



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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*This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.*

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**Bill Number:** S. 1106    Introduced on March 1, 2022  
**Author:** Peeler  
**Subject:** Reserve Funds  
**Requestor:** Senate Finance  
**RFA Analyst(s):** Miller  
**Impact Date:** March 8, 2022

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### **Fiscal Impact Summary**

This joint resolution proposes an amendment to the State Constitution to increase the General Reserve Fund from 5 percent to 7 percent of the general fund revenue of the last complete fiscal year. Additionally, the resolution proposes a second amendment to increase the Capital Reserve Fund from 2 percent to 3 percent and to allow the Capital Reserve Fund to be used to offset a revenue shortfall before mandating a reduction in appropriations. The proposed amendments must appear on the ballot at the next general election.

This joint resolution will have no expenditure impact. The State Election Commission can manage any additional responsibilities to add this proposed constitutional change to the ballots within existing appropriations.

This joint resolution will have no revenue impact as additional enacting legislation will be necessary after the constitutional amendment before any revenue impact will occur.

### **Explanation of Fiscal Impact**

#### **Introduced on March 1, 2022**

#### **State Expenditure**

This joint resolution proposes an amendment to the State Constitution to increase the General Reserve Fund from 5 percent to 7 percent of the general fund revenue of the last complete fiscal year. Additionally, the resolution proposes a second amendment to increase the Capital Reserve Fund from 2 percent to 3 percent and to allow the Capital Reserve Fund to be used to offset a revenue shortfall before mandating a reduction in appropriations. Currently, the Capital Reserve Fund must be used to replenish the General Reserve Fund and must not be used to offset a midyear budget reduction. The proposed amendments must appear on the ballot at the next general election.

The State Election Commission will ensure that the proposed amendments appear on the ballots at the next general election and produce handouts and posters related to this proposal. The agency anticipates the cost associated with the additional responsibilities from this joint resolution will be minimal and can be managed with existing staff and within existing

appropriations. Therefore, this bill will have no expenditure impact for the State Election Commission.

**State Revenue**

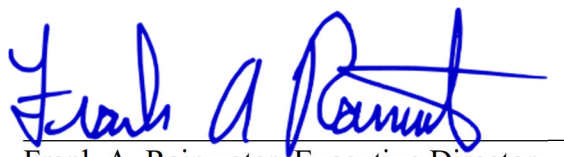
This joint resolution proposes an amendment to the State Constitution to increase the General Reserve Fund from 5 percent to 7 percent of the general fund revenue of the last complete fiscal year. Further, the resolution proposes a second amendment to increase the Capital Reserve Fund from 2 percent to 3 percent and to allow the Capital Reserve Fund to be used to offset a revenue shortfall before mandating a reduction in appropriations. Additional legislation will be necessary after the constitutional amendments before any revenue impact may occur. Therefore, this joint resolution will have no revenue impact.

**Local Expenditure**

N/A

**Local Revenue**

N/A



Frank A. Rainwater, Executive Director