**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, SO AS TO ENACT THE “SOUTH CAROLINA SMALL TOWN COMPETITIVE POWER ACT” BY ADDING SECTION 58‑27‑412 SO AS TO PROVIDE THAT A MUNICIPALITY WITH A POPULATION OF LESS THAN FIVE THOUSAND RESIDENTS ACCORDING TO THE MOST RECENT DECENNIAL UNITED STATES CENSUS MAY TERMINATE, BY MUNICIPAL ORDINANCE OR RESOLUTION, AN EXISTING EXCLUSIVE MUNICIPAL FRANCHISE WITH A RETAIL ELECTRIC PROVIDER TO FURNISH ELECTRICAL SERVICE WITHIN THE CORPORATE BOUNDARIES OF THE MUNICIPALITY AND AWARD OR GRANT THE MUNICIPALITY’S EXCLUSIVE FRANCHISE TO ANOTHER RETAIL ELECTRIC PROVIDER WHOSE SERVICE AREA IS ADJACENT TO THE MUNICIPALITY’S CORPORATE BOUNDARY; AND TO AMEND SECTION 58‑27‑410, RELATING TO THE PROCEDURE FOR GRANTING EXCLUSIVE MUNICIPAL FRANCHISES TO FURNISH ELECTRICAL SERVICE, SO AS TO PROVIDE AN EXEMPTION FOR MUNICIPALITIES THAT ELECT TO TERMINATE A RETAIL ELECTRIC PROVIDER’S EXCLUSIVE FRANCHISE PURSUANT TO THE PROVISIONS OF THIS ACT.

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

SECTION 1. This act may be cited as the “South Carolina Small Town Competitive Power Act”.

SECTION 2. Article 3, Chapter 27, Title 58 of the 1976 Code is amended by adding:

“Section 58‑27‑412. (A) Notwithstanding another provision of law a municipality with a population of less than five thousand residents according to the most recent decennial United States Census, by municipal ordinance or resolution, may:

(1) terminate an existing exclusive municipal franchise with a retail electric provider to furnish electrical service within the corporate boundaries of the municipality; and

(2) award or grant the municipality’s exclusive franchise to another retail electric provider whose service area is adjacent to the municipality’s corporate boundary.

(B) Notwithstanding another provision of law, a retail electric provider whose service area is adjacent to an incorporated municipality with a population of less than five thousand residents according to the most recent decennial United States Census, and who is not the incumbent retail electric provider for the municipality, may accept or receive the municipality’s exclusive franchise to furnish electrical service within the corporate boundaries of the municipality, so long as the municipality has terminated the previous franchise pursuant to the provisions of subsection (A).

(C) This section does not apply to municipal corporations that provide electrical service within the corporate boundaries of the municipality.

(D) A retail electric provider that accepts a municipality’s exclusive franchise to furnish electrical service pursuant to subsection (B) shall:

(1) purchase at fair market value from the municipality’s previous retail electric provider the equipment or facilities the previous provider considers unnecessary as a result of the municipality’s decision to terminate the previous franchise pursuant to subsection (A); and

(2) offer employment to those employees of the municipality’s previous retail electric provider whose positions were eliminated as a result of the municipality’s decision to terminate the previous franchise pursuant to subsection (A).”

SECTION 3. Section 58‑27‑410 of the 1976 Code is amended to read:

“Section 58‑27‑410. Except as provided in Section 58‑27‑412, all cities and towns of the State may grant the exclusive franchise of furnishing light to ~~such~~ these cities and towns and the inhabitants ~~thereof~~ of them. ~~But no such~~ However, a franchise ~~shall be~~ is not valid unless it ~~shall~~ first ~~receive~~ receives the vote of two thirds of the board of aldermen or common council of the city or town granting it and ~~be~~ is subsequently confirmed by a vote of the majority of the qualified electors of the city or town, voting at an election called ~~specially~~ specifically for the purpose. The ordinance or resolution granting ~~such a~~ the franchise shall fix a maximum rate for furnishing light, both for public and private consumption and the person obtaining ~~such~~ the exclusive franchise ~~shall have~~ has no power to charge or receive ~~any~~ a greater price for light thus furnished than the maximum rate so fixed. ~~No such~~ A franchise shall not affect any existing contractual rights.”

SECTION 4. This act takes effect upon approval by the Governor.

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