



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: H. 4627 Introduced on January 16, 2018
Author: Pitts
Subject: Industrial Hemp Program
Requestor: House Agriculture, Natural Resources, and Environmental Affairs
RFA Analyst(s): A. Martin
Impact Date: January 29, 2018

Estimate of Fiscal Impact

	FY 2018-19	FY 2019-20
State Expenditure		
General Fund	\$0	\$0
Other and Federal	Undetermined	\$0
Full-Time Equivalent Position(s)	0.00	0.00
State Revenue		
General Fund	\$0	\$0
Other and Federal	\$71,500	\$0
Local Expenditure	\$0	\$0
Local Revenue	\$0	\$0

Fiscal Impact Summary

This bill is expected to increase Other Fund revenue by \$71,500 in FY 2018-19 because it increases the number of industrial hemp permits allowed by the Department of Agriculture (SCDA). This bill is expected to increase Other Funds expenditures for the issuance of the additional licenses. However, the increase in expenditures is undetermined. This bill will have no impact on the General Fund or Federal Funds.

Explanation of Fiscal Impact

Introduced on January 16, 2018

State Expenditure

This bill authorizes the Department of Agriculture to approve an unlimited number of applications for industrial hemp permits and specifies that permits be renewed annually. Current law limits the number of permits to twenty in the first year of the South Carolina Industrial Hemp Pilot Program, and forty permits in the second and third years. In subsequent years, the Department of Agriculture evaluates the program to determine the appropriate number of permits to be issued. The department anticipates additional expenditures due to the increase in the number of permits issued. However, pending a detailed breakdown of expected costs, the Other Fund expenditure impact is undetermined.

This bill also establishes the South Carolina Hemp Advisory Committee to assist the department in developing the industrial hemp industry. The committee will be comprised of nine members and will hold a minimum of two meetings each year. Members will not receive a salary, but will receive per diem and subsistence allowance. Based on the assumption of two meetings per year,

this section is expected to increase Other Fund expenditures by \$1,080 in FY 2018-19, dependent upon availability of earmarked funds. This bill will have no expenditure impact on the General Fund or Federal Funds.

State Revenue

This bill authorizes the department to issue an unlimited number of industrial hemp permits to be renewed annually. Application, registration, and renewal fees are retained by the department for the purposes of administering the program. Based on the number of applications received in the first year of the program, the department anticipates issuing approximately 130 permits in FY 2018-19. The department charges an application fee of \$50, registration fee of \$500, and an annual renewal fee of \$500. This bill is expected to increase Other Fund revenue by \$71,500 in FY 2018-19 and each year after. This bill will have no revenue impact to the General Fund or Federal Funds.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director