

MINUTES OF
Budget and
Control Board
Meeting

August 18, 1982

State of South Carolina
State Budget and Control Board

RICHARD W. RILEY, CHAIRMAN
GOVERNOR
GRADY L. PATTERSON, JR.
STATE TREASURER
EARLE E. MORRIS, JR.
COMPTROLLER GENERAL

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REMBERT C. DENNIS
CHAIRMAN, SENATE FINANCE COMMITTEE
TOM G. MANGUM
CHAIRMAN, WAYS AND MEANS COMMITTEE

WILLIAM T. PUTNAM
EXECUTIVE DIRECTOR

August 18, 1982

MEMORANDUM FOR RECORD

RE: Budget and Control Board Actions at August 18, 1982 Meeting

At the referenced meeting, the Budget and Control Board took the following actions:

1. Encumbered \$90,000 of Civil Contingent Fund monies for the Department of Highways and Public Transportation for the administration of the casual sales tax program; and
2. Heard budget requests from the Department of Parks, Recreation and Tourism; Forestry Commission; Department of Mental Retardation; Vocational Rehabilitation; Agriculture Department; Development Board; and Department of Education.

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MINUTES OF BUDGET AND CONTROL BOARD MEETING

AUGUST 18, 1982 9:00 A. M.

The Budget and Control Board met at 9:00 A. M. on Wednesday, August 18, 1982, in 219 Edgar Brown Office Building with the following members in attendance:

Governor Richard W. Riley
Mr. Grady L. Patterson, Jr.
Mr. Earle E. Morris, Jr.
Senator Rembert C. Dennis
Representative Tom G. Mangum

Also attending were Executive Director W. T. Putnam; Board Secretary William A. McInnis; Governor's Executive Assistant Katherine M. Clarke; and staff members of various Board divisions.

1983-84 BUDGET REQUESTS - The Board continued its 1983-84 budget preparation process by hearing requests from the following agencies:

Parks, Recreation and Tourism
Forestry Commission
Department of Mental Health
Vocational Rehabilitation
Agriculture Department
Development Board
Department of Education

HIGHWAYS AND PUBLIC TRANSPORTATION - CIVIL CONTINGENT FUND ALLOCATION REQUEST - At the end of the morning session of budget hearings, the Board without objection agreed to consider the proposal presented yesterday by the Tax Commission for financing the administration of the sales tax on the casual sales of automobiles by the Department of Highways and Public Transportation.

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Tax Commission member Hunter Howard requested that the Board encumber \$90,000 of the Civil Contingent Fund to provide assurance to the Department of Highways and Public Transportation of a source of funds for the reimbursement of the cost associated with administering the sales tax on casual sales of automobiles until the General Assembly could deal with this problem in January of 1983. Mr. Howard indicated that the Department of Highways and Public Transportation and its Commission had not yet acted formally on this approach although general assurance have been given by the Department that the temporary arrangement would be approved.

Governor Riley noted that legislation would be introduced for consideration in 1983 to clear up the administrative confusion relating to this tax and to assign the responsibility for its collection to the Highway Department and to provide for financing the administrative cost from the tax receipts.

Executive Director Putnam noted that the \$90,000 figure is an approximate amount to cover the cost of operating the program in the Highway Department between the time of its initiation until the end of January of 1983. Tax Commissioner Howard noted that the \$90,000 is an estimate only. Mr. Putnam further noted that, if the General Assembly passes the referenced legislation, the Department of Highways and Public Transportation would reimburse itself from the tax receipts and the Budget and Control Board then would unencumber the \$90,000 in the Civil Contingent Fund. Mr. Putnam further indicated that, if the General Assembly does not pass the referenced legislation and, in effect, gives the program back to the Tax Commission, the Department of Highways and Public Transportation would terminate its administration of the program and

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the Budget and Control Board would pay the \$90,000 to the Department of Highways and Public Transportation.

Governor Riley urged Senator Dennis and Representative Mangum to push for consideration of the referenced legislation in their respective committees early in the 1983 session.

Division of Motor Vehicle Director Emory Austin of the Department of Highways and Public Transportation confirmed the comments of Mr. Howard and noted that his Commission will meet tomorrow to consider the matter. He added his personal recommendation that, as a part of the referenced legislation, a review of the use tax problem and of the vehicle property tax problem be undertaken at the same time so as to provide for collection of these taxes by the Department of Highways and Public Transportation all at one time.

Governor Riley asked Mr. Austin to supply his suggestions to the Ways and Means Committee and to the Senate Finance Committee at the request of the Budget and Control Board and to the Board itself.

In response to Representative Mangum's question, Mr. Austin estimated that the training time necessary to get the program underway within the Department of Highways and Public Transportation would be a minimum of thirty days and possibly sixty days. Mr. Howard indicated that the Tax Commission could assist in this training effort.

Following this discussion, upon a motion by Senator Dennis, seconded by Mr. Patterson, the Board agreed to encumber \$90,000 of the Civil Contingent Fund for possible payment to the Department of Highways and Public Transportation as a reimbursement of its cost of administering the sales tax on the casual

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sales of automobiles pending action by the General Assembly to shift the administration of that tax to the Department of Highways and Public Transportation and to provide for the payment of the administrative costs from the proceeds. In this same action, the Board urged the Highways and Public Transportation Commission to approve this temporary arrangement in the interest of simplifying the process of paying these taxes for the State's citizenry.

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THE END

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