~~Indicates Matter Stricken~~

Indicates New Matter

COMMITTEE REPORT

March 26, 2014

**S. 1085**

Introduced by Senators Campbell, Grooms, Matthews, McGill and O’Dell

S. Printed 3/26/14--S.

Read the first time March 5, 2014.

**THE COMMITTEE ON FINANCE**

To whom was referred a Bill (S. 1085) to amend Section 4‑37‑30, as amended, Code of Laws of South Carolina, relating to the use of local sales and use tax or toll revenues to finance, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass with amendment:

Amend the bill, as and if amended, by striking all after the enacting words and inserting:

/ SECTION 1. Items (2) and (4) of Section 4‑37‑30(A) of the 1976 Code, as last amended by Act 368 of 2000, are further amended to read:

“(2) Upon receipt of the ordinance, the county election commission shall conduct a referendum on the question of imposing the optional special sales and use tax in the jurisdiction. ~~A referendum for this purpose must be held at the time of the general election.~~ A referendum for the initial imposition of the sales and use tax within a county pursuant to this chapter and all subsequent referendums to impose, extend, or renew the tax must be held at the time of the general election. The commission shall publish the date and purpose of the referendum once a week for four consecutive weeks immediately preceding the date of the referendum in a newspaper of general circulation in the jurisdiction. A public hearing must be conducted at least fourteen days before the referendum after publication of a notice setting forth the date, time, and location of the public hearing. The notice must be published in a newspaper of general circulation in the county at least fourteen days before the date fixed for the public hearing.

(4)(a) If a county has imposed a tax pursuant to this chapter for less than the maximum twenty‑five year term allowed and the tax remains in effect, the governing body of the county at any time may call for a referendum to extend the term of the tax for up to seven years, and thereafter call for referendums to the extend the term of the tax for up to seven years, for an aggregate total not to exceed twenty‑five years. The referendum to extend the term of the tax must be held at the general election. A separate question must be included on the referendum ballot for each purpose which purpose, as determined by the governing body of a county, may be set forth as a single question relating to several of the projects and the question must indicate whether the project is an existing project or new project. A new project or projects may only be listed on the ballot to the extent that the county has, or will, complete existing projects. The question must read substantially as follows:

‘I approve the extension of a special sales and use tax in the amount of (fractional amount of one percent) (one percent) to be imposed in (county) not to exceed \_\_\_ years to fund the completion of the following existing project or projects and/or to fund the following new project or projects:

Project (1) for \_\_\_\_\_\_\_\_\_ $ \_\_\_\_\_\_\_\_\_\_\_\_ (new or existing)

Yes \_\_\_\_\_

No \_\_\_\_\_

Project (2), etc.’

(b) All qualified electors desiring to vote in favor of imposing the tax for a particular purpose shall vote ‘yes’ and all qualified electors opposed to levying the tax for a particular purpose shall vote ‘no’. If a majority of the votes cast are in favor of imposing the tax for one or more of the specified purposes, then the tax is imposed as provided in this section; otherwise, the tax is not imposed. The election commission shall conduct the referendum pursuant to the election laws of this State, mutatis mutandis, and shall certify the result no later than November thirtieth after the date of the referendum to the appropriate governing body and to the Department of Revenue. Included in the certification must be the maximum cost of the project or projects or facilities to be funded in whole or in part from proceeds of the tax, the maximum time specified for the imposition of the tax, and the principal amount of bonds to be supported by the tax receiving a favorable vote. Expenses of the referendum must be paid by the jurisdiction conducting the referendum. If the tax is approved in the referendum, the tax is imposed effective the first day of May following the date of the referendum. If the reimposition of the tax pursuant to this article is approved in the referendum, the new or existing tax must be imposed, extended, or renewed immediately following the termination of the earlier imposed tax. If the certification is not made timely to the Department of Revenue, the imposition is postponed for twelve months.”

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

Renumber sections to conform.

Amend title to conform.

HUGH K. LEATHERMAN, SR. for Committee.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

**REVENUE IMPACT 1/**

This bill is not expected to impact local revenue.

**Explanation**

This bill would allow those counties which are currently imposing a local sales and use tax pursuant to Section 4-37-30 to renew the tax so long as the aggregate imposition period does not exceed twenty-five years. Currently, Berkeley, Charleston, Dorchester, and Richland County have imposed an initial sales and use tax pursuant to Section 4-37-30. None of these counties are anticipating a termination of the transportation infrastructure local sales and use tax within the next two years.

*Approved By:*

Frank A. Rainwater

Board of Economic Advisors

1/ This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, or Section 2-7-76 for a local revenue impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.

