

Statement of Estimated State Revenue Impact

Date: June 6, 2012

Bill Number: S.B. 390 (As passed by Senate: 05/16/12)

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Committee Requesting Impact: Senate Judiciary

Bill Summary: A bill to amend Section 23-3-115, as amended, Code of Laws of South Carolina, 1976, relating to fees for criminal record searches, so as to clarify the definition of charitable organizations which pay a reduced fee to include local park and recreation volunteers through a commission, municipality, or county....
as further amended

REVENUE IMPACT ¹¹

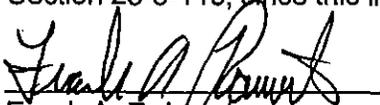
This bill, as adopted by Senate, is expected to raise SLED earmarked funds by \$28,800 in FY 2012-13. The bill is not expected to have an impact on state General Fund revenue.

Explanation: This bill, as amended, adds language to preclude a "charitable organization" from charging a volunteer, mentor, member, or employee more than \$8 (for a state criminal record search) or any additional fee not required by the State Law Enforcement Division (SLED).

Pursuant to S. C. Code Section 23-3-115 and Code of Regulations, the standard charge for SLED to conduct a record search for criminal offenses within this State is \$25. The first \$4,461,000 collected in a fiscal year must go to the State's General Fund, and the balance thereafter is earmarked to SLED for agency operations. In FY 2010-11, the residual retained by SLED amounted to \$6,052,502. A reduced search fee of \$8 applies to churches and certain nonprofits, to include requests on local recreation volunteers by a special purpose commission. The amendment extends the discounted rate to background checks for parks and recreation (P&R) volunteers as requested by a municipality or county.

A staff survey of current practice for background checks on applicable volunteers by selected special purpose commissions and local jurisdictions revealed private vendors are often used in lieu of SLED, despite current and/or proposed availability of an \$8 fee for an in-state search. This results, in part, from an attractive price point range from \$14 to \$20 for a comprehensive regional or national database search, to include sex registries and verification of local court records for all address/social security number (SSN) 'hits.' The alternative cost for a basic address/SSN match can be as low as \$6. Another factor underpinning use of a private vendor and not SLED is direct promotion to member groups by recreational/religious associations. While a few municipalities expressed likelihood to opt for the \$8 SLED search as sufficient for local high school and college-aged seasonal P&R volunteers that are state residents, we expect only a marginal gain of 1,800 statewide in FY 2012-13. Those religious groups surveyed also were more apt to choose private vendors for checks on permanent staff/volunteers based on scope of report and referral by an affinity group. As with P&R, there is some support by churches to select SLED for After School, Bible Camp and other youth programs, which parallels the \$8 fee for a background check by the Department of Social Services (DSS) for a church child care center. We expect a comparable total of 1,800 new searches, at \$8, by churches in FY 2012-13.

In summary, respondents indicated search fees were paid by the agency and not by the respective volunteer. We therefore expect marginal net impact from capping the search fee at no more than \$8 when payable by employee/mentor/volunteer. Multiplying a combined total of 3,600 new searches at the reduced rate of \$8 yields \$28,800 in FY 2012-13. We therefore expect the amended bill would raise SLED earmarked funds by \$28,800 in FY 2012-13. The bill would not otherwise apply to transfers to the State's General Fund under Section 23-3-115, since this increase only impacts residual funds retained by SLED over that base amount.


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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.