

Statement of Estimated State Revenue Impact

Date: May 18, 2011

Bill Number: S. B. 766

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Committee Requesting Impact: House LCI

Bill Summary

A bill to amend Section (§)33-49-46, Code of Laws of South Carolina, 1976, relating to distribution of excess revenue to South Carolina's electric cooperatives' members, so as to allow South Carolina electric cooperatives to advocate energy efficiency and renewable energy initiatives in this state and to provide clarity to patronage capital procedures; to amend §27-18-20, as amended, Code of Laws of South Carolina, 1976, relating to definitions of terms used in the Uniform Unclaimed Property Act, so as to exempt electric cooperative patronage capital from the uniform unclaimed property act; and to amend §27-18-30, as amended, Code of Laws of South Carolina, 1976, relating to property that is presumed abandoned pursuant to the Uniform Unclaimed Property Act, so as to remove electric cooperative patronage capital from the statute. **as further amended**

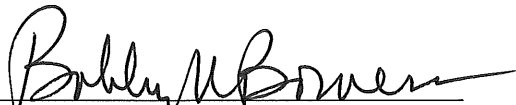
REVENUE IMPACT ^{1/}

This bill is expected to reduce transfers of Unclaimed Property Fund revenue to the state General Fund by \$540,939 in FY 2011-12.

Explanation

This bill revises provisions whereby the bylaws of South Carolina's electric and telephone cooperatives would now apply the "business judgment rule" to determine procedures for the contribution, allocation and retirement of patronage capital. Specifically, the amended bill exempts patronage capital credits of electric and telephone cooperatives from provisions of the Uniform Unclaimed Property Act for those members whose last known address is in South Carolina. Under current law patronage allocations, as net of processing charges, that are not claimed by the owner for more than seven years after becoming payable or distributable are presumed abandoned and revert to the state's General Fund. The exemption would apply to patronage capital determined to be unclaimed as of the effective date of this act. That date is upon signature of the Governor.

Based on data from the Office of the State Treasurer (STO) comparing current and proposed distributions of patronage capital credits at full compliance, we expect a net loss in unclaimed property transfers previously applicable to patronage capital credits of \$540,939 in FY 2011-12. This bill would therefore reduce Unclaimed Property Fund revenue within the state's General Fund by \$540,939 in FY 2011-12.



Bobby M. Bowers
Director

Analyst: Di Biase

^{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).