



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number:	S. 0467	Introduced on January 13, 2021
Author:	Cromer	
Subject:	Provide Requirements for Applicant Seeking to Organize a Bank	
Requestor:	Senate Banking and Insurance	
RFA Analyst(s):	Griffith	
Impact Date:	February 16, 2021	

Fiscal Impact Summary

This bill will have no impact on expenditures of the Board of Financial Institutions because any additional expenditures incurred as a result of the bill will be managed within its existing appropriations.

The Revenue and Fiscal Affairs Office (RFA) does not expect there to be any fiscal impact to county governments due to the repeal of Title 34, Chapter 12. This is based on responses from Charleston and Lancaster Counties.

Explanation of Fiscal Impact

Introduced on January 13, 2021

State Expenditure

The following sections will affect state expenditures as follows:

Section 1. This section requires persons wishing to organize or establish a bank to file an application with the Board of Financial Institutions (board). With the approval of the board, the organizers of the bank may file articles of incorporation with the Secretary of State, which must transmit to the board a certified copy of the articles of incorporation. Both the board and the Secretary of State's office indicate that any additional expenditures as a result of the required filings would be managed within existing appropriations. Therefore, this section has no expenditure impact on the General Fund, Federal Funds, or Other Funds.

Section 6. This section requires a national banking corporation or a banking corporation of another state that desires to become an incorporated bank of South Carolina to file an application of conversion with the board. The board indicates that any additional expenditures as a result of the required filings would be managed within its existing appropriations. Therefore, this section has no expenditure impact on the General Fund, Federal Funds, or Other Funds.

Sections 2, 3, 4, and 10. These sections of the bill replace references within the code of laws to the State Board of Bank Control with the Commissioner of Banking, whose office is under the administration of the State Board of Financial Institutions. As such, there is no expenditure impact on the board.

Section 19. This section repeals Title 34, Chapter 27, which requires a cooperative credit union to send a report to the State Board of Bank Control within thirty-one days of the last business day of the previous year. At the time of sending the report, each cooperative credit union must also send a filing fee of ten dollars. The penalty for not sending the report within the time prescribed is five dollars per day, unless the Board grants an extension. The Board of Financial Institutions reports that this is an outdated chapter of Code, and, as such, it will have no impact on the board.

State Revenue

Sections 1 and 6 of the bill authorize the Board of Financial Institutions (board) to collect application fees from those organizing a bank and from a banking corporation desiring to become an incorporated bank of South Carolina, respectively. The board is currently permitted to collect such fees under Proviso 79.1 of the FY 2019-20 General Appropriations bill. Since the proposed legislation codifies existing practice, there is no revenue impact to the board.

Local Expenditure

Section 19 of the bill repeals Title 34, Chapter 12, which authorizes a county council to establish a check clearing house. The Revenue and Fiscal Affairs Office surveyed the Municipal Association of South Carolina (MASC) as well as twenty-three county governments. Of the two counties that responded, Charleston and Lancaster, neither expect the repeal to have any fiscal impact on their counties. Based on their responses, RFA does not expect there to be any impact to any counties.

Local Revenue

N/A



Frank A. Rainwater, Executive Director