



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: H. 3799 Introduced on January 30, 2019
Author: Loftis
Subject: Highway System Construction
Requestor: House Education and Public Works
RFA Analyst(s): Griffith
Impact Date: February 27, 2019

Fiscal Impact Summary

The expenditure impact of this bill on the Department of Transportation (DOT) is pending, contingent upon a response from the agency.

The expenditure impact to local governments is undetermined due to the complexity of parties that may be affected and the costs of specific project plans.

Explanation of Fiscal Impact

Introduced on January 30, 2019

State Expenditure

This bill requires an entity that undertakes a transportation improvement project to bear the costs related to relocating water and sewer lines, up to four percent of the original construction bid amount for a large public water utility or large public sewer utility.

The expenditure impact on DOT is pending, contingent upon a response from the agency.

State Revenue

N/A

Local Expenditure

The Revenue and Fiscal Affairs Office surveyed twenty-three county governments regarding the expenditure impact of this amendment. We received responses from three county governments.

Florence County does not own a water or sewer system. Therefore, this bill will have no expenditure impact on Florence County.

Lancaster County indicates that most of its road projects are limited to resurfacing or initial paving, and the county usually does not participate in widening projects where a utility line may have to be relocated. Therefore, the bill will have no expenditure impact on Lancaster County.

Charleston County references ten featured projects and an estimate of unallocated money for the next eleven years to which this bill would apply. The value of the ten projects is approximately \$678,000,000, and the percentage of the unallocated money that will be allocated to Charleston County road projects is estimated to be \$62,370,000. The county indicates that the four percent

threshold applies to these ten projects. Therefore, the expenditure impact of these projects is estimated to be approximately \$29,614,800 to the county.

In addition, Charleston County has an additional ongoing project that will not cost the full four percent authorized by this bill. From the \$725,000,000 project total, the expenditure impact will be approximately \$10,000,000 to \$12,000,000, bringing the total expenditure impact to the county to between \$39,614,800 and \$41,614,800.

Due to the various combination of parties that may be affected, the expenditure impact of this bill on local governments cannot be estimated. Determination of the expenditure impact is further complicated, because increased costs and savings depend upon the specific project plans and their costs as well as the existence of prior rights.

Local Revenue

N/A



Frank A. Rainwater, Executive Director