



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: S. 0364 Introduced on February 7, 2017
Author: Kimpson
Subject: Building Fees
Requestor: Senate Finance
RFA Analyst(s): Heineman
Impact Date: March 15, 2017

Estimate of Fiscal Impact

	FY 2017-18	FY 2018-19
State Expenditure		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Full-Time Equivalent Position(s)	0.00	0.00
State Revenue		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Local Expenditure	Up To \$6,282,000	\$0
Local Revenue	Up To \$6,282,000	\$0

Fiscal Impact Summary

If all counties and municipalities increase building permit fees by the maximum 10 percent, this bill would increase local expenditures and revenues by up to \$6,282,000 to fund affordable housing.

Explanation of Fiscal Impact

Introduced on February 7, 2017

State Expenditure

N/A

State Revenue

N/A

Local Expenditure

This bill allows county and municipal governing bodies to increase building permit fees up to 10 percent. The additional fee revenue must be used exclusively for affordable housing. Due to the permissive nature of this bill, any revenue impact would depend on decisions by local governments. For this analysis, we utilize data from the 2015 Revenue and Fiscal Affairs Local Government Finance Report (LGFR), which contains the amount of building permit revenue collected by counties and municipalities. This revenue data includes building, electrical, mechanical, gas, plumbing and heating, ventilation, and air conditioning permit fees.

Based on 2015 LGFR data, counties reported \$32,461,000 in permit revenue, and municipal governments reported \$30,363,000 in permit revenue. Since this bill requires any additional

revenue from increasing these fees be used to fund affordable housing, county expenditures would increase by up to \$3,246,000, and municipal expenditures would increase by up to \$3,036,000 if all jurisdictions increase building permit fees by the maximum 10 percent.

Local Revenue

Based on 2015 LGFR data, a 10 percent increase in county and municipal building permit fees would result in \$3,246,000 in county revenue and \$3,036,000 in municipal revenue if the counties and municipalities choose to increase building permit fees by the maximum 10 percent.



Frank A. Rainwater, Executive Director