



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number:	S.0166	Introduced on January 10, 2023
Author:	Climer	
Subject:	Coordinating Council for Economic Development	
Requestor:	Senate Labor, Commerce, and Industry	
RFA Analyst(s):	Jolliff and Miller	
Impact Date:	January 27, 2023	

Fiscal Impact Summary

This bill changes the membership of the Coordinating Council for Economic Development by adding two members of the House of Representatives and two members of the Senate to the Council. Further, the bill provides requirements for the Council to forgive or extend incentives and gives the State Fiscal Accountability Authority (SFAA) oversight responsibilities.

This bill is not expected to impact expenditures for the House of Representatives or the Senate. Both the bodies anticipate that, absent a significant number of meetings held by the Council, these expenses can be managed within the existing appropriations. The Department of Commerce (Commerce) reports that adding four additional members to the Council will have a minimal fiscal impact for coordination that can be absorbed by the agency. This bill will have no expenditure impact for SFAA as the additional responsibilities can be managed by existing staff and within existing appropriations.

The bill may impact state revenues if SFAA decides differently regarding whether a credit should be extended, repaid, modified, waived, or forgiven from the decision that the Council would make under its current authority. However, we are unable to estimate how the change may affect revenues as this will depend on the future decisions made by SFAA.

Explanation of Fiscal Impact

Introduced on January 10, 2023

State Expenditure

This bill changes the membership of the Coordinating Council for Economic Development by adding two members of the House of Representatives and two members of the Senate to the Council. Further, the bill provides requirements for the Council to forgive or extend incentives and gives SFAA oversight responsibilities. Specifically, the coordinating Council is prohibited from granting extensions and from modifying or otherwise waiving or forgiving conditions under which companies were awarded incentives or credits. At the expiration of incentives authorized by the coordinating Council, the Council may make recommendations to SFAA regarding whether a credit should be extended, repaid, modified, waived, or forgiven. SFAA is then responsible for making determinations regarding extensions, repayments, modifications, waivers, or forgiveness for credits or incentives.

Department of Commerce. Commerce reports that adding four additional members to the Council will have a minimal fiscal impact for coordination that can be absorbed by the agency.

Senate and House of Representatives. This bill adds four new members to the Coordinating Council for Economic Development, two members of the House of Representatives, as appointed by the House of Representatives, and two members of the Senate, as appointed by the Senate. The four new legislative members will receive per diem of \$50, subsistence of \$223.17, and mileage of \$0.655 per mile for each meeting attended on non-session days. Members are not entitled to additional per diem, subsistence, or mileage on session days. Both the House and Senate anticipate that, absent a significant number of meetings held by the Council, these expenses can be managed within existing appropriations. Therefore, this bill is not expected to have an expenditure impact on the House of Representatives or the Senate.

State Fiscal Accountability Authority. This bill will have no expenditure impact for SFAA as the additional responsibilities can be managed by existing staff and within existing appropriations.

State Revenue

According to the 2021 annual report, the responsibilities of the Council include “establishing guidelines and procedures for all Council programs; reviewing and approving all applications for grants from the Economic Development Set-Aside, Rural Infrastructure, Closing and Tourism Infrastructure Funds; and reviewing and approving all applications for Enterprise Zone Job Development Credits, International Trade Incentives and Agricultural Products Increase Tax Credits. The Council also certifies economic development projects as representing ‘significant economic impact’ on areas surrounding them for the purposes of qualifying for income tax apportionment and income tax moratoriums. In addition, the Council provides recommendations to the South Carolina Infrastructure Bank regarding projects that will have a positive impact on economic development in the State.” The bill may impact state revenues if SFAA decides differently regarding whether a credit should be extended, repaid, modified, waived, or forgiven from the decision that the Council would make under its current authority. However, we are unable to estimate how the change may affect revenues as this will depend on the future decisions made by SFAA.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director