

SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE STATEMENT OF ESTIMATED FISCAL IMPACT (803)734-0640 • RFA.SC.GOV/IMPACTS

Bill Number: H. 4430 Introduced on April 9, 2019

Author: Magnuson

Subject: Commissioners of Public Works in Municipalities, Elections Requestor: House Medical, Military, Public, and Municipal Affairs

RFA Analyst(s): Miller

Impact Date: April 23, 2019

Fiscal Impact Summary

This bill will have an undetermined local expenditure impact for the 12 municipalities that have a board of commissioners of public works. The expenditure impact will include non-recurring expenditures to update the ordinance and set boundaries for any new seats. Additionally, the expenditure impact will include recurring costs for elections as needed and costs for a new commissioner's salary and benefits. However, increasing the number of board commissioners as described in the bill is permissive in nature. Therefore, the expenditure impact is undetermined, beginning in FY 2019-20.

Explanation of Fiscal Impact

Introduced on April 9, 2019 State Expenditure N/A

State Revenue

N/A

Local Expenditure

This bill requires any municipality with a population of 50,000 or less according to the most recent decennial census to provide an ordinance for the election of an additional 2 or 4 commissioners for the municipality's board of commissioners of public works, the initial staggering terms of any new commissioners, and the representation of the service area outside the municipality. This bill takes effect upon the signing of the governor. Currently, an ordinance may provide for an additional 2 commissioners.

As of April 1, 2010, the most recent decennial census date, 263 of 270 municipalities in the state had a population of 50,000 or less. According to the Municipal Association of South Carolina (MASC) only 12 of these municipalities have boards of commissioners of public works. Currently, all 12 have an ordinance in place, but will incur a one-time legal expense to update the ordinance and to set the boundaries of the new commission seats. Also, the expense of electing a new commissioner depends upon a number of factors including: where the election is held and how many polling precincts must be open. Because of all of the factors, the cost of the election of a new commissioner may range from \$5,000 to \$20,000 per municipality. As a result, local expenditures will increase for municipalities that elect to add new board commissioners to cover costs for related compensation and benefits. The addition of commissioners is permissive in

nature; therefore, the increase in expenditures is undetermined. Overall, this bill will result in an undetermined increase of non-recurring and recurring local expenditures, beginning in FY 2019-20.

Local Revenue

N/A

Frank A. Rainwater, Executive Director