COMMITTEE REPORT

May 2, 2019

**S. 323**

Introduced by Senator Alexander

S. Printed 5/2/19--H.

Read the first time February 20, 2019.

**THE COMMITTEE ON WAYS AND MEANS**

To whom was referred a Bill (S. 323) 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, etc., respectfully

**REPORT:**

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

GILDA COBB-HUNTER for Committee.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

**Explanation of Fiscal Impact**

**Amended by Senate Finance on February 7, 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.

**Introduced on January 8, 2019**

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Frank A. Rainwater, Executive Director

Revenue and Fiscal Affairs Office

**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.

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

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

“Section 12‑54‑265. (A) Notwithstanding any other provision of law, the department may submit to a financial institution, as defined in Section 63‑17‑2310(A)(2), information that identifies a debtor named on a warrant for distraint that has been issued and filed by the department or whose debt has been submitted to the department for collection under the provisions of Section 12‑4‑580. For purposes of debts named on warrants for distraint, the debt must be at least one hundred eighty days old from the date of assessment. The department may submit the information to the financial institution on a quarterly basis or, with the agreement of the financial institution, on a more frequent basis. A financial institution that receives the information must conduct a data match. The financial institution must then provide to the department, in a manner and form prescribed by the department, information concerning the debtor for purposes of collecting outstanding debts. The information provided to the department must include, but is not limited to, the information required pursuant to Section 63‑17‑2320(A). The financial institution must be paid a reasonable fee out of the collected funds not to exceed actual cost.

(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).”

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

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