CHAPTER 15

County Bonds

**SECTION 4‑15‑10.** Short title.

 This chapter may be cited as "The County Bond Act."

HISTORY: 1962 Code Section 14‑511; 1952 Code Section 14‑511; 1951 (47) 763.

**SECTION 4‑15‑20.** Definitions.

 As used in this chapter:

 (1) The word "authorities" shall mean the county board of commissioners or other board or body to which is delegated the administrative duties of the particular county; and

 (2) The term "authorized purpose" shall mean any purpose for which the particular county might, under the applicable constitutional provisions, issue bonds or levy taxes.

HISTORY: 1962 Code Section 14‑512; 1952 Code Section 14‑512; 1951 (47) 763.

**SECTION 4‑15‑30.** When counties may issue bonds; amount thereof.

 (A) The authorities of a county may issue general obligation bonds of the county to defray the cost of any authorized purpose and for any amount not exceeding its applicable constitutional debt limit, if:

 (1) the election required by this chapter as a condition precedent to the issuance of bonds is favorable; and

 (2) the bonds are issued within five years following the holding of the election.

 (B) Bonds issued pursuant to the provisions of this chapter may be issued in either a single issue or from time to time as several separate issues.

 (C) The five‑year period required in (A)(2) of this section is tolled while litigation contesting the validity of the election is pending.

HISTORY: 1962 Code Section 14‑513; 1952 Code Section 14‑513; 1951 (47) 763; 1991 Act No. 83, Section 2, eff May 27, 1991.

Editor's Note

1991 Act No. 83, Sections 1 and 3, effective May 27, 1991, and applicable to all elections conducted pursuant to the provisions of Chapter 15, Title 4 of the 1976 Code after January 1, 1985, provides as follows:

"SECTION 1. (A) Article X of the Constitution of South Carolina, 1895, which became effective on November 30, 1977, provides in Section 14(6)(c) that general obligation debt authorized as a result of a favorable referendum result of an election must be issued within five years of the date of that referendum. However, Section 4‑15‑30 of the 1976 Code provides that bonds authorized as a consequence of a favorable result of an election must be issued within three years following the election. In order to conform Section 4‑15‑30, with the provision of new Article X of the Constitution of South Carolina, it is necessary to provide that all bonds authorized as a result of the favorable election must be issued within five years following the date on which the election was held.

"(B) It has come to the attention of the General Assembly that litigation challenging an election may take several years to complete. It has further come to the attention of the General Assembly that during the pendency of this litigation, bonds authorized by the election may not be issued due to the existence of the litigation. In order to permit the five‑year period contemplated by the Constitution during which bonds may be issued following an election, it may be necessary to provide that the five‑year period is tolled while litigation contesting the validity of the election is pending."

"SECTION 3. The provisions of this act apply to all elections conducted pursuant to the provisions of Chapter 15, Title 4 of the 1976 Code after January 1, 1985."

Effect of Amendment

The 1991 amendment designated the existing provisions of the section as subsection (A) and, in (A)(2) extended the time limit for the issuance of bonds from three to five years; and added subsections (B) and (C).

**SECTION 4‑15‑40.** Holding of election; persons who may vote therein.

 The election required by this chapter shall be held in accordance with the provisions of the election law applicable to special elections and all persons resident in the county and qualified to vote under the Constitution and laws of the State shall be permitted to vote.

HISTORY: 1962 Code Section 14‑514; 1952 Code Section 14‑514; 1951 (47) 763.

**SECTION 4‑15‑50.** Notice of election.

 Notice of the holding of such an election shall be given, by publication thereof in some newspaper published in the county, at least once not less than fifteen days prior to the occasion set for the holding of such election. Such notice shall state:

 (1) The occasion of the holding of the election;

 (2) The location of the several polling places;

 (3) The qualifications imposed upon persons desirous of voting;

 (4) The amount of bonds to be issued; and

 (5) A brief description of the purpose for which the proceeds of the bonds are to be applied.

HISTORY: 1962 Code Section 14‑515; 1952 Code Section 14‑515; 1951 (47) 763.

**SECTION 4‑15‑60.** Declaration of election results; effect of filing if no contest instituted within thirty days.

 Upon the receipt of the returns of the election the authorities shall by resolution declare the results thereof and may provide for the filing of a certified copy of such resolution declaring the results of the election in the office of the clerk of the court for such county. In such event the results of the election, as declared by resolution of the authorities so certified and filed, shall not be open to question except by a suit or proceeding instituted within thirty days from the date of the filing thereof.

HISTORY: 1962 Code Section 14‑516; 1952 Code Section 14‑516; 1951 (47) 763.

**SECTION 4‑15‑70.** Maturity of bonds.

 Any such bonds shall mature in such annual series or installments as the authorities shall provide, except that:

 (1) The first maturing bonds shall mature within three years from the date as of which they may be issued;

 (2) Not less than three per cent of the aggregate of the issue shall mature in any year; and

 (3) No bond shall mature later than twenty‑five years from the date as of which it may be issued.

