SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number:	H. 3746 Introduced on January 19, 2023
Author:	Sandifer
Subject:	Department of Insurance
Requestor:	House Labor, Commerce, and Industry
RFA Analyst(s):	Tipton
Impact Date:	February 6, 2023

Fiscal Impact Summary

This bill modifies the limit for grants administered through the Hurricane Damage Mitigation Program within the Department of Insurance (DOI), and amends related code as well as other statutory procedures and requirements of DOI. Under this bill, the Hurricane Damage Mitigation Program and accompanying advisory committee through DOI may administer two classes of grants. The Resilient Mitigation Award may be awarded for applicable roof retrofits and may not exceed $7,500 for nonmatching grants or $6,000 for matching grants. The Sustainable Mitigation Award may be awarded for qualifying roof retrofits, window replacement, and opening protection retrofits and may not exceed $5,000 for nonmatching grants or $4,000 for matching grants. The Sustainable Mitigation Award may also be awarded for qualifying hurricane shuttering and protective barrier systems and may not exceed $3,000 for matching and nonmatching grants.

This bill will have no expenditure impact on DOI as the agency indicates all additional responsibilities will be managed within existing appropriations.

The number of grants administered by this program may decrease due to the increased grant limits set by the bill depending on the amount of funds provided for each grant. Additionally, the total amount of funding for the program is dependent upon annual legislative appropriations.

Explanation of Fiscal Impact

Introduced on January 19, 2023
State Expenditure
This bill modifies the limit for grants administered through the Hurricane Damage Mitigation Program within the Department of Insurance (DOI), and amends related code as well as other statutory procedures and requirements of DOI. Under this bill, the Hurricane Damage Mitigation Program and accompanying advisory committee through DOI may administer two classes of grants. The Resilient Mitigation Award may be awarded for applicable roof retrofits and may not exceed $7,500 for nonmatching grants or $6,000 for matching grants. The Sustainable Mitigation Award may be awarded for qualifying roof retrofits, window replacement, and opening protection retrofits and may not exceed $5,000 for nonmatching grants or $4,000 for matching grants. The Sustainable Mitigation Award may also be awarded for qualifying

hurricane shuttering and protective barrier systems and may not exceed $3,000 for matching and nonmatching grants.

Currently, matching grants for households with income exceeding 80 percent of the Housing and Urban Development (HUD) median income for the county may be no more than $4,000. Non-matching grants for households with income not exceeding 80 percent of the HUD median income for the county may be no more than $5,000. Since the Hurricane Mitigation Program began in 2007, approximately 504 grants totaling an estimated $2,263,000 are administered on average each year with an average grant award of $4,490. Approximately $2,200,000 was available at the beginning of FY 2022-23 for grant funding. Under the grant structure established by the bill, the number of grants administered in FY 2023-24 may decrease if the grant amounts increase to the higher limits and funding for the program remains at historic levels. However, implementation of the Hurricane Mitigation Program is subject to annual legislative appropriations, and therefore, the impact on the volume of grants administered is unknown.

The bill also modifies the statutory duties of the Director of DOI as well as rules and regulations related to DOI's management and review of an insurer terminating an entire line or class of business in the state. DOI indicates that this bill's requirements of the agency will be managed within existing appropriations and therefore will have no expenditure impact.

State Revenue
N/A

Local Expenditure
N/A

Local Revenue
N/A

Frank A. Rainwater, Executive Director