



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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Bill Number: S. 0173  
 Author: Kimpson  
 Requestor: Senate Judiciary  
 Date: April 2, 2015  
 Subject: Electric utilities  
 RFA Analyst(s): Wren

**Estimate of Fiscal Impact**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>State Expenditure</b>		
General Fund	\$0	N/A
Other and Federal	\$0	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	Significant	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

This bill would have no impact on the General Fund, Federal Funds, or Other Funds. This bill is expected to have a significant expenditure impact on municipal governments.

**Explanation of Fiscal Impact**

**State Expenditure**

N/A

**State Revenue**

N/A

**Local Expenditure**


This bill adds Section 58-27-260, which requires utility companies to send written notice to property owners prior to undertaking a maintenance plan or replacement of equipment. The written notice must detail the maintenance activity and must be sent by U.S. Mail at least fifteen days prior to the scheduled activity. If the planned maintenance activity involves a community or neighborhood, the utility company must provide written notice to all residents of the community or neighborhood if the activity will result in substantial alteration of the community. The utility company must hold a public meeting to discuss the proposed maintenance activity upon the request of at least ten community residents. If two-thirds of the residents oppose the proposed activity, the governmental entity that governs the jurisdiction of the affected area must approve the maintenance activity by majority vote. Also, any maintenance activity involving a

community park, playground, or historic site must be approved by a majority vote by the governmental entity that governs jurisdiction of the affected site.

The Revenue and Fiscal Affairs Office contacted the Municipal Association of South Carolina and twenty-three county governments regarding the expenditure impact of this bill. The Municipal Association reports that this bill would have a significant impact on municipal governments that operate electric utilities from notifying property owners of maintenance plans and potential delays in maintenance operations that result in utility property failures leading to service outages. The impact would involve expenditures on additional employees and higher electric rates, but the Municipal Association was unable to quantify an additional expenditure estimate. Since the surveyed counties provided no responses, our office cannot determine the expenditure impact on county governments.

**Local Revenue**

N/A



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Frank A. Rainwater, Executive Director