



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number:	S. 0282	Introduced on January 10, 2023
Author:	Campsen	
Subject:	Beach Restoration and Improvement Trust Fund	
Requestor:	Senate Fish, Game, and Forestry	
RFA Analyst(s):	Bryant	
Impact Date:	February 2, 2023	

Fiscal Impact Summary

This bill renames the South Carolina Beach Restoration and Improvement Trust Fund to the South Carolina Beach Preservation Trust Fund and moves its administration from the Office of Ocean and Coastal Resource Management (OCRM) within the Department of Health and Environmental Control (DHEC) to the Department of Parks, Recreation and Tourism (PRT).

The bill requires the General Assembly to appropriate an amount equal to 25 percent of the General Fund portion of admissions tax revenue to fund the trust fund annually beginning in FY 2023-24. For FY 2023-24, this amount is estimated to be \$10,396,750. Up to \$250,000 of these funds are to be used by OCRM for annual monitoring and evaluation of erosion rates and beach profiling.

This bill will not have an expenditure impact on PRT as the department has administered the fund since FY 2016-17 using existing staff and appropriations.

This bill will not have an expenditure impact on DHEC in FY 2023-24. The General Assembly did not appropriate funds to the trust in FY 2022-23, and the fund currently has approximately a zero balance. OCRM has utilized Federal Funds in previous fiscal years to cover expenses related to beach profiling and expects to continue using Federal Funds for these expenses.

This bill may increase local revenue by up to \$10,396,750 in FY 2023-24 for allocations from the South Carolina Beach Preservation Trust Fund. The exact local revenue increase will depend upon individual projects, as each project cost will determine the amount of matching funds local governments receive.

Explanation of Fiscal Impact

Introduced on January 10, 2023

State Expenditure

This bill renames the South Carolina Beach Restoration and Improvement Trust Fund to the South Carolina Beach Preservation Trust Fund and moves administration of the trust fund from OCRM within DHEC to PRT. The bill requires PRT to administer the fund and approve and rank proposed projects. Trust funds may be allocated by PRT to:

- provide matching funds to qualifying local governments for the restoration and maintenance of eroded public beaches and the enhancement of public beach access, and
- restore beaches and protective sand dunes on an emergency basis.

The bill requires the General Assembly to appropriate an amount equal to 25 percent of the General Fund portion of admissions tax revenue to the trust fund annually beginning in FY 2023-24. The Board of Economic Advisors' November 2022 General Fund Revenue Forecast estimates General Fund admissions tax revenue will total \$41,587,000 in FY 2023-24. As such, the bill will require the General Assembly to appropriate \$10,396,750 to the South Carolina Beach Preservation Trust Fund in FY 2023-24.

The bill also requires allocations of trust fund monies for public beach restoration and maintenance or improvement and enhancement of public beach access to be matched equally by the municipality or county in which the project site is located or by a combination of the county and municipality in which the project site is located.

The bill specifies that the annual monitoring and evaluation of erosion rates and beach profiles by OCRM must be funded by the trust fund in an amount not to exceed \$250,000. Monitoring and evaluation data must be made available to the public.

Further, this bill repeals Chapter 40 of Title 48, which established the South Carolina Beach Restoration and Improvement Trust Fund under DHEC.

Department of Parks, Recreation and Tourism. This bill requires PRT to administer the trust fund, approve and rank projects, and distribute funds to local and municipal governments for approved uses. This bill will not have an expenditure impact on PRT as the department has administered the fund since FY 2016-17 using existing staff and appropriations.

Department of Health and Environmental Control. This bill repeals Chapter 40 of Title 48, which established the South Carolina Beach Restoration and Improvement Trust Fund under the administration of OCRM. Currently, Section 48-40-70 permits OCRM to utilize up to \$250,000 of trust funds for annual beach profiling as required by Sections 48-39-280 and 48-39-320. This bill does not change the statute requiring OCRM to conduct annual beach profiling, and it does not specifically provide funds for this duty. The General Assembly did not appropriate funds to the South Carolina Beach Restoration and Improvement Trust Fund in FY 2022-23, and the fund currently has approximately a zero balance. OCRM has been utilizing Federal Funds in previous fiscal years to cover expenses related to beach profiling and expects to continue using Federal Funds for these expenses. As such, this bill will not have an expenditure impact on DHEC in FY 2023-24.

State Revenue

The bill requires the General Assembly to appropriate an amount equal to 25 percent of the General Fund portion of admissions tax revenue to the trust fund annually beginning in FY 2023-24. The Board of Economic Advisors' November 2022 General Fund Revenue Forecast estimates General Fund admissions tax revenue will total \$41,587,000 in FY 2023-24. As such,

the bill will require the General Assembly to appropriate \$10,396,750 to the South Carolina Beach Preservation Trust Fund in FY 2023-24.

Local Expenditure

N/A

Local Revenue

This bill allows funds to be distributed from the South Carolina Beach Preservation Trust Fund to match a municipality's or county's project costs for public beach restoration and maintenance or enhancement of public beach access. Local governmental entities must apply for trust fund monies. Allocations of funds for public beach projects must be matched equally by the municipality or county in which a project site is located, or by a combination of the county and municipality. As such, this bill may increase revenue for local counties and municipalities by up to \$10,396,750 in FY 2023-24 if funds are appropriated to the trust fund. The exact amount of local revenue will depend upon individual projects, as each project cost will determine the amount of matching funds local governments will receive.



Frank A. Rainwater, Executive Director