

South Carolina Board of Economic Advisors

Statement of Estimated State Revenue Impact

Date: May 12, 2009 **Bill No:** S. B. 652 (As amended 05/07/09 in subcommittee)

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Committee Requesting Impact: Senate Judiciary

Bill Summary

A bill to amend the Code of Laws of South Carolina, 1976, by adding Section [33-56-75](#) so as to require professional fundraising counsel, professional solicitors and commercial co-venturers to maintain lists of donors from campaigns and solicitations conducted by the solicitor; to provide that these lists are the property of the charitable organization; to restrict the use of donor lists by the campaign solicitor; and to provide civil penalties for violations. **(as further amended)**

REVENUE IMPACT ^{1/}

We expect the bill, as amended, would raise penalty revenue allocated to earmarked funds of the Secretary of State (SOS) by \$13,000, and also raise Departmental Revenue within the state General Fund by \$13,000 in FY 2009-10.

Explanation

This bill, as amended, establishes ownership of donor list info compiled from fundraising campaigns of applicable charitable organizations in this State. It creates rules to restrict dissemination of pertinent data in these donor lists and provides a civil penalty of \$100 for each day of noncompliance, not to exceed \$25,000 for each violation, by a professional fundraising counsel, professional solicitor, or commercial co-venturer, as applicable. Currently, the first \$200,000 in admin fines collected under Chapter 56 of Title 33 are to be retained as earmarked funds of the SOS, and any excess goes to the state's General Fund. The amendment adds language such that all civil penalties imposed under new Section 33-56-75 would be apportioned at 50% to earmarked funds of the SOS and 50% to the General Fund.

The imposition of a penalty is subsequent to administrative due process by the SOS, and may require a decision by an Administrative Law Judge or final action resulting from appeal to state Appellate Court. As such, we expect revenue in the initial year would come from those parties accepting quick resolution by administrative means. Thus, we expect a first-year scenario of 26 total fines for noncompliance at an average of 10 days per violation to yield \$26,000 (26 fines X 10 days X \$100). Of this \$26,000, equal proceeds of \$13,000 would be respectively allocated to earmarked funds of the SOS and to Departmental Revenue within the state's General Fund in FY 2009-10.

/s/ William C. Gillespie

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^{1/} 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).