

4779 Library

The State of South Carolina



Office of the Attorney General

T. TRAVIS MEDLOCK
ATTORNEY GENERAL

REMBERT C. DENNIS BUILDING
POST OFFICE BOX 11549
COLUMBIA, S.C. 29211
TELEPHONE: 803-734-3970
FACSIMILE: 803-253-6283

March 30, 1992

J. Gordon Harris, Chief
Horry County Police Department
P. O. Box 68
Conway, South Carolina 29526

Dear Chief Harris:

You ask for our opinion on the definition of the term "administrative costs" as it appears in S.C. Code Ann. Section 40-54-20. Specifically, you want to know for what purposes funds may be expended under the provision.

Chapter 54 of Title 40 of the South Carolina Code of Laws provides for the regulation of dealers in precious metals. The statutory provisions contained in Chapter 54 necessitates that precious metal dealers receive permits prior to engaging in business. The permit process is such that the dealer must submit a permit application to the local law enforcement agency. The law enforcement agency shall then conduct a background investigation of the applicant and issue or deny the permit. S.C. Code Ann. Section 40-54-20. The local law enforcement agency is also required to notify the South Carolina Law Enforcement Division of permitted business locations, receive notification from dealers when there are substantive changes in business location or management, and revoke, suspend, or deny a permit when it learns a permit application is inaccurate or where a dealer fails to comply with the requirements of the act. Id. S.C. Code Ann. § 40-54-20 about which you inquire provides that

The permit issued under this chapter shall be valid for a period of one year from the date issued and the annual fee shall be fifty dollars to provide for administrative costs.

You ask whether the administrative costs referred to above encompass typewriters, copiers, filing cabinets, and other office equipment for use by the law enforcement agency in performing the duties imposed by statute.

Chief Harris
Page 2
March 30, 1992

The word "administrative" pertains to management "as by managing or conducting, directing, or superintending, the execution, application or conduct of persons or things." Black's Law Dictionary 45 (6th ed. 1990). An administrative act is that which is "necessary to be done to carry out legislative policies and purposes already declared by the legislative body ..." Id. Cost is defined as "expense; price. The sum or equivalent expended, paid or charged for something." Id. at 345. It has been held to include disbursements made and required or amounts expended to perform a particular function. Pepin v. City of Danbury, 171 Con. 74, 368 A.2d 88 (1976). The term expense means

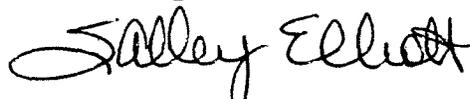
That which is expended, laid out or consumed. An outlay; charge; cost; price. The expenditure of money, time, labor, resources, and thought. That which is expended in order to secure benefit or bring about a result.

Id. at 577. The term administrative expense has been construed to include the cost of office equipment, stationery, and supplies, State ex rel. Ray v. South, 176 Ohio St. 241, 198 N.E.2d 919 (1964) as well as the salaries of office clerks and stenographers. Leonard v. S. G. Frantz Co., 268 App. Div. 144, 49 N.Y.S.2d 329 (1944).

Considering the definitions discussed, it is our opinion that purchase of the office equipment you mention and which would be used by a local law enforcement agency in performing the functions required by statute and outlined above would be authorized as an administrative cost.

If I can provide additional information or if you care to discuss this matter further, please advise.

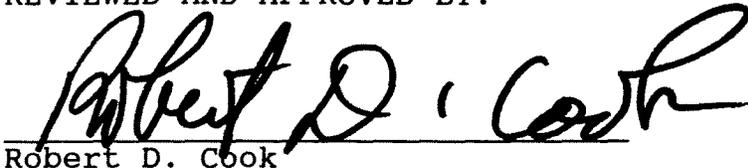
Sincerely,



Salley W. Elliott
Assistant Attorney General

SWE/an

REVIEWED AND APPROVED BY:



Robert D. Cook
Executive Assistant for Opinions