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COMMITTEE REPORT

March 10, 2010

**S. 903**

Introduced by Senators McConnell, Land, Setzler, Sheheen, Scott, Elliott, S. Martin, Campsen, Hutto, Davis, Anderson and L. Martin

S. Printed 3/10/10--S.

Read the first time January 12, 2010.

**THE COMMITTEE ON**

**AGRICULTURE AND NATURAL RESOURCES**

To whom was referred a Bill (S. 903) to amend Act 200 of 2002, relating to the South Carolina Conservation Bank Act, so as to delete a provision which provides that no further deed recording fees or other funds, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass:

DANIEL B. VERDIN III for Committee.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

**REVENUE IMPACT 1/**

This bill would decrease general fund revenue by $8,633,495 in FY2009-10 if enacted before the close of the fiscal year. This bill would not affect FY2010-11, because the BEA has already accounted for the transfer of revenue to the Conservation Bank Trust Fund.

## Explanation

This bill would amend Section 5 of Act 200 of 2002 (Conservation Bank Act) to amend Section 48-59-75 to change the restrictions on the transfer of deed recording fees from the General Fund to the Conservation Bank Trust Fund. Currently, Section 48-59-75 states that in a fiscal year when the General Assembly in the annual general appropriations act provides less appropriations than what was provided for the previous year to at least one-half of the state agencies or departments contained therein the act or in any year when the Budget and Control Board orders across-the-board cuts to state agencies and departments in the manner provided by law, no further transfer of deed recording fees or other appropriated funds, state or local, may be credited to the trust fund for the fiscal year or balance of the fiscal year. This bill removes the “all-or-none” restriction and would allow the transfer of deed recording fees to the Conservation Bank Trust Fund after being reduced by the average percentage decrease in total general fund appropriations to those agencies receiving such a decrease in that general appropriations act or by the percentage amount of the across-the-board decrease or decreases imposed by the State Budget and Control Board on all agencies. The BEA estimate of the transfer of General Fund revenue to the Conservation Bank is $9,491,529 in FY2009-10. During FY2009-10, the State Budget and Control Board imposed across-the-board cuts of 4.04% on September 3, 2009 and 5.0% on December 15, 2009 for a total of 9.04% of across-the-board reductions to state agency budgets affecting more than one-half of all state agencies or departments. Because of these cuts and the amended language contained in Section 48-59-75, the transfer of deed recording fee revenue to the Conservation Bank Trust Fund would be reduced by 9.04%, or $858,034, in FY2009-10. This amount would be retained in the state general fund while $8,633,495 would be transferred to the Conservation Bank Trust Fund. This act first applies with fiscal year 2010 and takes effect upon approval by the Governor. This bill also extends the date of repeal of the Conservation Bank Trust Fund for ten years from July 1, 2013 to July 1, 2023.

*Approved By:*

William C. Gillespie

Board of Economic Advisors

1/ This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, or Section 2-7-76 for a local revenue impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.

**A** **BILL**

TO AMEND ACT 200 OF 2002, RELATING TO THE SOUTH CAROLINA CONSERVATION BANK ACT, SO AS TO DELETE A PROVISION WHICH PROVIDES THAT NO FURTHER DEED RECORDING FEES OR OTHER FUNDS MAY BE CREDITED TO THE CONSERVATION BANK TRUST FUND IN ANY YEAR WHEN A MAJORITY OF STATE AGENCY APPROPRIATIONS ARE REDUCED IN THE ANNUAL GENERAL APPROPRIATIONS ACT OR WHEN THE STATE BUDGET AND CONTROL BOARD IMPOSES ACROSS THE BOARD CUTS AND INSTEAD PROVIDE FOR A REDUCTION ON A PERCENTAGE BASIS IN THE AMOUNT OF DEED RECORDING FEES WHICH MAY BE TRANSFERRED TO THE TRUST FUND, AND TO EXTEND THE EXPIRATION DATE OF THE PROVISIONS OF LAW RELATING TO THE CONSERVATION BANK ACT AND OTHER RELATED DATES PERTAINING TO THE CLOSURE OF THE CONSERVATION BANK ACT AND CONSERVATION BANK FUND.

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

SECTION 1. SECTION 5 of Act 200 of 2002 is amended to read:

“SECTION 5. (A) In a fiscal year when the General Assembly in the annual general appropriations act provides less appropriations than what was provided for the previous year to at least one‑half of the state agencies or departments contained therein ~~the act~~ or in any fiscal year when the State Budget and Control Board orders across the board cuts to state agencies and departments in the manner provided by law, ~~no further transfer of deed recording fees or other appropriated funds, state or local, may be credited to the trust fund for the fiscal year or balance of the fiscal year, but existing balances in the trust fund may be used as provided by Chapter 59 of Title 48 of the 1976 Code~~ the amount of deed recording fees transferred to the South Carolina Conservation Bank Trust Fund during that year must be reduced by the average percentage decrease in total general fund appropriations to those agencies receiving such a decrease in that general appropriations act or by the percentage amount of the across the board decrease or decreases imposed by the State Budget and Control Board on all agencies, whichever is applicable. If both decreases occur, the reduction to the Conservation Bank Trust Fund shall be a combination of all decreases.

(B) The provisions of subsection (A) of this section, as amended by this act, apply on a fiscal year basis beginning with fiscal year 2010.”

SECTION 2. SECTION 7 of Act 200 of 2002 is amended to read:

“SECTION 7. Chapter 59, Title 48 of the 1976 Code and Sections 2 through 6 of this act are repealed effective July 1, ~~2013~~ 2023, unless reenacted or otherwise extended by the General Assembly. However, the South Carolina Conservation Bank established by this act may continue to operate as if Chapter 59, Title 49 of the 1976 Code was not repealed until the South Carolina Conservation Bank Trust Fund is exhausted or July 1, ~~2016~~ 2026, whichever first occurs. Any balance in that trust fund on July 1, ~~2016~~ 2026, reverts to the general fund of the State. Repeal does not affect any rights, obligations, liabilities, or debts due the South Carolina Conservation Bank. For these purposes, after the bank’s termination, the State Budget and Control Board is the bank’s successor, except that, after the bank’s termination, the board’s voting rights provided in the former provisions of Section 48‑59‑80(F), (G), (H), and (I) of the 1976 Code are devolved upon the Department of Natural Resources Board, and any contribution to the trust fund required pursuant to the former provisions of Section 48‑59‑80(H) of the 1976 Code must be made to the Heritage Trust Program.”

SECTION 3. This act takes effect upon approval by the Governor.

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