

**REPORT OF THE
GENERAL GOVERNMENT,
PERSONNEL & BENEFITS SUBCOMMITTEE**
(Cobb-Hunter, Herbkersman, Hayes, Moss, Gagnon- Staff Contact: Ryan Tooley)

HOUSE BILL 3786

H. 3786 -- Reps. Lowe, G.M. Smith, Bannister, Jordan, Rutherford, Bernstein, Cobb-Hunter, Henegan, Gilliam, Hewitt, Erickson, Ott, M.M. Smith, W. Newton, Murphy, Gatch, Elliott, Herbkersman, Hosey, McDaniel, Mitchell, Stavrinakis, Taylor, Wooten, Carter, Atkinson, Kirby, Hyde, Leber, Alexander, B. Newton, Ballentine, Pope, Hixon, Brittain, Gagnon, Ligon, Wetmore and Davis: A BILL TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY ENACTING THE "SOUTH CAROLINA CONSERVATION ENHANCEMENT ACT"; BY AMENDING SECTION 12-24-90, RELATING TO THE DEED RECORDING FEE, SO AS TO REQUIRE A PORTION OF THE FEE TO BE CREDITED TO THE SOUTH CAROLINA CONSERVATION BANK TRUST FUND; AND BY AMENDING SECTION 48-59-40, RELATING TO THE BOARD OF THE SOUTH CAROLINA CONSERVATION BANK, SO AS TO ADD ADDITIONAL MEMBERS TO THE BOARD.

Received by Ways and Means: 1/24/23

Summary of Bill:

The South Carolina Conservation Enhancement Act amends Section 12-24-90(B) to credit \$0.25 of each \$1.30 collected from deed recording fees to the South Carolina Conservation Bank Trust Fund and decrease the amount credited to the General Fund from \$1.00 to \$0.75.

Further, this bill increases the number of board members governing the South Carolina Conservation Bank from fourteen to seventeen. The three additional members will include the Commissioner of Agriculture, the Secretary of Commerce, and the Secretary of Transportation, or their designees.

Estimated Revenue Impact: Decrease to the General Fund of \$29,511,000.

Other Notes/Comments: Reported favorable with amendment.

SOUTH CAROLINA
HOUSE AMENDMENT

AMENDMENT NO. _____

David Good
March 27, 2023

ADOPTED	REJECTED	TABLED	ADJOURN DEBATE	RECONSIDERED	ROO

Clerk of the House

ADOPTION NO. _____

BILL NO: H. 3786

(Reference is to the original version)

The General Government Subcommittee proposes the following amendment (LC-3786.DG0001H):

Amend the bill, as and if amended, by striking SECTION 2.B. and inserting:

B. This SECTION takes effect July 1, 2024.

Renumber sections to conform.

Amend title to conform.



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number: H. 3786 Introduced on January 24, 2023
Author: Lowe
Subject: SC Conservation Enhancement Act
Requestor: House Ways and Means
RFA Analyst(s): Jolliff and Wren
Impact Date: March 27, 2023

Fiscal Impact Summary

This bill, the South Carolina Conservation Enhancement Act, amends Section 12-24-90(B) to credit \$0.25 of each \$1.30 collected from deed recording fees to the South Carolina Conservation Bank Trust Fund and decrease the amount credited to the General Fund from \$1.00 to \$0.75. Further, this bill increases the number of board members governing the South Carolina Conservation Bank from fourteen to seventeen. The three additional members will include the Commissioner of Agriculture, the Secretary of Commerce, and the Secretary of Transportation, or their designees.

The South Carolina Conservation Bank and the Department of Agriculture indicate they will be able to manage the responsibilities in the bill with existing staff and resources. Based on previous responses, we anticipate that the Department of Commerce and the Department of Transportation will be able to fulfill the requirements of this bill using existing appropriations. Therefore, this bill is not expected to have an expenditure impact on the South Carolina Conservation Bank, the Department of Agriculture, the Department of Commerce, or the Department of Transportation.

Based upon the Board of Economic Advisors' General Fund forecast as of February 15, 2023, this bill is estimated to decrease recurring General Fund deed recording fee revenue by an estimated \$29,511,000 and increase South Carolina Conservation Bank Trust Fund revenue by a corresponding \$29,511,000 in FY 2023-24.

