

"THE BELOW CONSTITUTED SUMMARY IS PREPARED BY THE STAFF OF THE SOUTH CAROLINA HOUSE OF REPRESENTATIVES AND IS NOT THE EXPRESSION OF THE LEGISLATION'S SPONSOR(S) OR THE HOUSE OF REPRESENTATIVES. IT IS STRICTLY FOR THE INTERNAL USE AND BENEFIT OF MEMBERS OF THE HOUSE OF REPRESENTATIVES AND IS NOT TO BE CONSTRUED BY A COURT OF LAW AS AN EXPRESSION OF LEGISLATIVE INTENT".

# REPORT OF THE ECONOMIC DEVELOPMENT, CAPITAL IMPROVEMENT & OTHER TAXES SUBCOMMITTEE

(Ballentine, Simrill, Clyburn & Crawford - Staff Contact: Alyssa Weeks)

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## SENATE BILL 323

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S. 323 -- Senator Alexander: A BILL TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 12-54-265 SO AS TO ALLOW THE DEPARTMENT OF REVENUE TO SUBMIT CERTAIN INFORMATION TO A FINANCIAL INSTITUTION REGARDING A DEBTOR THAT HAS BEEN NAMED ON A WARRANT FOR DISTRAINT, AND TO REQUIRE THE FINANCIAL INSTITUTION PROVIDE CERTAIN INFORMATION TO THE DEPARTMENT

*Received by Ways and Means:*

*Summary of Bill:*

This bill as introduced allows the Department of Revenue (DOR) to identify a debtor named on a warrant for distraint to a financial institution when the debt is more than 180 days old from the date of assessment.

Senate Finance amended the bill to add the following provision: (B) Notwithstanding any other provision of law, a financial institution is not liable to a person for disclosure of information to the department, its designee, or the department's or its designee's employees pursuant to subsection (A) or for encumbering or surrendering any deposits, credits, or other personal property in response to a notice of lien or levy by the department, or its designee, or for any other action taken in good faith to comply with the requirements of subsection (A)."

*Estimated Revenue Impact:*

This bill will have no expenditure impact on the General Fund, Other Funds, or Federal Funds, as the bill will not materially alter the responsibilities of the Department of Revenue. The revenue impact of this bill is undetermined, as the amount of outstanding debt to be collected is unknown.

*Subcommittee Recommendation:* Favorable

*Full Committee Recommendation:*

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*Other Notes/Comments:*

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***2<sup>nd</sup> Reading:***

***Amendments:***

***2<sup>nd</sup> Reading Vote:***



# **SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**

## **STATEMENT OF ESTIMATED FISCAL IMPACT**

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**Bill Number:** S. 0323      **Introduced on** January 8, 2019  
**Author:** Alexander  
**Subject:** Distraint Warrant  
**Requestor:** Senate Finance  
**RFA Analyst(s):** Mitchell  
**Impact Date:** January 23, 2019

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### **Fiscal Impact Summary**

This bill will have no expenditure impact on the General Fund, Other Funds, or Federal Funds, as the bill will not materially or fiscally alter the responsibilities of the Department of Revenue. The revenue impact of this bill is undetermined, as the amount of outstanding debt to be collected is unknown.

### **Explanation of Fiscal Impact**

#### **Introduced on January 8, 2019**

#### **State Expenditure**

This bill allows the Department of Revenue (DOR) to identify a debtor named on a warrant for distraint to a financial institution when the debt is more than 180 days old from the date of assessment. DOR may identify debtors on a quarterly basis or, with agreement of the financial institution, a more frequent basis. The financial institution that receives the information must conduct a data match. The financial institution must then provide DOR information concerning the debtor for the purposes of collecting the outstanding debts. The bill further states that the financial institution must be paid a reasonable fee out of the collected funds not to exceed actual cost.

DOR indicates that the bill will not materially or fiscally alter the responsibilities of the department. As such, the bill will have no expenditure impact on the General Fund, Other Funds, or Federal Funds.

#### **State Revenue**

The process outlined in the bill will provide for the streamlined collection of delinquent taxes for debts that are at least 180 days old. DOR indicates that the amount of additional outstanding debt that will be collected is unknown and is not expected to be significant. Therefore, the revenue impact of this bill is undetermined.

#### **Local Expenditure**

N/A

#### **Local Revenue**

N/A

Frank A. Rainwater, Executive Director

## 1 COMMITTEE AMENDMENT ADOPTED

2 February 7, 2019

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S. 323

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Introduced by Senator Alexander

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8 S. Printed 2/7/19--S.

## 9 Read the first time January 8, 2019.

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9                   **A BILL**

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11 TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA,  
12 1976, BY ADDING SECTION 12-54-265 SO AS TO ALLOW  
13 THE DEPARTMENT OF REVENUE TO SUBMIT CERTAIN  
14 INFORMATION TO A FINANCIAL INSTITUTION  
15 REGARDING A DEBTOR THAT HAS BEEN NAMED ON A  
16 WARRANT FOR DISTRAINT, AND TO REQUIRE THE  
17 FINANCIAL INSTITUTION PROVIDE CERTAIN  
18 INFORMATION TO THE DEPARTMENT.

19                   Amend Title To Conform

20  
21 Be it enacted by the General Assembly of the State of South  
22 Carolina:

23  
24 SECTION 1. Chapter 54, Title 12 of the 1976 Code is amended by  
25 adding:

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27        “Section 12-54-265. (A) Notwithstanding any other provision  
28 of law, the department may submit to a financial institution, as  
29 defined in Section 63-17-2310(A)(2), information that identifies a  
30 debtor named on a warrant for diststraint that has been issued and filed  
31 by the department or whose debt has been submitted to the  
32 department for collection under the provisions of Section 12-4-580.  
33 For purposes of debts named on warrants for diststraint, the debt must  
34 be at least one hundred eighty days old from the date of assessment.  
35 The department may submit the information to the financial  
36 institution on a quarterly basis or, with the agreement of the  
37 financial institution, on a more frequent basis. A financial institution  
38 that receives the information must conduct a data match. The  
39 financial institution must then provide to the department, in a  
40 manner and form prescribed by the department, information  
41 concerning the debtor for purposes of collecting outstanding debts.  
42 The information provided to the department must include, but is not

1 limited to, the information required pursuant to Section  
2 63-17-2320(A). The financial institution must be paid a reasonable  
3 fee out of the collected funds not to exceed actual cost.

4 (B) Notwithstanding any other provision of law, a financial  
5 institution is not liable to a person for disclosure of information to  
6 the department, its designee, or the department's or its designee's  
7 employees pursuant to subsection (A) or for encumbering or  
8 surrendering any deposits, credits, or other personal property in  
9 response to a notice of lien or levy by the department, or its  
10 designee, or for any other action taken in good faith to comply with  
11 the requirements of subsection (A)."

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13 SECTION 2. This act takes effect upon approval by the Governor.

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