 The provisions of this section shall not prevent the authorities from issuing the aggregate of the bonds authorized by the election on one or more occasions, as two or more issues.

HISTORY: 1962 Code Section 14‑517; 1952 Code Section 14‑517; 1951 (47) 763.

**SECTION 4‑15‑80.** Redemption provisions.

 Any bond issued may be issued with a provision providing for its redemption prior to its stated maturity at par and accrued interest, plus such redemption premium as may be prescribed by the authorities, but no bond shall be redeemable before maturity unless it contains a statement to that effect. In the proceedings authorizing the issuance of such bonds provision shall be made specifying the manner of call and the notice thereof that must be given.

HISTORY: 1962 Code Section 14‑518; 1952 Code Section 14‑518; 1951 (47) 763.

**SECTION 4‑15‑90.** Form and negotiability of bonds; registration.

 Bonds issued pursuant to this chapter shall be in the form of negotiable coupon bonds, payable to bearer, with the privilege to the holder of having them registered as to principal on the books of the treasurer of the county and the principal thus made payable to the registered holder (unless the last registered transfer shall have been to bearer) upon such conditions as the authorities may prescribe. Unless registered such bonds shall have all qualities of negotiable instruments under the law merchant and the Negotiable Instruments Law. Provided, however, any bonds issued pursuant to this chapter and purchased by the United States or any agency or department thereof, may be in fully registered form as to both principal and interest, and may be registered on the books of the treasurer of the county.

HISTORY: 1962 Code Section 14‑519; 1952 Code Section 14‑519; 1951 (47) 763; 1977 Act No. 58.

**SECTION 4‑15‑100.** Place of payment.

 The bonds issued pursuant to this chapter shall be payable at such places, within or without the State, as the authorities shall provide.

HISTORY: 1962 Code Section 14‑520; 1952 Code Section 14‑520; 1951 (47) 763.

**SECTION 4‑15‑110.** Interest rates.

 Such bonds shall bear interest at rates to be named by the authorities.

HISTORY: 1962 Code Section 14‑521; 1952 Code Section 14‑521; 1951 (47) 763.

**SECTION 4‑15‑120.** Execution of bonds.

 Such bonds and the coupons annexed thereto shall be executed in the manner provided for by the authorities.

HISTORY: 1962 Code Section 14‑522; 1952 Code Section 14‑522; 1951 (47) 763.

**SECTION 4‑15‑130.** Advertisement and sale of bonds.

 Such bonds shall be sold at public sale, after advertisement thereof in a newspaper having general circulation in the State or in a financial publication published in the city of New York or, in the discretion of the authorities, in both such publications. Such advertisement shall appear not less than ten days prior to the occasion set for such sale. The bonds may be disposed of at private sale if there are no bids received or if all bids are rejected. The provisions of this section shall not prevent a sale at private sale to the United States of America or any agency thereof.

HISTORY: 1962 Code Section 14‑523; 1952 Code Section 14‑523; 1951 (47) 763.

**SECTION 4‑15‑140.** Minimum sale price.

 All such bonds must be sold at a price of not less than par and accrued interest to the date of delivery.

HISTORY: 1962 Code Section 14‑524; 1952 Code Section 14‑524; 1951 (47) 763.

**SECTION 4‑15‑150.** Pledge of credit for payment; levy and collection of tax therefor.

 For the payment of the principal and interest on such bonds as they respectively mature and for the creation of such sinking fund as may be necessary therefor, the full faith, credit and taxing power of the county are irrevocably pledged and there shall be levied annually by the county auditor and collected by the county treasurer in the same manner as other county taxes are levied and collected, a tax, without limit, on all taxable property in the county sufficient to pay the principal and interest of such bonds as they respectively mature and to create such sinking fund as may be necessary therefor.

HISTORY: 1962 Code Section 14‑525; 1952 Code Section 14‑525; 1951 (47) 763.

**SECTION 4‑15‑160.** Exemption from taxes.

 Bonds issued under this chapter shall be exempt from all State, county, municipal, school district and other taxes or assessments, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise.

HISTORY: 1962 Code Section 14‑526; 1952 Code Section 14‑526; 1951 (47) 763.

**SECTION 4‑15‑170.** Bonds shall be legal for fiduciary investments.

 The authorities, all executors, administrators, guardians, committees and other fiduciaries and all sinking fund commissions may invest any moneys in their hands in bonds issued under this chapter.

HISTORY: 1962 Code Section 14‑527; 1952 Code Section 14‑527; 1951 (47) 763.

**SECTION 4‑15‑180.** Deposit and application of proceeds of sale of bonds.

 The proceeds derived from the sale of any such bonds shall be deposited with the county treasurer in a special fund to the credit of the county and shall be applied solely to the purposes for which the bonds were issued, except that the premium, if any, shall be placed in the sinking fund established by Section 4‑15‑150 and the accrued interest, if any, shall be used to discharge in part the first interest to become due on such bonds.

HISTORY: 1962 Code Section 14‑528; 1952 Code Section 14‑528; 1951 (47) 763.