**A** **BILL**

TO AMEND SECTION 4‑37‑30, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, RELATING TO THE USE OF LOCAL SALES AND USE TAX OR TOLL REVENUES TO FINANCE TRANSPORTATION INFRASTRUCTURE IN A COUNTY, SO AS TO PROVIDE A PROCEDURE FOR THE GOVERNING BODY OF A COUNTY IN WHICH THE TRANSPORTATION INFRASTRUCTURE LOCAL SALES AND USE TAX IS CURRENTLY IMPOSED FOR LESS THAN THE TWENTY‑FIVE YEAR MAXIMUM IMPOSITION PERIOD, UPON REFERENDUM APPROVAL, MAY EXTEND WITHOUT INTERRUPTION THE INITIAL IMPOSITION FOR AN IMPOSITION PERIOD IN THE AGGREGATE NOT TO EXCEED TWENTY‑FIVE YEARS, TO PROVIDE WHAT QUESTIONS MUST APPEAR ON THE REFERENDUM BALLOT, TO PROVIDE THAT A REFERENDUM FOR OTHER THAN THE INITIAL IMPOSITION OF THE TAX MAY BE HELD AT THE TIME OF EITHER A GENERAL OR SPECIAL ELECTION IN THE COUNTY, AS THE GOVERNING BODY OF THE COUNTY MAY DETERMINE, AND TO PROVIDE THAT THE GOVERNING BODY OF A COUNTY IN WHICH THE TRANSPORTATION INFRASTRUCTURE LOCAL SALES AND USE TAX IS CURRENTLY IMPOSED, WITHIN TWO YEARS OF THE TERMINATION OF THE TAX OR THE ANTICIPATED TERMINATION OF THE TAX AND UPON REFERENDUM APPROVAL, MAY RENEW WITHOUT INTERRUPTION THE IMPOSITION OF THE TAX AND PROVIDE THAT NO MORE THAN ONE REFERENDUM RELATING TO THIS TAX BE HELD IN A CALENDAR YEAR.

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

SECTION 1. Subitems (2) and (4) of Item (A) of Section 4‑37‑30 of the 1976 Code, as last amended by Act 368 of 2000, are further amended to read:

“(2) Upon receipt of the ordinance, the county election commission shall conduct a referendum on the question of imposing the optional special sales and use tax in the jurisdiction. ~~A referendum for this purpose must be held at the time of the general election.~~ A referendum for the initial imposition of the sales and use tax within a county pursuant to this chapter must be held at the time of the general election. The commission shall publish the date and purpose of the referendum once a week for four consecutive weeks immediately preceding the date of the referendum in a newspaper of general circulation in the jurisdiction. A public hearing must be conducted at least fourteen days before the referendum after publication of a notice setting forth the date, time, and location of the public hearing. The notice must be published in a newspaper of general circulation in the county at least fourteen days before the date fixed for the public hearing.

(4)(a) If a county has imposed a tax pursuant to this chapter for less than the maximum twenty‑five year term allowed and the tax remains in effect, the governing body of the county at any time may call for a referendum to extend the term of the tax for an aggregate total not to exceed twenty‑five years. The referendum to extend the term of the tax may be held at either a general or special election as determined by the governing body of the county. A separate question must be included on the referendum ballot for each purpose which purpose, as determined by the governing body of a county, may set forth as a single question relating to several of the projects and the question must indicate whether the project is an existing project or new project. The question must read substantially as follows:

‘I approve the extension of a special sales and use tax in the amount of (fractional amount of one percent) (one percent) to be imposed in (county) not to exceed \_\_\_ years to fund the completion of the following existing project or projects or to fund the following new project or projects:

Project (1) for \_\_\_\_\_\_\_\_\_ $ \_\_\_\_\_\_\_\_\_\_\_\_ (new or existing)

Yes \_\_\_\_\_

No \_\_\_\_\_

Project (2), etc.’.

(b) If, within two years of the date upon which the tax imposed by this chapter is scheduled to terminate, or within two years of the earlier date upon which the county anticipates that the tax will terminate, the tax may be renewed an imposed within the county for another term not to exceed twenty‑five years. The renewed sales and use tax must be imposed in the same manner as the proceeding for the initial imposition of the tax.

(c) A referendum to impose, extend, or renew a sales tax within a county pursuant to this chapter may be held only once during a calendar year, whether the referendum is held at the time of the general election or at the time of a special election, as determined by the governing body of the county.

(d) All qualified electors desiring to vote in favor of imposing the tax for a particular purpose shall vote ‘yes’ and all qualified electors opposed to levying the tax for a particular purpose shall vote ‘no’. If a majority of the votes cast are in favor of imposing the tax for one or more of the specified purposes, then the tax is imposed as provided in this section; otherwise, the tax is not imposed. The election commission shall conduct the referendum pursuant to the election laws of this State, mutatis mutandis, and shall certify the result no later than November thirtieth after the date of the referendum to the appropriate governing body and to the Department of Revenue. Included in the certification must be the maximum cost of the project or projects or facilities to be funded in whole or in part from proceeds of the tax, the maximum time specified for the imposition of the tax, and the principal amount of bonds to be supported by the tax receiving a favorable vote. Expenses of the referendum must be paid by the jurisdiction conducting the referendum. If the tax is approved in the referendum, the tax is imposed effective the first day of May following the date of the referendum. If the reimposition of the tax pursuant to this article is approved in the referendum, the new tax is imposed immediately following the termination of the earlier imposed tax. If the certification is not made timely to the Department of Revenue, the imposition is postponed for twelve months.”

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

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