



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: S. 0219
 Author: Malloy
 Requestor: Senate Banking and Insurance
 Date: March 3, 2015
 Subject: Short-Term Vehicle Secured Loans
 RFA Analyst(s): Gardner

Estimate of Fiscal Impact

	FY 2015-16	FY 2016-17
State Expenditure		
General Fund	\$1,000,000	N/A
Other and Federal	\$0	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	N/A	N/A
Local Revenue	N/A	N/A

Fiscal Impact Summary

The State Board of Financial Institutions indicates Senate Bill 219 would increase General Fund expenditures by approximately \$1,000,000.

Explanation of Fiscal Impact

State Expenditure

This bill adds Section 37-3-501(1)(C) to provide that short-term vehicle secured loans shall not be considered supervised loans. The bill amends Chapter 5, Title 39 to establish that a supervised lender providing a short-term vehicle secured loan will constitute an unfair trade practice. Section 37-3-413 is amended to eliminate the repayment term from the definition and to cap the loan interest rate for specific amounts. Finally, the bill amends Chapter 3, Title 37 to establish a tracking database designed to set loan limits for persons having short-term vehicle secured loans and to provide that only licensees may offer short-term vehicle secured loans.

State Board of Financial Institutions. This bill requires the agency to develop a database to track every short-term vehicle secured loan. The agency, which utilizes fee-based funding, estimates the development cost for the new database to be approximately \$1,000,000. The agency reports that it cannot feasibly increase fees to fund this expense and would instead have to rely on appropriations from the General Fund.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director