**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING CHAPTER 39 TO TITLE 6 ENTITLED “TRANSIT‑ORIENTED DEVELOPMENT PROJECTS” SO AS TO SET FORTH A PROCESS BY WHICH A COUNTY OR MUNICIPALITY MAY CREATE A TRANSIT‑ORIENTED REDEVELOPMENT AGENCY TO DEVELOP CERTAIN AREAS IN CONNECTION WITH PLANNED OR EXISTING TRANSPORTATION FACILITIES.

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

SECTION 1. Title 6 of the 1976 Code is amended by adding:

“CHAPTER 39

Transit‑Oriented Development Projects

Section 6-39-5. The General Assembly finds that:

(1) Public Transit is a valuable element of providing mobility to the people of South Carolina and functions best in communities where density, walkable infrastructure, cycling and short distance transportation services can connect residents and workers efficiently between home, work, shopping, civic opportunities, recreation and education.

(2) Efficient and well used transit systems generate more of their own income from farebox and other operating revenues through higher ridership allowing more service to be provided with lower amounts of per ride taxpayer support.

(3) Efficient, high capacity transit services raise property values and support more efficient uses of real property.

(4) Transit increases the opportunity to create affordable housing and to connect workers with employment in areas which would otherwise be inaccessible to them, while allowing them, should they choose to do so, to live their lives without being required to pay the costs of operating a private vehicle. It offers those who can not drive or choose not to drive such as the differently abled, some senior citizens, the economically challenged, young or those legally disqualified from driving a higher quality of life while reducing their dependence on public and private charitable assistance.

(5) Transit-oriented development can provide a safe and legal alternative to those who have lost their driver’s license or lack insurance, reducing the number of illegal drivers on the road the costs of the collisions in which they are involved, which increases the cost of uninsured motorist insurance coverage.

(6) Greater use of transit conserves road capacity for those who choose to or must use private vehicles, including businesses which must move freight, make deliveries or deliver port cargo across the road network.

Section 6‑39‑10. As used in this chapter:

(1) ‘Affected taxing entity’ means any governmental taxing agency which levied or had levied on its behalf a property tax on all or a portion of the property located in the proposed agency in the year before the designation of the agency.

(2) ‘Agency’ means a transit‑oriented redevelopment agency created by this chapter.

(3) ‘Landowner’ or ‘owner of land’ means any person shown as the owner of land on the last equalized assessment roll. A public agency is not a landowner or owner of land for purposes of this chapter, unless the public agency owns all of the land to be included within the proposed agency.

(4) ‘Local governing body’ means the county council or city council, as applicable.

(5) ‘Mixed use development’ means that up to fifty percent of the square footage of a proposed development is designated for nonresidential use.

(6) ‘Transit‑oriented development projects’ means commercial, residential, or mixed‑use development that is undertaken in connection with existing, planned, or proposed intermodal transit facilities and is located one quarter mile or less from the external boundaries of the facility and in an area where workday transit ridership exceeds or is expected to exceed five thousand riders each day.

Section 6‑39‑20. (A) A local governing body may propose to form an agency pursuant to this chapter by adopting an ordinance of intention to establish the agency. The ordinance of intention shall contain all of the following:

(1) A statement that a redevelopment agency is proposed to be established in accordance with the terms of this chapter.

(2) A preliminary project plan prepared by the local governing body. The preliminary project plan must, at a minimum, include all of the following:

(a) a description of the proposed boundaries of the project area. This may be accomplished by reference to a map on file in the office of the clerk of the city or in the office of the recorder of the county, as applicable;

(b) evidence that the proposed redevelopment is consistent with the general plan of each applicable city or county in which the projects are proposed to be located;

(c) a description of the affordable housing or transit‑oriented development projects that are proposed to be financed by the agency;

(d) a description of how the proposed development will increase ridership or operating revenue on the relevant transit lines and the types improved transit facilities included in the plan such as stations, sidewalks, access pedestrian overpasses, or facilities to increase access to the transit line around and through the district;

(e) a description of the manner in which the plan will improve the quality of life and transit service available to people already living in the area and the manner in which any negative impacts will be ameliorated; and

(f) an explanation of the manner in which leasing arrangements, rents and parking costs will be structured to encourage transit ridership, including funding free or reduced cost transit passes to tenants as an amenity.

