



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: H. 4683 Signed by Governor on May 3, 2018
Author: Hewitt
Subject: Beachfront Management Reform Act
Requestor: House of Representatives
RFA Analyst(s): A. Martin and Gardner
Impact Date: July 17, 2018

Estimate of Fiscal Impact

	FY 2018-19	FY 2019-20
State Expenditure		
General Fund	\$205,223	\$151,223
Other and Federal	\$0	\$0
Full-Time Equivalent Position(s)	1.00	0.00
State Revenue		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Local Expenditure	\$0	\$0
Local Revenue	\$0	\$0

Fiscal Impact Summary

This bill will increase General Fund expenditures by \$205,223 in FY 2018-19 and \$151,223 each year thereafter for the addition of 1 FTE and other operating costs for the Department of Health and Environmental Control (DHEC). This bill will have no impact on the General Fund, Other Funds, or Federal Funds of the Administrative Law Court, because this bill creates no new responsibilities for the agency.

Explanation of Fiscal Impact

Signed by Governor on May 3, 2018

State Expenditure

Department of Health and Environmental Control. This bill updates terms and conditions for establishing two beachfront jurisdictional lines: the coastal baseline and setback line. This bill stipulates that a new baseline cycle must be initiated no sooner than January 1, 2024. DHEC must reestablish all baselines and setback lines that were in existence as of January 31, 2012.

This bill restricts the use of data collected from an erosion zone for the purpose of establishing jurisdictional lines. If an erosion zone has incurred extraordinary erosion due to a storm system or event named by the National Weather Service, data collected within eighteen months of the event may not be used. In order to determine if extraordinary erosion has occurred, the department will need data collected immediately after the weather event. During and immediately after these events, department staff will be called upon to attend to emergency tasks, and will be unavailable to collect this data. Therefore, this data must be collected by outside contractors. DHEC estimates the cost for this contracted work to be \$75,000 per event, and this

service will be required an average of once per year. In addition, the department indicates that it will need a drone capable of determining elevation to assist in determining extraordinary erosion. Based on their market research, the department estimates the non-recurring cost for this equipment and required software to be \$31,500. Additional servers for data storage and processing will also be needed. The non-recurring cost for these servers is estimated to be \$20,000. Therefore, this portion of the bill will increase General Fund expenditures by \$126,500 in FY 2018-19 and \$75,000 each year thereafter.

DHEC will hire 1 additional Environmental Health Manager III to manage all aspects of field data collection and to ensure that collection of data conforms to established protocols and meets technical specifications. The manager will also be responsible for post-processing of field data, performing spatial analysis of data, and presenting information at public hearings and meetings. Salary and fringe benefits for this position will total \$75,023. Non-recurring costs for equipment and infrastructure will total \$2,500. Recurring technology costs for this position will total \$1,200. Therefore, this portion of the bill will increase General Fund expenditures by \$78,723 in FY 2018-19 and \$76,223 each year thereafter.

This bill also modifies the appeals process for decisions made by DHEC concerning review of jurisdictional lines. Previous law allowed a landowner to request a review of the jurisdictional lines affecting his personal property. The law stipulated that decisions arising from this review conference were to be mailed to the landowner or his representative, but did not specify postal class. This bill specifies that review conference decisions are to be mailed by certified mail. DHEC indicates that this new requirement will be managed within existing appropriations. Therefore, this portion of the bill will have no impact on the General Fund, Other Funds, or Federal Funds for the agency.

In addition, this bill requires DHEC to provide notice of the publication of proposed jurisdictional lines in several different newspapers. One newspaper must be distributed statewide. In each geographical area, a second notice must be placed in a local newspaper. DHEC does not anticipate these advertising costs to be extensive, and will manage these expenditures within existing appropriations. Therefore, this portion of the bill will have no impact on the General Fund, Other Funds, or Federal Funds for the agency.

In summary, this bill will increase General Fund expenditures by \$205,223 in FY 2018-19 and \$151,223 each year thereafter for the addition of 1 FTE and other operating costs for the agency. This bill will have no expenditure impact on Other Funds or Federal Funds.

Administrative Law Court. The agency reports that the implementation of this bill creates no new requirements for the agency. Therefore, this bill will have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

State Revenue

N/A

Local Expenditure and Revenue

N/A



Frank A. Rainwater, Executive Director