Bill Number:	H. 3929 Introduced on February 6, 2025
Subject:	Department of Corrections Canteens
Requestor:	House Judiciary
RFA Analyst(s):	Gardner
Impact Date:	April 29, 2025

Fiscal Impact Summary

This bill authorizes the South Carolina Department of Corrections (Corrections) to maintain canteens at its facilities and requires each person or institution with a canteen to prepare an annual statement of operations. The bill also requires the Legislative Audit Council (LAC) to conduct a biennial audit of Corrections canteen operations.

Corrections and LAC report this bill will have no expenditure impact because the agencies anticipate managing any change in responsibilities resulting from the bill with existing staff and resources.

Corrections reports that it currently operates 21 canteens across facilities statewide. The markup on the commodities sold at the canteens is 45 percent. The revenue from the canteens must cover all operating costs, as the canteen program is completely a revenue-funded enterprise. This bill caps the markup at a maximum of 20 percent, which would result in an estimated revenue loss of $921,000 annually for Corrections. Per Proviso 65.1 of the FY 2024-25 appropriations act, the canteen program must be treated as an enterprise fund within the agency and cannot be subsidized by state-appropriated funds.

Explanation of Fiscal Impact

Introduced on February 6, 2025
State Expenditure
This bill provides that Corrections may maintain canteens at all prisons or institutions under its jurisdiction. These canteens will offer to incarcerated persons the sale of such items as toiletries, snacks, notions, and other sundries. Corrections must provide staffing for each canteen and must limit prices to no more than a 20 percent markup over what is paid to the vendor of the commodities to be sold. Currently, the revenue that is generated by the canteen division is kept by Corrections in a separate earmarked fund. The bill also requires each prison or institution with a canteen to prepare an annual statement of operations. In addition, the bill requires the LAC to conduct a biennial audit of canteen operations.

Corrections and the LAC report this bill will have no expenditure impact because any increase in workload will be managed with existing staff and appropriations.

State Revenue
Corrections reports that it currently operates 21 canteens across facilities statewide. The markup on the commodities sold at the canteens is 45 percent. The revenue from the canteens must cover all operating costs, as the canteen program is completely a revenue-funded enterprise. This bill caps the markup at a maximum of 20 percent, which would result in an estimated revenue loss of $921,000 annually for Corrections. Per Proviso 65.1 of the FY 2024-25 appropriations act, the canteen program must be treated as an enterprise fund within the agency and cannot be subsidized by state-appropriated funds.

Local Expenditure
N/A

Local Revenue
N/A

Frank A. Rainwater, Executive Director