Explanation of Fiscal Impact

Introduced on January 24, 2023

State Expenditure

This bill, the South Carolina Conservation Enhancement Act, amends Section 12-24-90(B) to credit \$0.25 of each \$1.30 collected from deed recording fees to the South Carolina Conservation Bank Trust Fund and decrease the amount credited to the General Fund from \$1.00 to \$0.75. Further, this bill increases the number of board members governing the South Carolina Conservation Bank from fourteen to seventeen. The three additional members include the Commissioner of Agriculture, the Secretary of Commerce, and the Secretary of Transportation, or their designees. They will serve in ex officio and without voting privileges.

The South Carolina Conservation Bank indicates they will be able to manage any additional funds using existing staff and resources. The Department of Agriculture reports they will be able to fulfill the requirements of this bill using existing appropriations. Based on previous responses, we anticipate that the Department of Commerce and Department of Transportation will be able to fulfill the requirements of this bill using existing appropriations as well. Therefore, this bill is not expected to have an expenditure impact on the South Carolina Conservation Bank, the Department of Agriculture, the Department of Commerce, or the Department of Transportation.

State Revenue

This bill, the South Carolina Conservation Enhancement Act, amends Section 12-24-90(B) to credit \$0.25 of each \$1.30 collected from deed recording fees to the South Carolina Conservation Bank Trust Fund and decrease the amount credited to the General Fund from \$1.00 to \$0.75.

The Board of Economic Advisor's current General Fund forecast as of February 15, 2023, anticipates General Fund deed recording fees will total \$118,042,000 in FY 2023-24. Accounting for the amended apportionment of deed recording fee revenue, this bill is estimated to decrease recurring General Fund revenue by approximately \$29,511,000 and increase South Carolina Conservation Bank Trust Fund revenue by a corresponding \$29,511,000 in FY 2023-24.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director

South Carolina General Assembly
125th Session, 2023-2024

H. 3786

STATUS INFORMATION

General Bill

Sponsors: Reps. Lowe, G.M. Smith, Bannister, Jordan, Rutherford, Bernstein, Cobb-Hunter, Henegan, Gilliam, Hewitt, Erickson, Ott, M.M. Smith, W. Newton, Murphy, Gatch, Elliott, Herbkersman, Hosey, McDaniel, Mitchell, Stavrinakis, Taylor, Wooten, Carter, Atkinson, Kirby, Hyde, Leber, Alexander, B. Newton, Ballentine, Pope, Hixon, Brittain, Gagnon, Ligon, Wetmore and Davis

Companion/Similar bill(s): 280

Document Path: LC-0115DG23.docx

Introduced in the House on January 24, 2023

Currently residing in the House

Summary: SC Conservation Enhancement Act

HISTORY OF LEGISLATIVE ACTIONS

Date	Body	Action Description with journal page number
1/24/2023	House	Introduced and read first time (House Journal-page 31)
1/24/2023	House	Referred to Committee on Ways and Means (House Journal-page 31)
1/25/2023	House	Member(s) request name added as sponsor: Carter, Atkinson, Kirby
1/26/2023	House	Member(s) request name added as sponsor: Hyde
1/31/2023	House	Member(s) request name added as sponsor: Leber, Alexander
2/7/2023	House	Member(s) request name added as sponsor: B. Newton, Ballentine, Pope, Hixon, Brittain, Gagnon, Ligon, Wetmore
2/8/2023	House	Member(s) request name added as sponsor: Davis

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A BILL

TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY ENACTING THE “SOUTH CAROLINA CONSERVATION ENHANCEMENT ACT”; BY AMENDING SECTION 12-24-90, RELATING TO THE DEED RECORDING FEE, SO AS TO REQUIRE A PORTION OF THE FEE TO BE CREDITED TO THE SOUTH CAROLINA CONSERVATION BANK TRUST FUND; AND BY AMENDING SECTION 48-59-40, RELATING TO THE BOARD OF THE SOUTH CAROLINA CONSERVATION BANK, SO AS TO ADD ADDITIONAL MEMBERS TO THE BOARD.

