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Indicates New Matter

AMENDED

April 26, 2016

**H. 4416**

Introduced by Reps. Felder, Pope, Merrill, Burns, V.S. Moss and Pitts

S. Printed 4/26/16--H.

Read the first time January 12, 2016.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

**Fiscal Impact Summary**

This bill as amended 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**

**Explanation of Amendment by House Ways and Means Committee on April 20, 2016**

**Local Revenue**

This amendment adds a sentence to Section 6-1-920(18) to expand the definition of public facilities, as it relates to development impact fees, to include 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 for proper public education of the state’s children. These K-12 public facilities would be exempt from local development impact fees. The impact of this amendment is unchanged from the bill as filed on December 3, 2015.

**Explanation of Bill Filed on December 3, 2015**

**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

Revenue and Fiscal Affairs Office

**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.

Amend Title To Conform

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

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

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

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

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

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

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

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

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

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

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

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

(8) constructing a new elementary, middle, or secondary school; and

(9) constructing a new volunteer fire department.”

SECTION 2. Section 6‑1‑920(18) of the 1976 Code is amended by adding an appropriately lettered subitem to read:

“( ) 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 for the proper public education of the state’s children.”

SECTION 3. This act takes effect upon approval by the Governor.

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