(3) A financing section that shall contain all of the following information:

(a) a projection of the amount of tax revenues expected to be received by the agency in each year during which the agency will receive tax revenues, including an estimate of the amount of tax revenues attributable to each affected taxing entity for each year;

(b) a plan for financing the affordable housing or transit‑oriented development projects to be assisted by the agency, including a detailed description of any intention to incur debt;

(c) a limit on the total number of dollars of taxes that may be allocated to the agency pursuant to the plan;

(d) the date on which the agency will cease to exist, by which time all tax allocation to the agency will end;

(e) an analysis of the costs to the city or county of providing facilities and services to the area of the agency while the area is being developed and after the area is developed. The plan also shall include an analysis of the tax, fee, charge, and other revenues expected to be received by the city or county as a result of expected development in the area of the agency; and

(f) an analysis of the projected fiscal impact of the agency and the associated development upon each affected taxing entity.

(4) A statement that a public hearing must be held on the proposal, and a statement of the time and place of that hearing.

(B) The local governing body shall direct the city clerk or county recorder, as applicable, to mail a copy of the ordinance of intention to:

(1) each affected taxing entity; and

(2) each owner of land within the district.

Section 6‑39‑30. (A) The city or county that adopted the ordinance of intention pursuant to Section 6‑39‑20 shall consult with each affected taxing entity. Any affected taxing entity may suggest revisions to be included in the ordinance of formation.

(B)(1) The local governing body shall, no sooner than ninety days after the ordinance of intention was submitted to each affected taxing entity pursuant to Section 6‑39‑20, hold a public hearing on the proposal.

(2) The local governing body shall provide notice of the public hearing by publication not less than once a week for four successive weeks in a newspaper of general circulation published in each city or county in which the proposed agency is located. The notice shall state that the agency will be used to finance transit‑oriented development projects, briefly describe the proposed transit‑oriented development projects, briefly describe the proposed financial arrangements, including the proposed commitment of incremental tax revenue, describe the boundaries of the proposed agency and state the day, hour, and place when and where any persons having any objections to the proposed agency or the regularity of any of the prior proceedings may appear before the local governing body and object to the formation of the agency.

(3) The notice must further provide instructions on where and how the public can review the plans for the proposed agency including downloading the primary documents online and a public library or government office where a paper copy is available for review. The library or government office must be on a transit line connected to the proposed district, within walking distance or if that is not possible, at the closest available such facility to the district.

(4) At the conclusion of the public hearing, the local governing body may adopt an ordinance forming the agency. The ordinance of formation shall contain all the information described in Section 6‑39‑20, and shall consider the recommendations, if any, of affected taxing entities, and all evidence and testimony for and against the formation of the agency.

Section 6‑39‑40. (A) The governing board of the agency shall consist of the following:

(1) two members appointed by the local governing body that adopted the ordinance of intention;

(2) one member appointed by the governing body of each affected taxing entity;

(3) two public members appointed by the governing board composed of the members described in items (1) and (2).

(B) Members of the governing board shall not receive compensation but may receive reimbursement for actual and necessary expenses incurred in the performance of official duties. However, members of the governing board who do not serve as a compensated elected official or government employee in some other capacity are entitled to a stipend of five hundred dollars per month for the first three years that the governing board is in operation and their actual and necessary expenses incurred in the performance of their official duties. After the first three years of operation, such persons are entitled to compensation of one hundred dollars for each meeting attended, plus their actual and necessary expenses incurred in the performance of their official duties.

Section 6‑39‑50. The agency created pursuant to this chapter must be a local public agency subject to the provisions of Chapter 4, Title 30.

Section 6‑39‑60. (A) An agency may finance any of the following:

(1) the purchase, construction, expansion, improvement, seismic retrofit, or rehabilitation of any real or other tangible property with an estimated useful life of fifteen years or longer that constitutes a redevelopment project described in subsection (D);

(2) the purchase construction, expansion, improvement, seismic retrofit or rehabilitation of transit stop facilities, access walkways, pedestrian overpasses or underpasses, shuttle bus facilities, bicycle parking facilities or permeant infrastructure which increases the speed, capacity or efficiency of transit services within one mile of the district;

(3) the planning and design work that is directly related to the purchase, construction, expansion, or rehabilitation of property.

(B) The facilities are not required to be physically located within the boundaries of the agency. However, any facilities financed outside of a project area shall have a tangible connection to the work of the agency, as detailed in the redevelopment plan.

