



# 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.*

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**Bill Number:** H. 3215 Introduced on January 14, 2025  
**Subject:** Local Government Permit Application Reviews  
**Requestor:** House Medical, Military, Public, and Municipal Affairs  
**RFA Analyst(s):** Bryant  
**Impact Date:** February 20, 2025

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### Fiscal Impact Summary

This bill requires certain local planning and permitting entities to review and render decisions on applications for building permits, certificates of occupancy, zoning variances and appeals, or other licenses within forty-five calendar days after submission or the application must be deemed approved, and the permit, certificate, variance, appeal, or license requested must be granted. If the permit is not so granted, the applicant may seek relief by way of mandamus in circuit court.

Judicial reports that jurisdiction over writs of mandamus on these entities is already vested in the circuit court. Although the truncated timeframe may result in additional cases being filed, Judicial does not expect the potential increase in filings to have a significant impact on circuit court caseloads and anticipates that any expenditure impact can be managed within existing appropriations. However, Judicial indicates that if this bill results in a significant increase in the circuit court workload, it may request an increase in General Fund appropriations to hire additional judges, clerks, and/or administrative assistants.

This bill may result in an increase in the fines and fees collected in court. Court fines and fees are distributed to the General Fund, Other Funds, and local funds. Therefore, the Revenue and Fiscal Affairs Office (RFA) anticipates this bill may result in an increase in General Fund and Other Funds revenue due to the increase in fines and fees collections in court.

RFA contacted all county governments and the Municipal Association of South Carolina (MASC) regarding the impact of this bill and received responses from five counties and MASC. Based upon these responses, the bill is expected to have a negative fiscal impact on local governments that cannot be quantified at this time. One county indicates that this bill may increase expenses by \$595,000 in FY 2025-26 to hire additional personnel in the planning, building license, and building permit departments and for operating costs, including equipment, vehicles, and space allocation. The county estimates that expenses will decrease to \$510,000 each year thereafter for personnel and operating costs. The four remaining counties indicate that this bill may increase expenses but report that the cost is currently undetermined. Additionally, all five responding counties report concerns regarding the requirement that an application must be deemed approved if a decision is not rendered within forty-five calendar days. Several of the responding counties report that implementing the forty-five day requirement may allow applications to be deemed approved before commissions receive all of the information needed to reach a decision, resulting in projects being allowed to move forward without meeting minimum

code requirements. Further, the counties anticipate that the bill may result in an increase in application denials due to time constraints and incomplete submissions. As there is a certain time period before an applicant may reapply after a denial, this may negatively affect developers ready to begin construction. One county also notes that a forty-five day requirement may prevent planning commissions and zoning boards from satisfying certain public notice requirements, potentially resulting in an increase in litigation.

MASC anticipates that this bill will have a significant negative fiscal impact on municipal governments but cannot quantify the cost at this time. MASC indicates that if the bill is implemented, many municipalities will need to immediately hire additional building inspection, planning, and engineering staff to accommodate the expedited review timeline. In order to fund this additional staff, application fees will need to be increased, placing a burden on small businesses and residents seeking to complete nominal home repairs or upgrades. Additionally, MASC reports that most planning commissions, zoning boards of appeal, and architectural review boards meet monthly or on an as-needed basis and are composed of uncompensated citizen volunteers. To satisfy the forty-five day requirement, these bodies would need to meet more often, which may result in more frequent vacancies and difficulty recruiting new volunteers, leading to further delays in application review and action. Lastly, MASC notes that if this bill is enacted, there is a significant likelihood that projects with serious design and safety flaws will be approved by default when municipalities are unable to meet the forty-five day review mandate due to factors beyond municipal control, such as state-mandated notice and comment periods, incomplete submittals, or non-responsiveness to reviewer comments on the part of applicants. If there is a failure resulting in loss of property or life, municipalities may be subject to significant liability which could ultimately hinder their ability to deliver municipal services and perform other governmental functions.

## **Explanation of Fiscal Impact**

### **Introduced on January 14, 2025**

#### **State Expenditure**

This bill requires local planning commissions, local planning departments, zoning boards, architectural review boards, and local building permitting entities to review and render decisions on applications for building permits, certificates of occupancy, zoning variances and appeals, or other licenses within forty-five calendar days after submission or the application must be deemed approved, and the permit, certificate, variance, appeal, or license requested must be granted. If the permit is not so granted, the applicant may seek relief by way of mandamus in circuit court.

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## **State Revenue**

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## **Local Expenditure**

This bill requires local planning commissions, local planning departments, zoning boards, architectural review boards, and local building permitting entities to review and render decisions on applications for building permits, certificates of occupancy, zoning variances and appeals, or other licenses within forty-five calendar days after submission or the application must be deemed approved, and the permit, certificate, variance, appeal, or license requested must be granted. If the permit is not so granted, the applicant may seek relief by way of mandamus in circuit court.

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this bill is enacted, there is a significant likelihood that projects with serious design and safety flaws will be approved by default when municipalities are unable to meet the forty-five day review mandate due to factors beyond municipal control, such as state-mandated notice and comment periods, incomplete submittals, or non-responsiveness to reviewer comments on the part of applicants. If there is a failure resulting in loss of property or life, municipalities may be subject to significant liability which could ultimately hinder their ability to deliver municipal services and perform other governmental functions.

**Local Revenue**

N/A



Frank A. Rainwater, Executive Director