



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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Bill Number: H. 3868  
 Author: Pitts  
 Requestor: House Ways and Means  
 Date: April 20, 2015  
 Subject: Wetlands Conservation Act  
 RFA Analyst(s): Wren and Stein

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**Estimate of Fiscal Impact**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>State Expenditure</b>		
General Fund	\$0	N/A
Other and Federal	See below	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	(\$2,336,241)	N/A
Other and Federal	\$2,336,241	N/A
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

This bill would have no expenditure impact on the General Fund or Federal Funds. However, Other Fund expenditures will be impacted since this bill transfers funds from the Conservation Bank Trust Fund to the Department of Natural Resources in an amount in excess of the Conservation Bank’s annually authorized expenditure appropriation.

This bill would reallocate \$2,336,241 in revenue from the General Fund to Other Funds of the Conservation Bank Trust Fund in FY 2015-16. Additionally, depending upon the General Assembly’s appropriation to the Conservation Bank, as much as \$3,685,767 in Other Funds revenue of the Conservation Bank would be reallocated to Other Funds of the Department of Natural Resources in FY 2015-16. There would be no revenue impact on Federal Funds.

**Explanation of Fiscal Impact**

**State Expenditure**

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**

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

  
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Frank A. Rainwater, Executive Director