



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: S. 0563
 Author: Sheheen
 Requestor: Senate Finance
 Date: March 26, 2015
 Subject: Revenue and Fiscal Affairs Office
 RFA Analyst(s): Shuford

Estimate of Fiscal Impact

	FY 2015-16	FY 2016-17
State Expenditure		
General Fund	\$0	N/A
Other and Federal	\$0	N/A
Full-Time Equivalent Position(s)	0.00	0.00
State Revenue		
General Fund	\$0	N/A
Other and Federal	\$0	N/A
Local Expenditure	N/A	N/A
Local Revenue	N/A	N/A

Fiscal Impact Summary

Senate Bill 563 will have no expenditure or revenue impact on the General Fund, Federal Funds, or Other Funds.

Explanation of Fiscal Impact

State Expenditure

This bill amends various statutes affecting the Revenue and Fiscal Affairs Office to allow the office to organize in a more efficient manner to carry out its duties and responsibilities. A detailed summary by section follows below.

Section 1 amends the Revenue and Fiscal Affairs Office (RFA) enabling legislation to clarify the organization, structure, and duties of the board. Appointments to the board are specified along with the responsibility to unanimously select an Executive Director, who serves a four-year term. Reporting duties are enumerated for the RFA board that were previously under the Board of Economic Advisors (BEA) enabling statutes. Assisting the General Assembly on matters relating to precinct boundary development and review is assigned to RFA rather than the Office of Precinct Demographics. RFA is required to assist the General Assembly with the development of the annual appropriations act.

Section 2 is amended to clarify that the RFA board appoints the Executive Director, not the BEA. The members of the BEA must be the same individuals appointed to the RFA board in

Section 11-9-1120. Data reports from the Department of Commerce and the Department of Revenue are provided to RFA since many RFA working groups utilize these data.

Section 3 specifies that RFA staff be supplemented by professionals from the following officials: the Governor's Office, the Chairman of the House Ways and Means Committee, the Chairman of the Senate Finance Committee, and the Director of the Department of Revenue in order to solicit their input on BEA forecasts and monthly revenue analysis. Existing code sections are clarified by naming the RFA board rather than the BEA to monitor and evaluate total revenue and expenditures, meet quarterly, and speak as one voice through the chairman on economic activity.

Section 4 amends Section 11-9-880 to change the date of the November Board of Economic Advisors initial forecast from November tenth to November fifteenth. Adjustments to the forecast will be considered on December and January fifteenth rather than the tenth of each month. This amendment changes all forecast dates to the fifteenth of the month for consistency and to acknowledge that revenue data are generally not available by the tenth of the month without special efforts by the Department of Revenue and the Offices of the Comptroller General and the State Treasurer.

Section 5 deletes obsolete language.

Section 6 amends provisions relating to fiscal impact statements to conform the language to changes made in Act 121 of 2014. These amendments require that the fiscal impact be signed or certified by the Executive Director of RFA or his designee. The amendment to Section 2-7-73 transfers responsibility for the financial impact analysis of bills mandating health coverage to the Department of Insurance.

Section 7 amends Section 4-10-790 to require the Department of Revenue to provide sales tax data on gross receipts, net taxable sales, and tax liability by taxpayer to the State Treasurer and local political subdivisions upon request in order to calculate revenue from a local option sales tax. RFA will provide technical assistance to the local governments in calculating potential revenue distributions.

Section 8 changes the due date for counties and municipalities to submit financial data to RFA from January fifteenth to March fifteenth. This is requested to assist local governments. The section also corrects a reference requiring RFA to notify the State Treasurer that a county or municipality has failed to file its annual financial report. If the financial report is unfiled, the State Treasurer must withhold ten percent of Aid to Subdivisions appropriations to the local government until the report is filed.

Section 9 amends two appointments made by the Governor to the South Carolina 911 Advisory Committee. The first appointment replaces a director of a division of the State Budget and Control Board with an individual with technical or operational knowledge of the E-911 system who is appointed by the Executive Director of RFA. The second appointment language is amended to allow the Executive Director of RFA or his designee to be appointed to the advisory committee.

Section 10 pertains to the appointments to the Data Oversight Council in Section 44-6-170. The amendment deletes the appointments of a representative of the Human Services Coordinating Council and the chairman or his designee of the State Health Planning Committee. These two entities do not exist anymore. This section also names RFA rather than the Office of Research and Statistics as the agency responsible for promulgating regulations and providing staff assistance to the Data Oversight Council.

Section 11 repeals Section 1-11-360, the responsibilities for which are contained in Section 11-9-1130 in Section 1 of this bill and is, therefore, unnecessary. Section 11 also repeals Section 2-7-62 that required RFA at each stage of the consideration of the annual general appropriations act to submit a report to the General Assembly on the transfer of funds resulting from the transfer of programs, functions, or responsibilities between agencies of state government. Responsibility for this report was transferred from the State Auditor's Office in 1981 and has never been requested.

Section 12 requires the Code Commissioner to change or correct all references to the Office of Research and Statistics to the Revenue and Fiscal Affairs Office.

Section 13 makes the changes in this bill effective on July 1, 2015.

In summary, Senate Bill 563 will have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

State Revenue

This bill will have no revenue impact on the General Fund, Federal Funds, or Other Funds.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director