



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. 0484 Introduced on February 2, 2023
Author: Campsen
Subject: South Carolina Waterways Protection Act
Requestor: Senate Fish, Game, and Forestry
RFA Analyst(s): Miller and Tipton
Impact Date: February 14, 2023

Fiscal Impact Summary

This bill establishes the South Carolina Waterways Protection Fund to be used by the Department of Natural Resources (DNR) to remove various hazards to navigation from the waters of the state, to identify and mark hazards to navigation, and to establish and maintain a grant program to remove water navigation hazards. The fund will be supported by a \$3 increase in the fee for filing a motorboat application and a \$3 fee increase on the tax notice of all United States Coast Guard documented watercraft.

This bill requires DNR to administer the South Carolina Waterways Protection Fund and to use the funds to improve the navigation of waters in the state by removing or marking various hazards. DNR indicates the expenses associated with this bill will likely depend upon the amount of revenue generated within the fund. DNR is working to provide an estimate of the expenses associated with this bill. This fiscal impact statement is pending, contingent upon an additional response from DNR.

This bill specifies that the South Carolina Office of Resilience (SCOR) may, upon a request from DNR, assist in the maintenance of a grant program established by the fund. If SCOR assists with the maintenance of the grant program, the agency anticipates the need to hire 1.0 FTE, including salary and fringe as well office setup and supplies, totaling \$83,201 in FY 2023-24 and \$81,701 each year thereafter. However, as the responsibilities in this bill for SCOR are dependent upon a request for assistance from DNR, the Other Funds expenditure impact for SCOR will depend on decisions by DNR.

This bill requires revenues generated for the South Carolina Waterways Protection Fund to be remitted to STO and to be kept separate and distinct from the General Fund. STO indicates this requirement will be managed within existing appropriations and will have no fiscal impact.

This bill increases the fee for filing a motorboat application by \$3. DNR is working to provide an estimate on the number of filings for motorboat applications and the potential increase in fee revenue, therefore the Other Funds revenue impact of this bill is pending, contingent upon an additional response from DNR. This bill also adds a \$3 fee to the tax notice of all United States Coast Guard documented watercraft. Based on responses received from two counties, there are thirty-seven boats that would be subject to this fee in Florence and seven boats in Clarendon.

Revenue and Fiscal Affairs (RFA) is unable to estimate the total number of United States Coast Guard documented watercraft in the state based on the limited number of responses received. Therefore, the increase to Other Funds revenue due to the \$3 fee is undetermined.

Further, Florence anticipates this bill will increase local expenses by \$15,000 in FY 2023-24 for computer program updates to implement the change to tax notices. Clarendon County did not provide an expenditure estimate for this bill. Due to the limited number of responses, the local expenditure impact of this bill is undetermined.

Explanation of Fiscal Impact

Introduced on February 2, 2023

State Expenditure

This bill establishes the South Carolina Waterways Protection Fund to be used by DNR to remove various hazards to navigation from the waters of the state, to identify and mark hazards to navigation, and to establish and maintain a grant program to remove water navigation hazards. The fund will be supported by a \$3 increase in the fee for filing a motorboat application and a \$3 fee added to the tax notice of all United States Coast Guard documented watercraft.

Department of Natural Resources. This bill requires DNR to administer the South Carolina Waterways Protection Fund and to use the funds to improve the navigation of waters in the state by removing or marking various hazards. DNR indicates the expenses associated with this bill will depend upon the amount of revenue generated within the fund. DNR is working to provide an estimate of the expenses associated with this bill. This fiscal impact statement is pending, contingent upon an additional response from DNR.

Office of Resilience. This bill specifies that SCOR may, upon a request from DNR, assist in the maintenance of a grant program established by the fund. If SCOR assists with the maintenance of the grant program, the agency anticipates the need to hire 1.0 FTE, a Program Coordinator I to coordinate and manage grant activities. The salary and benefits for this position would be \$50,394 and \$22,425, for a total annual cost of \$72,819. Additionally, SCOR anticipates purchasing a laptop for \$1,500 and that recurring office expenses, such as office materials and travel expenses for this position will total \$8,882 annually. Therefore, if SCOR assists with the maintenance of the grant program, the agency anticipates a total cost of \$83,201 in FY 2023-24 and \$81,701 each year thereafter. The agency would request an Other Funds' authorization increase to cover these expenses. However, as the responsibilities in this bill for SCOR are dependent upon a request for assistance from DNR, the Other Funds expenditure impact for SCOR will depend on decisions by DNR.

State Treasurer's Office. This bill requires revenues generated for the South Carolina Waterways Protection Fund to be remitted to STO and to be kept separate and distinct from the General Fund. STO indicates this requirement will be managed within existing appropriations and will have no fiscal impact.

State Revenue

This bill increases the fee for filing a motorboat application from \$10 to \$13. The \$3 increase must be deposited into the South Carolina Waterways Protection Fund. DNR is working to provide information on motorboat filings and the potential increase in fee revenue. As such, the revenue impact is pending, contingent upon an additional response from DNR.

Additionally, this bill adds a \$3 fee to the tax notice of all United States Coast Guard documented watercraft. This fee must be deposited by the county treasurer into the South Carolina Waterways Protection Fund. RFA contacted the counties to determine the number of United States Coast Guard documented watercraft in the state. Based on the responses from Florence and Clarendon Counties, there are an estimated there are thirty-seven documented boats in Florence and seven in Clarendon. RFA is unable to estimate the total number of United States Coast Guard documented watercraft in the state based on the limited number of responses received. Therefore, the increase to Other Funds revenue due to the \$3 fee is undetermined.

Local Expenditure

Additionally, this bill adds a \$3 fee to the tax notice of all United States Coast Guard documented watercraft. This fee must be deposited by the county treasurer into the South Carolina Waterways Protection Fund. RFA contacted the counties to determine the potential impact for collecting this fee. RFA received a response from the Florence and Clarendon counties. Florence anticipates the need to update multiple computer programs in order to provide the notices and collect this fee. Florence expects these updates will cost approximately \$15,000. Therefore, Florence anticipates this bill will increase local expenses by \$15,000 in FY 2023-24. Clarendon County did not provide an expenditure estimate for this bill. Due to the limited number of responses, the local expenditure impact of this bill is undetermined.

Local Revenue

N/A



Frank A. Rainwater, Executive Director