



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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**Bill Number:** H. 4727 Signed by Governor on May 18, 2018  
**Author:** White  
**Subject:** Conservation Bank Trust Fund  
**Requestor:** House of Representatives  
**RFA Analyst(s):** Wren and A. Martin  
**Impact Date:** June 8, 2018

**Estimate of Fiscal Impact**

	FY 2018-19	FY 2019-20
<b>State Expenditure</b>		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	See Below	\$0
Other and Federal	See Below	\$0
<b>Local Expenditure</b>	\$0	\$0
<b>Local Revenue</b>	\$0	\$0

**Fiscal Impact Summary**

This bill will have no expenditure impact on the General Fund, Other Funds, or Federal Funds of the Conservation Bank, Department of Natural Resources (DNR), the Forestry Commission, the Department of Parks, Recreation, and Tourism (PRT), the House of Representatives, or the Senate. Any increase in expenses for these agencies to attend additional annual board meetings for the Conservation Bank can be managed within current appropriations of the agencies.

This bill will have no revenue impact on the General Fund, Other Funds, or Federal Funds. Proviso 53.1 as passed by the House of Representatives and the Senate for FY 2018-19 suspends the provisions of Section 12-24-95, which directs \$0.25 of the \$1.30 state deed recording fee to the Conservation Bank Trust Fund. Additionally, Section 12-24-95 is scheduled to be repealed July 1, 2018. The current General Fund forecast includes this revenue.

**Explanation of Fiscal Impact**

**Signed by Governor on May 18, 2018**

**State Expenditure**

The bill expands the list of eligible trust fund recipients of the Conservation Bank Trust Fund to include a county of this state and any agency, commission, or instrumentality of a county. The bill increases the number of Conservation Bank Board (board) meetings from twice annually to quarterly. The bill also requires the Conservation Bank to develop a conservation prioritization map by July 1, 2019. The bill requires the executive director of the Conservation Bank to possess experience in the areas of natural resources, land development, forestry, finance, land conservation, real estate, or law. The executive director must be hired with the advice and

consent of the Senate. The bill also requires board members to possess the same experience as the executive director and makes some exclusions as to who may serve on the board.

Additionally, the bill allows the Conservation Bank to make an award for an extraordinary conservation opportunity in excess of the funds in the trust fund. These awards must be approved by a two-thirds vote of the board members and go before the Joint Bond Review Committee. The bill also prohibits the purchase of a conservation easement for more than \$1,000,000 unless the transaction is approved by the Joint Bond Review Committee. The chairman of the board must establish a grant review committee to review, comment, and make recommendations on proposals received by the bank. The chairman must appoint five members of the board to serve on the committee. Upon application from DNR, the board must award up to \$3,000,000 annually in trust funds to provide the state match for federally funded grant programs in order to leverage funds to meet certain conservation criteria. The board, at its discretion, may award additional grant funds to DNR, PRT, or the Forestry Commission for the acquisition of fee simple title to land to which the public will have full access. The additional funds must be used only for improvements that create or enhance wildlife habitats.

**Conservation Bank.** The Conservation Bank indicates that this bill charges the agency with some additional responsibilities, which can be managed within current appropriations. Additionally, the agency indicates that it does not cover expenses for mileage, subsistence, or pay per diem for board members. Therefore, this bill will have no expenditure impact on the General Fund, Federal Funds, or Other Funds of the Conservation Bank.

**Department of Natural Resources.** The bill increases the number of annual meetings held by the Conservation Bank Board. DNR indicates that expenses for mileage, subsistence, and per diem, if necessary, can be managed within existing appropriations. Therefore, the bill will have no expenditure impact on DNR.

**Forestry Commission.** The bill increases the number of annual meetings held by the Conservation Bank Board. The Forestry Commission indicates that expenses for mileage, subsistence, and per diem, if necessary, can be managed within existing appropriations. Therefore, the bill will have no expenditure impact on the Forestry Commission.

**Department of Parks, Recreation, and Tourism.** The bill increases the number of annual meetings held by the Conservation Bank Board. PRT indicates that expenses for mileage, subsistence, and per diem, if necessary, can be managed within existing appropriations. Therefore, the bill will have no expenditure impact on PRT.

**House of Representatives and Senate.** The bill increases the number of annual meetings held by the Conservation Bank Board. Each member will receive per diem of \$35, subsistence of \$202.03, and mileage of \$0.54 per mile for each additional meeting on non-session days. These expenses will be managed within the budgets of the respective legislative bodies. Therefore, this bill would have no expenditure impact on the General Fund, Other Funds, or Federal Funds for the House of Representatives or the Senate.

**State Revenue**

The board, at its discretion, may award additional grant funds to DNR, PRT, or the Forestry Commission for the acquisition of fee simple title to land to which the public will have full access. The additional funds must be used only for improvements that create or enhance wildlife habitats.

Any grants awarded to DNR, PRT, or the Forestry Commission would increase Other Funds revenue of the respective agencies, but would be offset by the expenses to utilize the funds in accordance to the provisions of this bill.

Also, the bill repeals Section 12-24-95 and Section 3 of Act 200 of 2002, which directs \$0.25 of the \$1.30 state deed recording fee to the Conservation Bank Trust Fund. In addition, the bill repeals Section 12-24-97 and Section 4 of Act 200 of 2002, which relate to the start date of the transfer of the state deed recording fee. Section 48-59-75 and Section 5 of Act 200 of 2002, which place restrictions on the transfer of the deed recording fee into the trust fund, are repealed by this bill. Additionally, Section 27-8-120 and Section 7 of Act 200 of 2002, which both relate to the requirement to periodically reauthorize the Conservation Bank Trust Fund are also repealed by this bill.

Proviso 53.1 as passed by the House of Representatives and the Senate for FY 2018-19 suspends the provisions of Section 12-24-95, which directs \$0.25 of the \$1.30 state deed recording fee to the Conservation Bank Trust Fund. Additionally, Section 12-24-95 is scheduled to be repealed July 1, 2018. Based upon the April 2018 General Fund forecast by the Board of Economic Advisors, \$0.25 of the \$1.30 of the state deed recording fee will total approximately \$20,632,000 in FY 2018-19. The current General Fund forecast includes this revenue.

**Local Expenditure**

N/A

**Local Revenue**

N/A



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Frank A. Rainwater, Executive Director