Statement of Estimated State Revenue Impact

Date: March 8, 2011

Bill Number: H.B. 3159

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Committee Requesting Impact: House Ways & Means Committee

Bill Summary
A bill to amend Act 200 of 2002, relating to the South Carolina Conservation Bank Act, so as to delete a provision which provides that no further deed recording fees or other funds may be credited to the Conservation Bank Trust Fund in any year when a majority of state agency appropriations are reduced in the annual general appropriations Act or when the State Budget and Control Board imposes across the board cuts and instead provide for a reduction on a percentage basis in the amount of deed recording fees which may be transferred to the trust fund.

REVENUE IMPACT
Pursuant to Section 48-59-75, an estimated $7,887,460 due to be transferred to the Conservation Bank were retained in the General Fund in FY2010-11. Because this bill would not take effect until FY2012-13, this bill is not expected to affect General Fund revenue in FY2011-12. The revenue impact in future fiscal years is dependent upon economic conditions.

Explanation
This bill would amend Section 5 of Act 200 of 2002 (Conservation Bank Act) to amend Section 48-59-75 to change the restrictions on the transfer of deed recording fees from the General Fund to the Conservation Bank Trust Fund. Currently, Section 48-59-75 states that in a fiscal year when the General Assembly in the annual general appropriations act provides less appropriations than what was provided for the previous year to at least one-half of the state agencies or departments contained in the act, or in any year when the Budget and Control Board orders across-the-board cuts to state agencies and departments in the manner provided by law, no further transfer of deed recording fees or other appropriated funds, state or local, may be credited to the trust fund for the fiscal year or balance of the fiscal year. During FY2009-10, more than one-half of state agencies or departments were appropriated fewer funds than the previous fiscal year. As a result, monies due the Conservation Bank were retained in the General Fund amounting to an estimated $7,887,460 in FY2010-11. This bill removes the "all-or-none" restriction and would allow the transfer of deed recording fees to the Conservation Bank Trust Fund after being reduced by the average percentage decrease in total general fund appropriations to those agencies receiving such a decrease in that general appropriations act, or by the percentage amount of the across-the-board decrease or decreases imposed by the State Budget and Control Board on all agencies. If both decreases occur, the reduction to the Conservation Bank Trust Fund would be a combination of all decreases. This act first applies with fiscal year 2013 and takes effect upon approval by the Governor.

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"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(8) for an estimate of the shift in local property tax incidence by the Office of Economic Research."