



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: H. 3868 As amended by House Ways and Means on April 23, 2015
 Author: Pitts
 Requestor: House Ways and Means
 Date: April 27, 2015
 Subject: Wetlands Conservation Act
 RFA Analyst(s): Wren and Stein

Estimate of Fiscal Impact

	FY 2015-16	FY 2016-17
State Expenditure		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
Full-Time Equivalent Position(s)	0.00	0.00
State Revenue		
General Fund	N/A	N/A
Other and Federal	Up to \$3,685,767	N/A
Local Expenditure	N/A	N/A
Local Revenue	N/A	N/A

Fiscal Impact Summary

This amendment would have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

The provision requiring the Conservation Bank to transfer an amount in excess of the agency's authorized appropriation from the Conservation Bank Trust Fund to the Department of Natural Resources is expected to reallocate up to \$3,685,767 in Other Funds revenue. There would be no revenue impact on the General Fund or Federal Funds.

Explanation of Fiscal Impact

State Expenditure

Explanation of Bill filed March 18, 2015

House Bill 3868 amends Section 48-59-60, relating to the Conservation Bank Trust Fund, by requiring the Conservation Bank (agency) to transfer an amount in excess of the agency's authorized appropriation from the Trust Fund to the Department of Natural Resources. The bill amends Section 48-59-70 by authorizing grants from the Trust to include isolated wetlands, Carolina Bays, and Wildlife Management Areas (WMA) owned and managed by the Department of Natural Resources in the eligibility criteria. The bill also authorizes up to eight and one-third percent of the monies in the Trust for acquisition and maintenance projects on WMA lands. The bill limits grant awards to lands of historical or archaeological significance by requiring that they also meet other criteria. The bill provides that when the General Assembly reduces agency appropriations to less than what was appropriated in the previous year, the State deed recording

fees transferred to the Conservation Bank and other appropriated funds shall be decreased by twice the average percentage reduction applied to other agencies.

The South Carolina Conservation Bank and the Department of Natural Resources report that this bill would have no expenditure impact on the General Fund or Federal Funds. There would be an expenditure impact on Other Funds of the Department of Natural Resources (DNR), as the bill transfers funds from the Conservation Bank Trust Fund to DNR for various projects.

State Revenue

Explanation of Amendment (April 23, 2015) – By the House Ways and Means Committee

This amendment deletes Section 2 of the original bill, which states that an additional five cents of the one dollar thirty cent state deed recording fee must be credited to the South Carolina Conservation Bank Trust Fund. Additionally, this amendment deletes Section 6 of the original bill, which provides that when the General Assembly reduces agency appropriations to less than what was appropriated in the previous year, the deed recording fees transferred to the Conservation Bank and other appropriated funds shall be decreased by twice the average percentage reduction applied to other agencies. The provision requiring the Conservation Bank to transfer an amount in excess of the agency's authorized appropriation from the Trust Fund to the Department of Natural Resources for the operation and management of Wildlife Management Areas still applies.

Based on revenue data, the Conservation Bank revenue for FY 2015-16 is estimated at \$13,546,000. The FY 2015-16 Appropriation Act as passed by the House of Representatives lists \$9,860,233 in total funds available for the Conservation Bank. Therefore, up to \$3,685,767 in Other Funds revenue of the Conservation Bank would be reallocated to the Department of Natural Resources.

State Revenue

Explanation of Bill filed March 18, 2015

This bill amends Section 12-24-95 by increasing the amount of the deed recording fee allocated to the South Carolina Conservation Bank Trust Fund (Trust) from twenty-five cents to thirty cents. This reduces the current seventy-five cent allocation to the General Fund to seventy cents in FY 2015-16. The current allocations credited to the Heritage Land Trust Fund and the South Carolina Housing Trust Fund are not affected. Also, this bill requires the Conservation Bank to transfer funds that are in excess of the amount authorized in the annual Appropriations Act to the Department of Natural Resources for operation and management of Wildlife Management Areas.

Based on revenue data, \$11,341,147 in state deed recording fees was credited to the Trust and \$35,383,672 was credited to the General Fund in FY 2013-14. Since this bill reallocates five cents of the deed recording fee from the General Fund to the Trust, we estimate Other Funds revenue of the Trust will increase by \$2,336,241, and General Fund revenue will be reduced by \$2,336,241 in FY 2015-16.

Based on revenue data, the Conservation Bank revenue for FY 2015-16 is estimated at \$13,546,000. The FY 2015-16 Appropriation Act as passed by the House of Representatives lists \$9,860,233 in total funds available for the Conservation Bank. Therefore, \$3,685,767 in

Other Funds revenue of the Conservation Bank will be reallocated to Other Funds of the Department of Natural Resources.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director