



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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**Bill Number:** S. 0269 Introduced on January 24, 2017  
**Author:** Gambrell  
**Subject:** Insurance Fraud Division of the Office of Attorney General  
**Requestor:** Senate Banking and Insurance  
**RFA Analyst(s):** Gardner and Gable  
**Impact Date:** February 17, 2017

**Estimate of Fiscal Impact**

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

**Fiscal Impact Summary**

This bill would increase the General Fund expenditures for the Attorney General’s (AG) Insurance Fraud Division and the State Law Enforcement Division (SLED) investigative services by \$100,000 each. The General Fund revenue credited to the AG and SLED would not reduce the General Fund, but it would reduce the amount the General Assembly would have available to appropriate from the General Fund for other purposes.

**Explanation of Fiscal Impact**

**Introduced on January 24, 2017**

**State Expenditure**

This bill increases the minimum appropriation to the Insurance Fraud Division of the Office of the AG and SLED investigative services to \$400,000. This is an increase of \$200,000. The appropriation would be split equally between the two agencies. The appropriation would be derived from insurance premium taxes collected by the Department of Insurance and from fines assessed under §§ 38-55-170 and 38-55-540 for presenting false insurance claims, or making false statements or misrepresentations to obtain undeserved economic benefit. The additional \$200,000 credited to the AG and SLED currently is credited to the General Fund for appropriation by the General Assembly.

As the Department of Insurance already collects the insurance premium taxes, the bill does not fiscally or operationally impact the Department of Insurance. Therefore, there is no expenditure impact on the General Fund, Other Funds or Federal Funds for the Department of Insurance. The remainder of the appropriation is generated from fines on criminal violations, which are already

collected by the courts and remitted in accordance with law. Therefore, there is no expenditure impact on the General Fund, Other Funds, or Federal Funds.

**Attorney General.** This bill increases the appropriation for the AG's Insurance Fraud Division by \$100,000. The appropriation is derived from the insurance premium tax and certain insurance fines. This appropriation would increase the General Fund revenue for the AG's Office to be used in the Insurance Fraud Division. We expect that the General Fund expenditures would increase by a corresponding amount in FY 2017-18.

**State Law Enforcement Division.** This bill increases the appropriation to the investigation services of SLED by \$100,000. This appropriation is derived from the insurance premium tax and certain insurance fines. This appropriation would increase the General Fund revenue for SLED to be used in investigative services. SLED anticipates that all of the funds would be expended to support the four agent insurance unit, resulting in an increase in the General Fund expenditures of a corresponding amount in FY 2017-18.

**State Revenue**

This bill increases the minimum appropriation from \$200,000 to \$400,000 for the AG's Insurance Fraud Division and SLED investigative services. The change in the appropriation would increase the General Fund revenue for the AG and SLED by \$100,000 each, for a total of \$200,000, in FY 2017-18. The General Fund revenue credited to the AG and SLED would not reduce the General Fund, but it would reduce the amount the General Assembly would have available to appropriate from the General Fund for other purposes. Therefore, this bill would not have a revenue impact on the General Fund.

**Local Expenditure**

N/A

**Local Revenue**

N/A



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Frank A. Rainwater, Executive Director