2013; by adding Section 49-4-175 so as to reimpose the fees the DHEC may charge for surface water withdrawal and applications and permits and to provide that the department shall retain these fees to implement and operate the Surface Water Withdrawal Program; and to amend Act 247 of 2010, by repealing provisions that prospectively repeal the imposition of surface water withdrawal permit fees.

REVENUE IMPACT ¹¹

Upon enactment, this bill is expected to maintain a level of \$250,000 in earmarked collections from new environmental fees administered by the Department of Health and Environmental Control (DHEC) in FY 2013-14, based on implementation of these fees in FY 2012-13. Conversely, if not enacted, a sunset date to eliminate the program as of January 1, 2013 would result in a non-recurring loss of \$250,000 from such fees in FY 2013-14. The bill would not impact state General Fund revenue.

Explanation

This bill would sustain the program for surface water withdrawal fees, applications and permits that would otherwise be subject to repeal January 1, 2013 pursuant to Section 3(C) of Act 247 of 2010. Subject to enactment, appropriate fees would be recreated under Chapter 4 of Title 49 at the same fee schedule with commensurate repeal of a comparable schedule now in Section 48-2-50 (H) (8). New Section 49-4-175 (B) would allocate all proceeds to earmarked funds within DHEC for implementation and operation of the Surface Water Permitting and Withdrawal regulatory program.

Program operations are expected to begin on or about June 22, 2012 under regulations recently promulgated by DHEC. These fees would be annually renewable. Approximately \$250,000 in total revenue is expected during the initial application and permitting process in the first six months of FY 2012-13, which is prior to the effective sunset date of January 1, 2013 under current law. Since no funds were budgeted for this program by DHEC, there would be a net increase of \$250,000 in agency earmarked fund revenue over current estimates for environmental fees in FY 2012-13. If the bill is enacted, the program will continue with comparable revenue expected in FY 2013-14. If the bill is not enacted, the program would sunset in January 2013, which would result in a non-recurring revenue loss of \$250,000 in FY 2013-14. As no fee revenue is allocated to the State's General Fund, the bill would not impact General Fund revenue.



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¹¹ This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, or Section 2-7-76 for a local revenue impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.