

# Statement of Estimated State Revenue Impact

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**Date:** March 5, 2011  
**Bill Number:** S.B. 48  
**Authors:** McConnell and Campsen

**Committee Requesting Impact:** Senate Finance Committee

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## 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 <sup>1/</sup>

This bill would decrease General Fund documentary stamp tax revenue by an estimated \$6,020,498 in FY2010-11 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 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. 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. The provisions of this section would begin with FY2010-11.

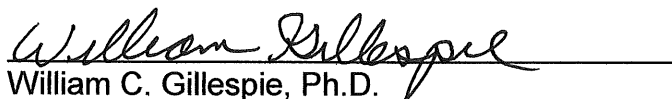
The BEA estimate of the transfer of General Fund revenue to the Conservation Bank is \$7,887,460 in FY2010-11. These funds, however, remained in the General Fund pursuant to Section 48-59-75, because more than one-half of state agencies had their appropriations

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reduced compared to the previous year. Also, there were no across-the-board reductions to state agencies ordered by the Budget & Control Board. In the FY2010-11 Appropriation Act, the General Assembly provided fewer appropriations than what was provided for the previous year to more than one-half of the state agencies or departments contained in the act. According to the FY2010-11 Appropriation Act, of the state agencies and departments that received reduced appropriations than the prior fiscal year, the average amount of appropriations was 23.67% lower. This bill, if enacted before the close of FY2010-11 would reduce General Fund documentary stamp tax revenue collections by an estimated \$6,020,498 in FY2010-11. An estimated \$1,866,962, or 23.67% of \$7,887,460, would remain in the General Fund in FY2010-11. The revenue impact in future fiscal years is dependent upon economic conditions.

This act first applies with fiscal year 2011 and takes effect 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, unless reenacted or extended by the General Assembly. The Conservation Bank may continue to operate until the Trust Fund is exhausted or July 1, 2026, whichever occurs first. Any balance in the Trust Fund on July 1, 2026 reverts to the state General Fund.

  
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<sup>11</sup> 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.