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S.C. CONST Art. X, § 7

Code of Laws of South Carolina 1976 Annotated Currentness

The Constitution of the State of South Carolina

Article X. Finance, Taxation and Bonded Debt (Refs & Annos)

→§ 7. Limitation on annual expenditures of state government and number of state employees; annual budgets and expenses of political subdivisions and school districts.

(a) The General Assembly shall provide by law for a budget process to insure that annual expenditures of state government may not exceed annual state revenue. (1985 Act No. 10, § 1, eff February 26, 1985).

(b) Each political subdivision of the State as defined in Section 14 of this article and each school district of this State shall prepare and maintain annual budgets which provide for sufficient income to meet its estimated expenses for each year. Whenever it shall happen that the ordinary expenses of a political subdivision for any year shall exceed the income of such political subdivision, the governing body of such political subdivision shall provide for levying a tax in the ensuing year sufficient, with other sources of income, to pay the deficiency of the preceding year together with the estimated expenses for such ensuing year. The General Assembly shall establish procedures to insure that the provisions of this section are enforced. (1976 (59) 2217; 1977 (60) 90.)

(c) The General Assembly shall prescribe by law a spending limitation on appropriations for the operation of state government which shall provide that annual increases in such appropriations may not exceed the average growth rate of the economy of the State as measured by a process provided for by the law which prescribes the limitations on appropriations; provided, however, the limitation may be suspended for any one fiscal year by a special vote as provided in this subsection.

During the regular session of the General Assembly in 1990 and during every fifth annual regular session thereafter, the General Assembly shall conduct and complete a review of the law implementing this subsection. During such session, only a vote of two-thirds of the members of each branch present and voting shall be required to change the existing limitation on appropriation. Unless that is done, the existing limitations shall remain unchanged.

Upon implementation of the provisions of this subsection by law, such law may not be amended or repealed except by the special vote as provided in this subsection.

The special vote referred to in this subsection means an affirmative vote in each branch of the General Assembly by two-thirds of the members present and voting, but not less than three-fifths of the total membership in each branch. (1985 Act No. 10, § 2, eff February 26, 1985).

(d) The General Assembly shall prescribe by law a limitation on the number of state employees which shall provide that the annual increase in such number may not exceed the average growth rate in the population of the State measured by a process provided for in the law which prescribes that employment limitation; provided, however, the limitation may be suspended for any one fiscal year by a special vote as provided in this subsection.

Upon implementation of the provisions of this subsection by law, such law may not be amended or repealed except by the special vote provided in this subsection.

The special vote referred to in this subsection means an affirmative vote in each branch of the General Assembly by two-thirds of the members present and voting, but not less than three-fifths of the total membership in each branch. (1985 Act No. 10, § 3, eff February 26, 1985.)

EFFECT OF AMENDMENT

The **1985** amendment substantially reworded subdivision (a), and added subdivisions (c) and (d).

CROSS REFERENCES

Statutory limitation on imposition of additional or increased taxes, see § 11-11-440.

RESEARCH REFERENCE

Encyclopedias

S.C. Jur. Public Officers and Public Employees § 54, State Employees.

ATTORNEY GENERAL'S OPINIONS

Taxes collected for specific public purposes cannot be diverted to fund unbudgeted expenses unless purpose for which tax was levied is first satisfied. 1991 Op Atty Gen, No. 91-21 p 68.

A county area (the county and all municipalities therein) that receives the minimum amount of revenue from the accommodations tax is excluded from complying with the requirements of § 12-35-720, and revenue and funds from the accommodations tax should be accounted for in the fiscal year in which the same are received. 1986 Op Atty Gen, No. 86-25, p. 87.

If a deficit should occur in the State budget the General Assembly is required by the State Constitution to make good such deficit in the next fiscal year. 1975-76 Op Atty Gen, No 4254, p 58.

NOTES OF DECISIONS

In general 1

1. In general

Statute which required real estate transfer fees collected by local governments to be remitted to state did not violate constitutional requirement that state legislature provide for balanced budget, in absence of any evidence that legislature incurred shortfall from relying on revenue from transfer fees or used surplus from fees for improper purpose. Town of Hilton Head Island v. Morris (S.C. 1997) 324 S.C. 30, 484 S.E.2d 104. States 121

A business license tax ordinance was not invalid on the ground that S.C. Const Art X § 7(b) and § 4-9-140 together require the adoption of a budget based on existing or concurrently levied tax revenue where the ordinance was enacted 6 months after the adoption of a budget providing for its revenue and created a \$500,000 budget surplus; this argument cannot form the basis of a challenge to the tax ordinance, but rather would be the basis for a challenge to the budget. Business License Opposition Committee v. Sumter County (S.C. 1991) 304 S.C. 232, 403 S.E.2d 638.

A business license tax ordinance was not invalid on the ground that it resulted in a revenue exceeding the county's budgetary needs where the tax, enacted 6 months after the adoption of a budget providing for its revenue, created a \$500,000 budget surplus, but it was not shown that the surplus was diverted to another cause for which the tax could not have originally been used. Business License Opposition Committee v. Sumter County (S.C. 1991) 304 S.C. 232, 403 S.E.2d 638.

Provision of § 76 of Act 178 of Joint Acts and Resolutions of 1981, to effect that Chief Insurance Commissioner shall assess every automobile insurer transacting automobile insurance in the State for quarterly costs incurred by rate division in acting as statistical agent for such insurers, does not violate Article X, § 7(a) of State Constitution, notwithstanding contention that it calls for quarterly rather than annual tax period, since obligation that § 76 imposes on insurer is to pay operating costs of rate division incurred during fiscal year, to be collected as they accrue in quarterly installments. State Farm Mut. Auto. Ins. Co. v. Smith (S.C. 1984) 281 S.C. 209, 314 S.E.2d 333.

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Current with amendments ratified through the 2006 Reg. Sess.
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