

# South Carolina Board of Economic Advisors

## Statement of Estimated State Revenue Impact

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**Date:** April 1, 2009

**Bill Number:** H.B. 3294

**Author:** A.D. Young, Simrill and T.R. Young **Committee Requesting Impact:** House W&M

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### Bill Summary

A bill to amend the Code of Laws of South Carolina, 1976, by adding Section [23-23-125](#) so as to provide that for the current fiscal year, an additional five dollar surcharge to fund infrastructure improvements at the South Carolina Criminal Justice Academy on all fines, forfeitures, escheatments, and other monetary penalties must be imposed for certain offenses, to provide a procedure for the collection and distribution of the surcharge revenues, and to provide that the State Treasurer may request the State Auditor to examine the financial records of jurisdictions that collect the surcharges.

### REVENUE IMPACT <sup>1/</sup>

This bill is expected to raise earmarked funds of the SCCJA by \$4,125,000 in FY 2009-10. The bill would have no impact on state General Fund revenue.

### Explanation

This bill puts into permanent statutory law a new \$5 surcharge on all fines, forfeitures, escheatments, or other monetary penalties imposed for misdemeanor traffic offenses or nontraffic violations in general sessions, magistrates or municipal courts in this State. No portion of the surcharge may be waived, reduced, or suspended. All proceeds are to be credited to earmarked funds of the S. C. Criminal Justice Academy (SCCJA) to fund infrastructure improvements at the Academy.

This surcharge would be in addition to a \$5 surcharge on similar court judgments currently in effect in FY 2008-09, as temporary law, under Part 1B Proviso 90.11 of Act 310 of 2008. Proceeds from that surcharge support training programs of the SCCJA.

While the bill's effective date is upon enactment, this analysis uses July 1, 2009 as date to commence collections, based on normal timeline to implement a new court surcharge. Since reports lag actual collections by one month, receipts in the initial year would apply to eleven months of collections. As such, we estimate a net yield of 825,000 surcharges in FY 2009-10. Multiplying 825,000 times \$5 yields \$4,125,000 in new surcharge revenue. This bill would therefore raise earmarked funds within the CJA by \$4,125,000 in FY 2009-10. Since no revenue is allocated to the state's General Fund, the bill would not impact General Fund revenue.

/s/ William C. Gillespie

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