Whereas, rapid land development in South Carolina has led to the loss of forestlands, farmlands, wildlife habitats, outstanding natural areas, beaches, and public areas for outdoor recreation and has impacted the health of the state’s streams, rivers, wetlands, estuaries, and bays, all of which impact the quality of life of the state’s current and future citizens and may jeopardize the well-being of the state’s environment and economy if not addressed appropriately; and

Whereas, this same rapid land development also has led to the loss of historical, cultural, and archaeological sites that embody the heritage and history of the State; and

Whereas, the protection of natural, cultural, and historical lands safeguards water quality, mitigates flooding, protects rural communities and economies, and provides opportunities for citizens and visitors to access open spaces and waterways for subsistence fishing, livelihoods and recreation, while guaranteeing these same benefits for future generations; and

Whereas, the State recognizes that wildlife biodiversity, publicly protected lands, historical and culturally significant properties, working lands, forests and waterfronts, and the communities, families, and outdoor recreationists who utilize these lands contribute to the state’s economy and the quality of life of its citizens; and

Whereas, the South Carolina Conservation Bank has protected over 329,000 acres statewide since its initial funding seventeen years ago at a statewide average price of \$527 per acre-a seven to one rate of return on investment when compared to the fair market value of the land protected; and

Whereas, building on the longstanding bipartisan conservation legacy in the State, doubling the amount

1 of protected land through negotiation, compensation, and leveraging other funding sources while
2 respecting property rights is in the best interest of its citizens, communities, and economy; and
3

4 Whereas, restoring the share of the deed recording fee previously dedicated to the Conservation Bank
5 Trust Fund and establishing the Natural Resources Enhancement Fund to provide for capital
6 improvements on public parks, forests, wildlife management areas, and heritage preserves builds on
7 the goal of doubling our protected lands by 2050, our state's commitment to conservation, and the
8 continued preservation of our state's resources for future generations of South Carolinians. Now,
9 therefore,

10
11 Be it enacted by the General Assembly of the State of South Carolina:

12
13 SECTION 1. This act may be cited as the "South Carolina Conservation Enhancement Act".
14

15 SECTION 2.A. Section 12-24-90(B) of the S. C. Code is amended to read:
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17 (B) The state fee must be credited as follows:

18 (1) ten cents of each one dollar thirty cents into the Heritage Land Trust Fund;

19 (2) twenty cents of each one dollar thirty cents into the South Carolina Housing Trust Fund; and

20 (3) twenty-five cents of each one dollar thirty cents into the South Carolina Conservation Bank
21 Trust Fund; and

22 (4) one-dollar seventy-five cents of each one dollar thirty cents into the general fund of the State.
23

24 B. This SECTION takes effect July 1, 2022.
25

26 SECTION 3. Section 48-59-40(A) and (B) of the S. C. Code is amended to read:
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28 Section 48-59-40. (A) There is established the South Carolina Conservation Bank. The bank is
29 governed by a ~~fourteen-member~~ seventeen-member board selected as follows:

30 (1) the Chairman of the Board for the Department of Natural Resources, the Chairman of the South
31 Carolina Forestry Commission, the Commissioner of Agriculture, the Secretary of Commerce, the
32 Secretary of Transportation, and the Director of the South Carolina Department of Parks, Recreation
33 and Tourism, or their designees, all of whom shall serve ex officio and without voting privileges;

34 (2) three members appointed by the Governor from the State at large;

35 (3) four members appointed by the Speaker of the House of Representatives, one each from the
36 Third, Fourth, and Sixth Congressional Districts and one member from the State at large; and

1 (4) four members appointed by the President of the Senate, one each from the First, Second,
2 Fifth, and Seventh Congressional Districts.

3 (B)(1) In making their respective appointments to the board, the Governor, Speaker of the House of
4 Representatives, and President ~~Pro-Tempore~~ of the Senate shall take all reasonable steps to ensure that
5 the members of the board reflect the state's racial and gender diversity.

6 (2) Each member of the board must possess experience in the areas of natural resources, land
7 development, farming, forestry, finance, land conservation, real estate, or law.

8
9 SECTION 4. Unless otherwise provided, this act takes effect upon approval by the Governor.

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