RECALLED

March 2, 2016

**H. 4995**

Introduced by Reps. Bernstein and Herbkersman

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Read the first time February 25, 2016.

**A** **BILL**

TO AUTHORIZE COUNTIES AND MUNICIPALITIES TO CREATE A TAX INCREMENT FINANCING SYSTEM TO REDEVELOP 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) The General Assembly finds that:

(1) Section 14, Article X of the Constitution of South Carolina, 1895, provides that the General Assembly may authorize by general law that indebtedness for the purpose of redevelopment within incorporated municipalities and counties may be incurred and that the debt service of such indebtedness be provided from the added increments of tax revenues to result from the project.

(2) There exist in many areas of this State vital infrastructure damaged or destroyed by the flooding of October 2015, and in order to promote and protect the health, safety, property, and welfare of the public, it is necessary to redevelop the infrastructure.

(3) The use of incremental tax revenues derived from the tax rates of various taxing districts in redevelopment project areas for the payment of redevelopment project costs is of benefit to the taxing districts because taxing districts located in redevelopment project areas would not derive the benefits of an increased assessment base without the benefits of tax increment financing. All surplus tax revenues are turned over to the taxing districts in redevelopment project areas, and all taxing districts benefit from the improved infrastructure.

(B) The General Assembly intends to implement the authorization granted in Section 14, Article X of the Constitution of this State. The authorization in this chapter provides for this State an essential method for financing redevelopment. The governing bodies of the incorporated municipalities and counties are vested with all powers consistent with the Constitution necessary, useful, and desirable to enable them to accomplish redevelopment in areas in which public and private infrastructure were damaged by the 2015 flooding and to sufficiently meet all constitutional requirements pertaining to incurring indebtedness for the purpose of redevelopment and funding the debt service of such indebtedness from the added increment of tax revenues to result from the redevelopment as provided in subsection (10), Section 14, Article X of the Constitution of this State. The indebtedness incurred pursuant to subsection (10), Section 14, Article X of the Constitution is exempt from all debt limitations imposed by Article X. The powers granted in this chapter must be in all respects exercised for the benefit of the inhabitants of the State, for the increase of its commerce, and for the promotion of its welfare and prosperity.

(C) All action taken by any municipality or county in carrying out the purposes of this chapter will perform essential governmental functions.

(D) Pursuant to the authorization granted in Section 13, Article VIII, of the Constitution of this State, if a redevelopment project area is located in more than one municipality, the powers granted in this act may be exercised jointly.

SECTION 2. (A) Notwithstanding any other provision of law, to redevelop public and private infrastructure damaged by the flooding in October 2015, each affected county or municipality is authorized to create a tax increment financing system.

(B) Except as provided in subsection (C), for all purposes of a tax increment financing system authorized by this section:

(1) a county must abide by the provisions of Chapter 7, Title 31, mutatis mutandis; and

(2) a municipality must abide by the provisions of Chapter 6, Title 31, mutatis mutandis.

(C) If a tax increment financing system is created pursuant to this section, then the county assessor in the county in which the project area is located, shall reassess the property within the project area as it was affected by the October 2015 flooding. The difference in reassessed value and the estimated value of the property within the project area as improved by the redevelopment must be used to pay the redevelopment project costs and obligations. Notwithstanding any other provision of law, the reassessed value is determined to be the property value as of December 31, 2015 and applies for the tax increment financing system and property tax purposes.

(D) For purposes of this section, infrastructure includes, but is not limited to, general public works, roads, drainage, and dams.

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

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