



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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Bill Number: S. 0143  
 Author: Coleman  
 Requestor: Senate Finance  
 Date: January 30, 2015  
 Subject: Financing agreements by governmental entities  
 RFA Analyst(s): Jolliff

**Estimate of Fiscal Impact**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>State Expenditure</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

This bill is not expected to impact State or local revenues.

**Explanation of Fiscal Impact**

**State Expenditure**

N/A

**State Revenue**

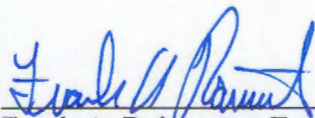
This bill adds a new item to Section 11-27-110(A) to specify that after July 1, 2015 a governmental entity may not enter into a lease purchase agreement. The governmental entities affected are the State and any political subdivision of the State including a municipality, county, school district, special purpose district, or similar entity, whose general obligation debt is limited as provided in Sections 14 and 15, in Article X of the Constitution. Lease purchase agreements allow for installment payments on assets extending across fiscal years after which, if all payments are made, the governmental entity will obtain title to the asset. This bill would end the practice of entering into lease purchase agreements to finance the purchase of assets and is not expected to impact State revenues.

**Local Expenditure**

N/A

**Local Revenue**

This bill adds a new item to Section 11-27-110(A) to specify that after July 1, 2015 no governmental entity may enter into a lease purchase agreement. The governmental entities affected are the State and any political subdivision of the State including a municipality, county, school district, special purpose district, or similar entity, whose general obligation debt is limited as provided in Sections 14 and 15, in Article X of the Constitution. Lease purchase agreements allow for installment payments on assets extending across fiscal years after which, if all payments are made, the governmental entity will obtain title to the asset. This bill would end the practice of entering into lease purchase agreements to finance the purchase of assets and is not expected to impact local revenues.



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Frank A. Rainwater, Executive Director