



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: S. 0078
 Author: Massey
 Requestor: Senate Finance
 Date: January 20, 2015
 Subject: Forfeited Lands Emergency Development Act
 RFA Analyst(s): Jolliff and Wren

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	N/A	N/A
Local Expenditure	\$0.00	\$0.00
Local Revenue	Undeterminable	N/A

Fiscal Impact Summary

This bill will not impact State expenditures or revenues. The bill is not expected to significantly impact local expenditures as long as proceeds from the sale of forfeited lands are sufficient to cover payments on any issued special revenue bonds. For those counties that do elect to use the provisions of the bill, sales of forfeited lands may be accelerated but would not likely alter the total local revenue impact for a county over time. Due to the permissive nature of the bill and the many uncertain factors that could potentially alter the timing of the local revenue impact, we are unable to determine if there will be any accelerated local revenue impact as a result of the bill.

Explanation of Fiscal Impact

State Expenditure

N/A

State Revenue

N/A

Local Expenditure

The Revenue and Fiscal Affairs Office contacted twenty-five county governments concerning the impact of this bill. Charleston, Florence, and Richland Counties responded and indicate there would be no significant impact to county governments as long as proceeds from the sale of forfeited lands are sufficient to cover payments on any issued special revenue bonds.

Local Revenue

This bill creates the Forfeited Lands Emergency Development Act, which would allow local governments special provisions for disposing of properties held by the counties' forfeited lands commissions. In order for a county to use the provisions of this bill, the county council and the county's forfeited land commission must petition its legislative delegation and show that the properties bid into the commission have a significant adverse effect on county ad valorem tax and a significant adverse effect on economic development. If the delegation approves the petition, the forfeited land commission would then be able to establish a revolving fund to pay for legal and other expenses as follows: compensation of a secretary to the commission, payment of legal expenses to accept or reject a property and to obtain clear title to properties, payment of a real estate commission, and advertising the sale of the forfeited lands. The county council would also be permitted to issue special revenue bonds for the purpose of the initial funding of the revolving fund. Payment of the revenue bonds would be from the sale of the forfeited lands.

The impact of this bill on local revenue will depend upon the number of counties that elect to use this provision, the value of land bid into the forfeited land commission for those counties, and the ultimate sale of the forfeited lands. Currently, counties have the ability to dispose of properties held by the forfeited land commission. Based upon a limited number of responses, few counties anticipate using the provisions of this bill. For those counties that do elect to use these provisions, the bill may accelerate the sale of forfeited lands but would not likely alter the total revenue impact for a county over time. Due to the permissive nature of the bill and the many uncertain factors that could potentially alter the revenue impact, we are unable to determine the timing of any accelerated revenue impact as a result of the bill.



Frank A. Rainwater, Executive Director