**A** **BILL**

TO AUTHORIZE COUNTIES AND MUNICIPALITIES TO CREATE SPECIAL TAX DISTRICTS TO ADDRESS PUBLIC AND PRIVATE INFRASTRUCTURE DAMAGED BY THE FLOODING IN OCTOBER 2015.

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

SECTION 1. (A) Notwithstanding any other provision of law, to address public and private infrastructure damaged by the flooding in October 2015, each affected county or municipality is authorized to create a special tax district, pursuant to subsection (B), whereby a different tax rate is assessed inside the district with the proceeds of the difference being used to repair the damaged infrastructure. For purposes of this section, infrastructure includes, but is not limited to, general public works, roads, drainage, and dams.

(B) A special tax district may be created when:

(1) fifteen percent of the electors in a proposed special tax district sign and present to the applicable local governing body a petition requesting the creation of a special tax district, an election must be held in which a majority of the electors in that area voting in the election shall approve the creation of the special tax district, the nature of the services to be rendered, and the maximum level of taxes or user service charges, or both, authorized to be levied and collected. The petition must contain a description of the proposed special tax district, the elector’s signature and address. If the local governing body finds that the petition has been signed by fifteen percent or more of the electors residing within the area of the proposed special tax district, it may certify that fact to the applicable local election commission. Upon receipt of a written resolution certifying that the petition meets the requirements of this section, the applicable local election commission shall order an election to be held within the area of the proposed special tax district. The election ordered pursuant to this section is a special election and must be held, regulated, and conducted with the provisions prescribed by Chapters 13 and 17 of Title 7, except as otherwise provided in this section. The applicable local election commission shall give at least thirty days’ notice in a newspaper of general circulation within the proposed special tax district. The applicable local election commission shall certify the result of the election to the local governing body and the local governing body by written resolution shall publish the result of the election;

(2) a petition is submitted to the local governing body signed by seventy‑five percent or more of the resident freeholders who own at least seventy‑five percent of the assessed valuation of real property in the proposed special tax district, the local governing body upon certification of the petition may pass an ordinance establishing the special tax district. For the purposes of this item, ‘freeholder’ has the same meaning as defined in Section 5‑3‑240. The petition must contain a designation of the boundaries of the proposed special tax district, the nature of the services to be rendered, and the maximum level of the taxes or user service charges, or both, authorized to be levied and collected;

(3) the area of the proposed special tax district consists of the entire unincorporated area of the county, county council may pass an ordinance establishing a special tax district. For the purposes of this item, ‘unincorporated area’ means the area not included within the corporate boundaries of a municipal corporation created pursuant to Chapter 1, Title 5 or within a special purpose district created before the effective date of this act, to which has been committed the governmental service which the county council intends to provide through the proposed special taxing district unless the special purpose district has been dormant for five years or more. If, however, the same service intended to be rendered by the special taxing district is being rendered or is intended to be rendered within any portion of the territory of the special purpose district, then the service may not be rendered by the special taxing district without consent of the governing body of the special purpose district.

(C) In the ordinance establishing the special tax district, the local governing body shall provide for the operation of the special tax district. The special tax district may be operated as an administrative division of the county or municipality, or the applicable local governing body may appoint a commission consisting of three to five members and provide for their terms of office.

(D) Before the issuance of any general obligation bonds to provide a service in a special tax district and the levy of a tax to retire the bonds at rates different from those levied in the remainder of the county or municipality related to the nature and level of governmental services to be provided in the special tax district, the local governing body first shall approve the issuance of the general obligation bonds and the levy of the tax to retire the bonds by ordinance.

(E) The local governing body, by ordinance, may diminish boundaries of or abolish a special tax district. It first must conduct a public hearing. Notice of the hearing must be given two weeks before the hearing in a newspaper of general circulation in the tax district.

(F) After a special tax district is created, pursuant to the provisions of this section, the local governing body, by ordinance, may provide that the uniform service charge be collected on an annual, semiannual, quarterly, or monthly basis. The governing body, by ordinance, also may provide for monthly delinquency penalty charges by special tax notices.

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

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