South Carolina Board of Economic Advisors
Statement of Estimated State Revenue Impact

Date: January 27, 2010

Bill Number: H.B. 4269

Authors: Herbkersman and Wylie

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, and to extend the expiration date of the provisions of law relating to the Conservation Bank Act and other related dates pertaining to the closure of the Conservation Bank Act and Conservation Bank Fund.

REVENUE IMPACT [1/]

This bill would increase General Fund revenue by $858,034 in FY2009-10 if enacted before the close of the fiscal year. 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 therein 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. 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. Proviso 43.1 in the FY2009-10 Appropriations Act allows for the transfer of deed recording fees to the Conservation Bank Trust Fund by suspending the provisions of Sections 12-24-95 and 12-24-97. The BEA estimate of the transfer of General Fund revenue to the Conservation Bank is $9,491,529 in FY2009-10. During FY2009-10, the State Budget and Control Board imposed across-the-board cuts of 4.04% on September 3, 2009 and 5.0% on December 15, 2009 for a total of 9.04% of across-the-board reductions to state agency budgets affecting more than one-half of all state agencies or departments. Because of these cuts and language contained in Section 48-59-75, the transfer of deed recording fee revenue to the Conservation Bank Trust Fund would be reduced by 9.04%, or $858,034, in FY2009-10. This act first applies with fiscal year 2010 and takes affect upon approval by the Governor. This bill also extends the date of repeal of the Conservation Bank Trust Fund for ten years from July 1, 2013 to July 1, 2023.

William Gillespie

William C. Gillespie, Ph.D.
Chief Economist

Analyst: Martin

[1/] 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.