

REPORT OF THE ECONOMIC DEVELOPMENT SUBCOMMITTEE

(Ballentine, Clyburn, Hosey, Whitmire, & Lowe - Staff Contact: Teesha Trapp)

HOUSE OR SENATE BILL 4956

H. 4956 -- Rep. G.M. Smith: A BILL TO AMEND CODE OF LAWS OF SOUTH CAROLINA, 1976, SO AS TO ENACT THE "SOUTH CAROLINA CONSERVATION ENHANCEMENT ACT"; TO AMEND 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 TO AMEND SECTION 48-59-40, AS AMENDED, RELATING TO THE BOARD OF THE SOUTH CAROLINA CONSERVATION BANK, SO AS TO ADD ADDITIONAL MEMBERS TO THE BOARD.

Received by Ways and Means:

February 10, 2022

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:

This bill is estimated to decrease recurring General Fund revenue by \$25,720,000 and increase SC Conservation Bank Trust Fund revenue by a corresponding \$25,720,000 in FY 2022-23. However, the amendment postpones the effective date.

Subcommittee Recommendation:

Passed Economic Development Subcommittee favorably with amendment on March 29, 2022.

Amendment:

Changes effective date in SECTION 2 (B) from 2022 to 2023.

HOUSE
AMENDMENT

THIS AMENDMENT
ADOPTED

GOOD/DOWNEY
MARCH 30, 2022

CLERK OF THE HOUSE

THE ECONOMIC DEVELOPMENT SUBCOMMITTEE PROPOSES
THE FOLLOWING AMENDMENT No. TO H. 4956
(COUNCIL\DG\4956C001.NBD.DG22):

REFERENCE IS TO THE BILL AS INTRODUCED.

**AMEND THE BILL, AS AND IF AMENDED, BY
STRIKING SECTION 2.B. AND INSERTING:**

**/ B. THIS SECTION TAKES EFFECT JULY 1,
2023. /**

**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. 4956	Introduced on February 10, 2022
Author:	G.M. Smith	
Subject:	SC Conservation Enhancement Act	
Requestor:	House Ways and Means	
RFA Analyst(s):	Gallagher	
Impact Date:	March 24, 2022	

Fiscal Impact Summary

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 Department of Agriculture, Department of Commerce, and Department of Transportation report they will be able to fulfill the requirements of this bill using existing appropriations. Furthermore, the South Carolina Conservation Bank indicates they will be able to manage any additional funds using existing staff and resources. Therefore, this bill will have no expenditure impact on the Department of Agriculture, Department of Commerce, Department of Transportation, or the South Carolina Conservation Bank.

This bill will decrease recurring General Fund deed recording fee revenue by an estimated \$25,720,000 and increase SC Conservation Bank Trust Fund revenue by a corresponding \$25,720,000 in FY 2022-23.

Explanation of Fiscal Impact

Introduced on February 10, 2022

State Expenditure

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. They will serve in ex officio and without voting privileges.

The Department of Agriculture, Department of Commerce, and Department of Transportation report they will be able to fulfill the requirements of this bill using existing appropriations.

Furthermore, the South Carolina Conservation Bank indicates they will be able to manage any additional funds using existing staff and resources. Therefore, this bill will have no expenditure impact on the Department of Agriculture, Department of Commerce, Department of Transportation, or the South Carolina Conservation Bank.

State Revenue

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 anticipates General Fund deed recording fees will total \$102,878,000 in FY 2022-23. Accounting for the amended apportionment of deed recording fee revenue, this bill is estimated to decrease recurring General Fund revenue by \$25,720,000 and increase SC Conservation Bank Trust Fund revenue by a corresponding \$25,720,000 in FY 2022-23.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director

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A BILL

TO AMEND CODE OF LAWS OF SOUTH CAROLINA, 1976,
SO AS TO ENACT THE "SOUTH CAROLINA
CONSERVATION ENHANCEMENT ACT"; TO AMEND
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 TO AMEND SECTION 48-59-40,
AS AMENDED, 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

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

7
8 Whereas, the South Carolina Conservation Bank has protected over
9 329,000 acres statewide since its initial funding seventeen years ago
10 at a statewide average price of \$527 per acre-a seven to one rate of
11 return on investment when compared to the fair market value of the
12 land protected; and

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14 Whereas, building on the longstanding bipartisan conservation
15 legacy in the State, doubling the amount of protected land through
16 negotiation, compensation, and leveraging other funding sources
17 while respecting property rights is in the best interest of its citizens,
18 communities, and economy; and

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

28
29 Be it enacted by the General Assembly of the State of South
30 Carolina:

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32 SECTION 1. This act must be known and may be cited as the
33 "South Carolina Conservation Enhancement Act".

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35 SECTION 2. A. Section 12-24-90(B) of the 1976 Code is amended
36 to read:

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38 "(B) The state fee must be credited as follows:

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

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

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

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

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6 B. This SECTION takes effect July 1, 2022.

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8 SECTION 3. Section 48-59-40(A) and (B) of the 1976 Code, as
9 last amended by Act 1 of 2019, is further amended to read:

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11 “Section 48-59-40. (A) There is established the South Carolina
12 Conservation Bank. The bank is governed by a ~~fourteen-member~~
13 seventeen-member board selected as follows:

14 (1) the Chairman of the Board for the Department of Natural
15 Resources, the Chairman of the South Carolina Forestry
16 Commission, the Commissioner of Agriculture, the Secretary of
17 Commerce, the Secretary of Transportation, and the Director of the
18 South Carolina Department of Parks, Recreation and Tourism, or
19 their designees, all of whom shall serve ex officio and without
20 voting privileges;

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

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

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

29 (B)(1) In making their respective appointments to the board, the
30 Governor, Speaker of the House of Representatives, and President
31 ~~Pro Tempore~~ of the Senate shall take all reasonable steps to ensure
32 that the members of the board reflect the state’s racial and gender
33 diversity.

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

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

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