



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: H. 3714
 Author: Duckworth
 Requestor: House Medical, Military, Public, and Municipal Affairs
 Date: March 6, 2015
 Subject: Incorporation of municipalities
 RFA Analyst(s): Wren

Estimate of Fiscal Impact

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

Fiscal Impact Summary

This bill is expected to have a minimal expenditure impact on municipal governments and Other Funds of the Secretary of State’s Office in FY 2015-16. There will be no impact on the General Fund or Federal Funds.

Explanation of Fiscal Impact

State Expenditure

This bill adds Article 3 to Chapter 1, Title 5, which provides that a municipality whose population drops below three hundred must show that it is maintaining municipal services at an adequate level to maintain its certificate of incorporation. Additionally, the review of a municipality’s certificate of incorporation may be initiated by the county legislative delegation. This bill amends Section 5-1-26, which relates to the duties of the Joint Legislative Committee on Municipal Incorporation and provides the committee with additional duties related to the review of municipal certificates of incorporation. Sections 5-1-10 through 5-1-110 are designated as the Municipal Incorporation Process. Based on data from the U.S. Census Bureau, fifty-four municipalities report population of three hundred or less and are subject to this legislation.

Secretary of State. The Secretary of State’s Office reports that any expenses incurred in the determination of whether a municipality is providing adequate services can be absorbed internally.

State Revenue

N/A

Local Expenditure

The Revenue and Fiscal Affairs Office contacted the Municipal Association of South Carolina regarding the expenditure impact of this bill. The Municipal Association reports this bill will have minimal impact on municipal governments.

Local Revenue

N/A



Frank A. Rainwater, Executive Director