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REPORT OF THE LICENSES, FEES, INSURANCE TAX & OTHER CHARGES SUBCOMMITTEE

(Neal, Bingham, Cole & Erickson - Staff Contact: Alyssa Weeks)

HOUSE BILL 4416

H. 4416 -- Reps. Felder and Pope: A BILL TO AMEND SECTION 6-1-970, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE EXEMPTIONS FROM IMPACT FEES, SO AS TO ADD EXEMPTIONS FOR CERTAIN SCHOOLS AND VOLUNTEER FIRE DEPARTMENTS.

Summary of Bill:

Adds construction of new elementary, middle, and secondary schools and volunteer fire departments to the list of structures/activities that are exempt from impact fees.

Introduced: 01/12/16

Received by Ways and Means: 01/12/16

Estimated Revenue Impact:

This bill would have no expenditure or revenue impact on the General Fund, Federal Funds, or Other Funds. The revenue impact on local governments is undetermined.

Subcommittee Recommendation:

Favorable with Amendment

Full Committee Recommendation:

Pending

Other Notes/Comments:

The subcommittee adopted an amendment adding public education facilities to the list of public facilities in Section 6-1-920 (18).

Amendment to 4416

Section 6-1-920(18) of the 1976 Code, as added by Act 118 of 1999, is amended by adding at the end:

"(i) public education facilities for grades K-12 including, but not limited to, schools, offices, classrooms, parking areas, playgrounds, libraries, cafeterias, gymnasiums, health and music rooms, computer and science laboratories, and other facilities considered necessary to the proper public education of the state's children."



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: H. 4416
Author: Felder
Subject: Exemption from impact fees
Requestor: House Ways and Means
RFA Analyst(s): Wren
Impact Date: March 8, 2016

Estimate of Fiscal Impact

	FY 2016-17	FY 2017-18
State Expenditure		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Full-Time Equivalent Position(s)	0.00	0.00
State Revenue		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Local Expenditure	\$0	\$0
Local Revenue	Undetermined	\$0

Fiscal Impact Summary

This bill would have no expenditure or revenue impact on the General Fund, Federal Funds, or Other funds. The revenue impact on local governments is undetermined.

Explanation of Fiscal Impact

State Expenditure

N/A

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

This bill amends Section 6-1-970 to include the construction of new elementary, middle, or secondary schools and new volunteer fire departments in the list of exemptions from local development impact fees. Currently, a local governmental entity may impose a development impact fee to pay a proportionate share of the cost of system improvements and infrastructure costs associated with providing services to the development. Our office recently contacted the eleven counties that imposed a development impact fee in 2010, the most recent data available. Two of the eleven counties we contacted responded. One county no longer imposes an impact fee and the other indicates that this bill would not apply to their locality. Due to the limited

number of responses from the surveyed counties, we are not able to determine the revenue impact of this bill on local governments.



Frank A. Rainwater, Executive Director

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A BILL

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11 TO AMEND SECTION 6-1-970, CODE OF LAWS OF SOUTH
12 CAROLINA, 1976, RELATING TO THE EXEMPTIONS FROM
13 IMPACT FEES, SO AS TO ADD EXEMPTIONS FOR CERTAIN
14 SCHOOLS AND VOLUNTEER FIRE DEPARTMENTS.

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16 Be it enacted by the General Assembly of the State of South
17 Carolina:

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19 SECTION 1. Section 6-1-970 of the 1976 Code is amended to read:

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21 “Section 6-1-970. The following structures or activities are
22 exempt from impact fees:

23 (1) rebuilding the same amount of floor space of a structure that
24 was destroyed by fire or other catastrophe;

25 (2) remodeling or repairing a structure that does not result in an
26 increase in the number of service units;

27 (3) replacing a residential unit, including a manufactured home,
28 with another residential unit on the same lot, if the number of service
29 units does not increase;

30 (4) placing a construction trailer or office on a lot during the
31 period of construction on the lot;

32 (5) constructing an addition on a residential structure which
33 does not increase the number of service units;

34 (6) adding uses that are typically accessory to residential uses,
35 such as a tennis court or a clubhouse, unless it is demonstrated
36 clearly that the use creates a significant impact on the system’s
37 capacity; and

38 (7) all or part of a particular development project if:

39 (a) the project is determined to create affordable housing; and

40 (b) the exempt development’s proportionate share of system
41 improvements is funded through a revenue source other than
42 development impact fees;

1 (8) constructing a new elementary, middle, or secondary
2 school; and
3 (9) constructing a new volunteer fire department.”

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5 SECTION 2. This act takes effect upon approval by the Governor.

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