(C) An agency shall not finance routine maintenance, repair work, or the costs of an ongoing operation or providing services of any kind.

(D) The agency only may finance transit‑oriented development projects.

(E) An agency may, within the area established in an approved redevelopment project plan, do either or all of the following:

(1) purchase, lease, obtain option upon, acquire by gift, grant, bequest, devise, or otherwise, any real or personal property, any interest in property, and any improvements on it, including repurchase of developed property previously owned by the agency;

(2) acquire real property by eminent domain; and

(3) utilize the tax increment financing provisions of Chapter 6, Title 31.

Section 6‑39‑70. (A) After adopting the ordinance of creation pursuant to Section 6‑39‑30, the governing board of the agency shall designate an appropriate official, such as an engineer of a city or county that is an affected taxing entity, to prepare a redevelopment project plan.

(B) The official designated pursuant to subsection (A) shall prepare a proposed redevelopment project plan. The redevelopment project plan must be consistent with the general plan of each city or county within the agency’s boundaries, or, if the proposed project is located outside those boundaries, with the general plan of the city or county in which the project is located. The plan must include all of the following:

(1) a map and legal description of the proposed agency, which may include all or a portion of the agency designated in the ordinance of formation;

(2) a description of the public facilities and other forms of development or financial assistance that is proposed in the area of the agency, including those to be provided by the private sector, those to be provided by governmental entities without assistance under this chapter, those public improvements and facilities to be financed with assistance from the proposed agency, and those to be provided jointly. The description shall include the proposed location, timing, and costs of the development and financial assistance;

(3) a financing section that must contain all of the following information:

(a) a projection of the amount of tax increment revenues expected to be received by the agency in each year during which the agency will receive tax increment revenues, including an estimate of the amount of tax revenues attributable to each affected taxing entity for each year;

(b) a plan for financing the public facilities to be assisted by the agency, including a detailed description of any intention to incur debt;

(c) a limit on the total number of dollars of taxes that may be allocated to the agency pursuant to the plan;

(d) a date on which the agency will cease to exist, by which time all tax allocation to the agency will end. The date must not be more than forty‑five years from the date on which the issuance of bonds is approved pursuant to Section 6‑39‑80;

(e) an analysis of the costs to the city or county of providing facilities and services to the area of the agency while the area is being developed and after the area is developed. The plan also must include an analysis of the tax, fee, charge, and other revenues expected to be received by the city or county as a result of expected development in the area of the agency; and

(f) an analysis of the projected fiscal impact of the agency and the associated development upon each affected taxing entity;

(4) the goals the agency proposes to achieve for each project financed; and

(5) when preparing the plan, the designated official shall consult with each affected taxing entity, and, at the request of any affected taxing entity, shall meet with representatives of an affected taxing entity. Any affected taxing entity may suggest revisions to the plan.

Section 6‑39‑80. (A) The agency may, by majority vote, initiate proceedings to issue bonds pursuant to this chapter by adopting a resolution stating its intent to issue the bonds. The resolution must contain all of the following information:

(1) a description of the developments to be financed with the proceeds of the proposed bond issue;

(2) the estimated cost of the developments, the estimated cost of preparing and issuing the bonds, and the principal amount of the proposed bond issuance;

(3) the maximum interest rate and discount on the proposed bond issuance; and

(4) a determination of the amount of tax revenue available or estimated to be available, for the payment of the principal of, and interest on, the bonds.

(B) The agency shall issue bonds by adopting a resolution providing for all of the following:

(1) the issuance of the bonds in one or more series;

(2) the principal amount of the bonds that must be consistent with the amount specified in subsection (A)(2);

(3) the date the bonds will bear;

(4) the date of maturity of the bonds;

(5) the denomination of the bonds;

(6) the form of the bonds;

(7) the manner of execution of the bonds;

(8) the medium of payment in which the bonds are payable; and

(9) the place or manner of payment and any requirements for registration of the bonds.

Section 6‑39‑90. (A) Every two years after the issuance of debt pursuant to Section 6‑39‑80, the agency shall contract for an independent financial and performance audit. The results of the audit must be provided to its board and to each affected taxing entity.

(B) Upon the request of the General Assembly, the State Auditor may conduct financial and performance audits of districts. The results of the audits must be provided to the agency and the General Assembly.

Section 6‑39‑100. An agency shall submit an annual report to its governing board within six months of the end of the agency’s fiscal year.”

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

‑‑‑‑XX‑‑‑‑