



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:	H. 3801	Introduced on January 28, 2025
Subject:	Procurement	
Requestor:	House Education and Public Works	
RFA Analyst(s):	Daigle	
Impact Date:	February 6, 2025	

Fiscal Impact Summary

This bill amends §11-35-710, relating to exemptions from the state procurement code, so as to add transportation planning, operation of bridges, highways, and roads, and other improvements on the state's rights of way to the list of exemptions. This exemption does not apply to welcome centers operated or staffed by the Department of Parks, Recreation and Tourism (PRT).

This bill will have no expenditure impact on the Department of Transportation (DOT). DOT indicates that the bill clarifies the agency's ability to work on other improvements on the state's right of way and their authority to do procurement on those projects but does not create any additional costs for the agency.

PRT indicates that this bill will have no expenditure impact because it does not materially or fiscally impact the agency.

DOT indicates that by including transportation planning in the list of exemptions, the department will be able to utilize all of its available Federal Funds. DOT reports that the Federal Highway Administration (FHWA) distributes \$4,400,000 of federal funding to South Carolina for transportation planning. Pursuant to the state procurement procedures in §11-35-3310, indefinite quantity contracts for engineering firms are limited to \$300,000 for a two-year period with individual project expenditures not to exceed \$100,000. This threshold is currently preventing DOT from utilizing all of the available \$4,400,000 and from meeting some required planning activities pursuant to 23 C.F.R. Parts 420 and 450.

Explanation of Fiscal Impact

Introduced on January 28, 2025

State Expenditure

This bill amends §11-35-710, relating to exemptions from the state procurement code, so as to add transportation planning, operation of bridges, highways, and roads, and other improvements on the state's rights of way to the list of exemptions. The bill specifies that this exemption does not apply to welcome centers operated or staffed by PRT.

Exemptions from the state procurement code currently include construction, maintenance, and repair of bridges, highways and roads; vehicle and road equipment maintenance and repair; and other emergency-type parts or equipment utilized by DOT or the Department of Public Safety.

Department of Transportation. DOT indicates that this bill clarifies the agency's ability to work on other improvements on the state's right of way and their authority to do procurement on those projects but does not create any additional costs for the agency. Therefore, this bill will have no expenditure impact on the department.

Department of Parks, Recreation, and Tourism. This bill specifies that the exemption does not apply to welcome centers operated or staffed by PRT. Therefore, the department indicates that the bill will have no expenditure impact because it does not materially or fiscally impact the agency.

State Revenue

This bill adds transportation planning, operation of bridges, highways, and roads, and other improvements on the state's rights of way to the list of exemptions from the purchasing procedures in Chapter 35 of Title 11, South Carolina's Consolidated Procurement Code.

DOT indicates that by including transportation planning in the list of exemptions, the department will be able to utilize all of its available federal funding. DOT reports that FHWA distributes \$4,400,000 of federal funding to South Carolina for transportation planning. DOT currently solicits for these services under the state procurement request for proposals process. Pursuant to the state procurement procedures in §11-35-3310, indefinite quantity contracts for engineering firms are limited to \$300,000 for a two-year period with individual project expenditures not to exceed \$100,000. This threshold is preventing DOT from utilizing all of the available \$4,400,000 and from meeting some required planning activities pursuant to 23 C.F.R. Parts 420 and 450. Therefore, this bill will enable the department to utilize all of its available Federal Funds.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director