



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: H. 3653 Introduced on February 2, 2017
Author: Forrester
Subject: Manufacturing or Industrial Facilities
Requestor: Senate Labor, Commerce, and Industry
RFA Analyst(s): Heineman
Impact Date: March 31, 2017

Estimate of Fiscal Impact

	FY 2017-18	FY 2018-19
State Expenditure		
General Fund	Undetermined	\$0
Other and Federal	\$0	\$0
Full-Time Equivalent Position(s)	0.00	0.00
State Revenue		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Local Expenditure	Undetermined	\$0
Local Revenue	\$0	\$0

Fiscal Impact Summary

The bill's impact on General Fund expenditures for the Judicial Department is undetermined as the number of nuisance lawsuits is unavailable. There is no expenditure impact on Other Funds or Federal Funds.

The impact on local government expenditures is undetermined due to lack of responses from counties and municipalities and lack of data regarding nuisance lawsuits and complaints statewide.

Explanation of Fiscal Impact

Introduced on February 2, 2017

State Expenditure

This bill creates a new chapter in Title 31 regarding nuisance suits for manufacturing and industrial property. Manufacturing or industrial facilities are defined as any facility that operates under North American Industry Classification System codes 31-33 and 48-49 including, but not limited to, any land, building, structure, pond, impoundment, appurtenance, machinery, or equipment used for manufacturing, processing, distribution, warehousing, and technology intensive operations. A manufacturing or industrial facility, or expansion of such a facility, may not be found to be a public or private nuisance if it is operating pursuant to the issuance of requisite licenses, permits, certifications, or authorizations under applicable federal and state environmental law and commenced operations before a change in the land use in the vicinity of the manufacturing or industrial facility.

Additionally, a manufacturing or industrial facility is protected pursuant to the provisions of this section may reasonably expand its operation or facilities without losing its protected status if all county, municipal, state, and federal environmental codes, laws, or regulations are met by the manufacturing or industrial operation. Once the protected status is acquired, it is assignable, alienable, and inheritable, and may not be waived by the temporary cessation of operation or by diminishing the size of the operation. Further, a city, county, taxing district, or other political subdivision may not adopt an ordinance or resolution that declares a manufacturing or industrial facility, or an expansion of such a facility that is operated in accordance with this chapter to be a nuisance, nor may a zoning ordinance that requires abatement or forces the closure of a manufacturing or industrial facility be adopted. Such an ordinance is void and has no force or effect. This bill does not apply to any nuisance complaint or lawsuit commenced within one year of the effective date of this bill.

South Carolina Judicial Department. The department indicates the curtailing of nuisance lawsuits may lead to fewer nuisance lawsuits being filed in Common Pleas court. However, there is no data readily available on the number of nuisance lawsuits filed. Therefore, the bill's expenditure impact on General Fund expenditures for the Judicial Department is undetermined. There is no expenditure impact on Other Funds or Federal Funds.

State Revenue

N/A

Local Expenditure

The Revenue and Fiscal Affairs Office contacted twenty-three county governments and the Municipal Association of South Carolina regarding the impact of the bill. Three counties and two municipalities responded. Clarendon and Lancaster Counties reported this bill will have no fiscal impact since they received only a few nuisance complaints against manufacturing and industrial facilities combined. Florence County stated they have not received nuisance complaints related to manufacturing or industrial sites, and this bill will have no fiscal impact. Bluffton and Hartsville stated there would be no fiscal impact.

The bill is not expected to impact local government expenditures for the three counties and two municipalities who responded. However, the overall impact statewide is undetermined given the limited number of responses and lack of data regarding nuisance lawsuits and complaints statewide.

Local Revenue

N/A



Frank A. Rainwater, Executive Director