



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: H. 4177 Introduced on April 25, 2017
Author: Clemmons
Subject: Toll Road Construction
Requestor: House Ways and Means
RFA Analyst(s): Wren and Shuford
Impact Date: April 6, 2018 - Updated for Additional Agency Response

Estimate of Fiscal Impact

	FY 2018-19	FY 2019-20
State Expenditure		
General Fund	Undetermined	\$0
Other and Federal	Undetermined	\$0
Full-Time Equivalent Position(s)	0.00	0.00
State Revenue		
General Fund	Undetermined	\$0
Other and Federal	Undetermined	\$0
Local Expenditure	\$0	\$0
Local Revenue	\$0	\$0

Fiscal Impact Summary

This bill does not operationally or fiscally impact the State Fiscal Accountability Authority (SFAA) and will have no expenditure impact on the General Fund, Other Funds, or Federal Funds of the agency. The bill will have no expenditure impact on funds invested by the Retirement System Investment Commission (RSIC) and therefore, will have no impact on the General Fund, Other Funds, or Federal Funds of the agency. The Department of Transportation (DOT) indicates that the agency would need more information on specific turnpike projects in order to conduct a study to estimate toll revenues, expenditures, and capital funding methodology. Further, the agency indicates that many factors would influence the funding of turnpikes, including input from the Federal Highway Administration. Therefore, the expenditure and revenue impact on the General Fund, Other Funds, and Federal Funds of DOT is undetermined.

The state expenditure and revenue sections of this impact statement have been updated to include a response from DOT.

Explanation of Fiscal Impact

Updated for Additional Agency Response

Introduced on April 25, 2017

State Expenditure

This bill adds nontax revenues to the definition of turnpike facility revenues. The bill allows DOT to designate any existing highway, road, bridge, or other transportation facility as a turnpike facility. Also, the bill permits DOT to enter in a contract with any political subdivision desiring to assist with the designating, establishing, planning, abandoning, financing, improving,

constructing, maintaining, or regulating turnpike facilities as may be set forth in an intergovernmental agreement between DOT and such political subdivision. Revenues from these contracts must be included in turnpike facility revenues. The right to receive any payments under such an intergovernmental agreement may be maintained by DOT, or assigned to the trustee for the turnpike revenue bonds, as may be provided or authorized in the bond resolution. The principal and interest are payable solely out of the turnpike facility revenues and do not constitute an indebtedness of the state, SFAA, or DOT. The bill gives DOT the authority to provide the manner in which toll amounts are determined. Additionally, the bill gives SFAA the ability to issue current or advance refunding turnpike bonds under the provisions of state law. The bill permits the Retirement System Investment Commission (RSIC) to invest funds in turnpike bonds. The bill deletes the requirement in Section 57-3-615, which states that a toll administered by DOT must be used to pay for the construction, maintenance costs, and other expenses for only a given project. Additionally, the bill allows toll revenues to be retained in a special account and used for the maintenance of turnpike facilities. Further, the bill provides that toll charges must cease upon repayment of the cost of construction and financing unless the revenues are used for maintenance and operation of turnpike facilities designed by DOT.

Department of Transportation (DOT). DOT indicates that the agency would need more information on specific turnpike projects in order to conduct a study to estimate toll revenues, expenditures, and capital funding methodology. Further, the agency indicates that many factors would influence the funding of turnpikes, including input from the Federal Highway Administration. Therefore, the expenditure impact on the General Fund, Other Funds, and Federal Funds of DOT is undetermined. This section of the impact statement has been updated to include a response from DOT.

State Fiscal Accountability Authority (SFAA). This bill replaces the agency name of State Fiscal Accountability Authority with authority. The bill does not operationally or fiscally impact SFAA. Therefore, the bill will have no impact on the General Fund, Other Funds, or Federal Funds.

Retirement System Investment Commission (RSIC). This bill clarifies that the RSIC may lawfully invest monies in turnpike bonds. Specifically, the bill amends the code to include the RSIC as an example of an executor, administrator, guardian, other fiduciary, and sinking fund commissioner. Therefore, amending Section 57-5-1480 to include the RSIC will have no expenditure or revenue impact on funds invested by the RSIC as they currently have the authority to invest in these type of bonds.

State Revenue

The bill allows DOT to designate any existing highway, road, bridge, or other transportation facility as a turnpike facility. Also, the bill permits DOT to enter in a contract with any political subdivision desiring to assist with the designating, establishing, planning, abandoning, financing, improving, constructing, maintaining, or regulating turnpike facilities as may be set forth in an intergovernmental agreement between DOT and such political subdivision. Revenues from these contracts must be included in turnpike facility revenues.

DOT indicates that the agency would need more information on specific turnpike projects in order to conduct a study to estimate toll revenues, expenditures, and capital funding

methodology. Further, the agency indicates that many factors would influence the funding of turnpikes, including input from the Federal Highway Administration. Therefore, the revenue impact on the General Fund, Other Funds, and Federal Funds of DOT is undetermined. This section of the impact statement has been updated to include a response from DOT.

Local Expenditure

N/A

Local Revenue

N/A

Introduced on April 25, 2017

State Expenditure

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Department of Transportation (DOT). The expenditure impact of this bill on the General Fund, Other Funds, and Federal Funds is pending, contingent upon a response from DOT.

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expenditure or revenue impact on funds invested by the RSIC as they currently have the authority to invest in these type of bonds.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director