



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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<b>Bill Number:</b>	S. 0869	Prefiled on December 11, 2019
<b>Author:</b>	Campsen	
<b>Subject:</b>	Beach Preservation Trust Fund	
<b>Requestor:</b>	Senate Fish, Game, and Forestry	
<b>RFA Analyst(s):</b>	Gallagher and A. Martin	
<b>Impact Date:</b>	January 14, 2020 Updated for Additional Agency Response	

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### **Fiscal Impact Summary**

This bill requires the General Assembly to appropriate an amount equal to 25 percent of the General Fund portion of admissions tax revenue to fund the South Carolina Beach Preservation Trust Fund annually beginning in FY 2020-21. For FY 2020-21, this amount is estimated to be \$8,588,500. This bill will not have an expenditure impact on the Department of Parks, Recreation and Tourism's (PRT) General Fund, Other Funds, or Federal Funds as PRT has administered the fund since FY 2016-17 using existing staff and appropriations.

This bill will not have an expenditure impact on the Department of Health and Environmental Control (DHEC) in FY 2020-21. This bill eliminates the South Carolina Beach Restoration and Improvement Trust Fund, which was administered by the Office of Ocean and Coastal Resource Management (OCRM) of DHEC. Up to \$250,000 of these funds were to be used by OCRM for beach profiling. However, in FY 2019-20, the General Assembly did not appropriate funds to the trust, and the fund currently has approximately a zero balance. OCRM has utilized Federal Funds in previous fiscal years to cover expenses related to beach profiling and expects to continue using Federal Funds for these expenses.

This bill may increase local revenue by up to \$8,588,500 in FY 2020-21 for allocations from the South Carolina Beach Preservation Trust Fund. The exact local revenue increase will depend upon individual projects, as each project cost will determine the amount of matching funds local governments receive.

This fiscal impact has been updated following a response from PRT.

### **Explanation of Fiscal Impact**

**Updated for Additional Agency Response on January 14, 2020**  
**Prefiled on December 11, 2019**

#### **State Expenditure**

This bill establishes the South Carolina Beach Preservation Trust Fund (trust fund) under the authority of PRT and requires the department to administer the fund and approve and rank projects. Trust funds may be allocated by PRT to:

- provide matching funds to local governments for the restoration of eroded public beaches and the enhancement of public beach access, and
- restore beaches and protective sand dunes on an emergency basis.

The bill requires the General Assembly to appropriate an amount equal to 25 percent of the General Fund portion of admissions tax revenue to the trust fund annually beginning in FY 2020-21. The Board of Economic Advisors' November 2019 General Fund Revenue Forecast estimates General Fund admissions tax revenue will total \$34,354,000 in FY 2020-21. As such, the bill would require the General Assembly to appropriate \$8,588,500 to the South Carolina Beach Preservation Trust Fund in FY 2020-21.

Further, this bill repeals Chapter 40 of Title 48, which established the South Carolina Beach Restoration and Improvement Trust Fund under DHEC.

**Department of Parks, Recreation and Tourism.** This bill requires PRT to administer the trust fund, approve and rank projects, and distribute funds to local governments for approved uses. This bill will not have an expenditure impact on PRT's General Fund, Other Funds, or Federal Funds as PRT has administered the fund since FY 2016-17 using existing staff and appropriations. This expenditure impact has been updated following a response from PRT.

**Department of Health and Environmental Control.** This bill repeals Chapter 40 of Title 48, which established the South Carolina Beach Restoration and Improvement Trust Fund under the administration of OCRM. Currently, Section 48-40-70 permits OCRM to utilize up to \$250,000 of trust funds for annual beach profiling as required by Sections 48-39-280 and 48-39-320. This bill does not change statute requiring OCRM to conduct annual beach profiling, and it does not specifically provide funds for this duty. The General Assembly did not appropriate funds to the South Carolina Beach Restoration and Improvement Trust Fund in FY 2019-20, and the fund currently has approximately a zero balance. OCRM has been utilizing Federal Funds in previous fiscal years to cover expenses related to beach profiling and expects to continue using Federal Funds for these expenses. As such, this bill will not have an expenditure impact on DHEC in FY 2020-21.

#### **State Revenue**

N/A

#### **Local Expenditure**

N/A

#### **Local Revenue**

This bill allows funds to be distributed from the South Carolina Beach Preservation Trust Fund to match a municipality's or county's project costs for public beach restoration and maintenance or enhancement of public beach access. Local governmental entities must apply for trust fund monies. Allocations of funds for public beach projects must be matched equally by the municipality or county in which a project site is located, or by a combination of the county and municipality. As such, this bill may increase revenue for local counties and municipalities by up to \$8,588,500 in FY 2020-21 if funds are appropriated to the trust fund. The exact amount of local revenue will depend upon individual projects, as each project cost will determine the amount of matching funds local governments receive.

## **Prefiled on December 11, 2019**

### **State Expenditure**

This bill establishes the South Carolina Beach Preservation Trust Fund (trust fund) under the authority of PRT and requires the department to administer the fund and approve and rank projects. Trust funds may be allocated by PRT to:

- provide matching funds to local governments for the restoration of eroded public beaches and the enhancement of public beach access, and
- restore beaches and protective sand dunes on an emergency basis.

The bill requires the General Assembly to appropriate an amount equal to 25 percent of the General Fund portion of admissions tax revenue to the trust fund annually beginning in FY 2020-21. The Board of Economic Advisors' November 2019 General Fund Revenue Forecast estimates General Fund admissions tax revenue will total \$34,354,000 in FY 2020-21. As such, the bill would require the General Assembly to appropriate \$8,588,500 to the South Carolina Beach Preservation Trust Fund in FY 2020-21.

Further, this bill repeals Chapter 40 of Title 48, which established the South Carolina Beach Restoration and Improvement Trust Fund under DHEC.

**Department of Parks, Recreation and Tourism.** This bill requires PRT to administer the trust fund, approve and rank projects, and distribute funds to local governments for approved uses. The expenditure impact for the agency to administer the fund is pending, contingent upon a response from PRT.

**Department of Health and Environmental Control.** This bill repeals Chapter 40 of Title 48, which established the South Carolina Beach Restoration and Improvement Trust Fund under the administration of OCRM. Currently, Section 48-40-70 permits OCRM to utilize up to \$250,000 of trust funds for annual beach profiling as required by Sections 48-39-280 and 48-39-320. This bill does not change statute requiring OCRM to conduct annual beach profiling, and it does not specifically provide funds for this duty. The General Assembly did not appropriate funds to the South Carolina Beach Restoration and Improvement Trust Fund in FY 2019-20, and the fund currently has approximately a zero balance. OCRM has been utilizing Federal Funds in previous fiscal years to cover expenses related to beach profiling and expects to continue using Federal Funds for these expenses. As such, this bill will not have an expenditure impact on DHEC in FY 2020-21.

### **State Revenue**

N/A

### **Local Expenditure**

N/A

### **Local Revenue**

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monies. Allocations of funds for public beach projects must be matched equally by the municipality or county in which a project site is located, or by a combination of the county and municipality. As such, this bill may increase revenue for local counties and municipalities by up to \$8,588,500 in FY 2020-21 if funds are appropriated to the trust fund. The exact amount of local revenue will depend upon individual projects, as each project cost will determine the amount of matching funds local governments receive.



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Frank A. Rainwater, Executive Director