CHAPTER 6

Tax Increment Financing for Redevelopment Projects

**SECTION 31‑6‑10.** Short title.

This chapter may be cited as the “Tax Increment Financing Law”.

HISTORY: 1984 Act No. 452, Section 1.

Library References

Municipal Corporations 267, 288, 450(1).

Westlaw Topic No. 268.

C.J.S. Municipal Corporations Sections 957, 969, 1193 to 1199.

LAW REVIEW AND JOURNAL COMMENTARIES

Annual Survey of South Carolina Law: State and Local Government. 38 S.C. L. Rev. 197 (Autumn 1986).

NOTES OF DECISIONS

In general 1

1. In general

The Tax Increment Financing Law, Sections 31‑6‑10 to 31‑6‑120, enacted under the authority of Article X, Section 14(10) of the South Carolina Constitution, was not unconstitutional as an impairment of contract rights under Article I, Section 4 of the South Carolina Constitution in permitting the issuance of bonds for redevelopment of an area of a city, where only the incremental increase in the property tax assessed on the redeveloped area was to be diverted into a fund from which the redevelopment bonds would be retired, and the base portion of tax revenue on the redeveloped property continued to be paid into the general fund for retirement of existing general obligation debt. Wolper v. City Council of City of Charleston (S.C. 1985) 287 S.C. 209, 336 S.E.2d 871.

ARTICLE X, Section 5 of the South Carolina Constitution applies only to tax levies, and not to legislation which creates no new tax. Accordingly, the Tax Increment Financing Law, Sections 31‑6‑10 to 31‑6‑120, which created no new scheme of taxation but rather authorized the increased increments of an existing tax to be designated for redevelopment purposes, would not be held unconstitutional under ARTICLE X, Section 5 on the basis that the Act would cause ad valorem taxes to be diverted to a purpose not envisioned or authorized by the tax levy. Wolper v. City Council of City of Charleston (S.C. 1985) 287 S.C. 209, 336 S.E.2d 871.

Redevelopment bonds issued pursuant to the Tax Increment Financing Law, Sections 31‑6‑10 to 31‑6‑120, are not general obligation bonds, and therefore not subject to the constitutional debt limitation of Article X, Section 14(7) of the South Carolina Constitution. Wolper v. City Council of City of Charleston (S.C. 1985) 287 S.C. 209, 336 S.E.2d 871.

The Tax Increment Financing Law, and its application to the issuance of revenue bonds by a city, did not violate Article I, Section 3 of the South Carolina Constitution, requiring that all legislation serve a public purpose, since the elimination of decaying and unhealthy areas within a city directly benefits the public, the redevelopment would eliminate a health and safety threat and would significantly increase the tax base within the area, and the redevelopment was expected to stimulate growth and development in the areas immediately adjacent to the redevelopment area. Wolper v. City Council of City of Charleston (S.C. 1985) 287 S.C. 209, 336 S.E.2d 871.

**SECTION 31‑6‑20.** Declaration of legislative findings.

(A) The General Assembly finds that:

(1) Section 14 of Article X of the Constitution of South Carolina provides that the General Assembly may authorize by general law that indebtedness for the purpose of redevelopment within incorporated municipalities 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) An increasing demand for public services must be provided from a limited tax base. Incentives must be provided for redevelopment in areas which are, or threaten to become, predominantly slum or blighted.

(3) There exist in many municipalities of this State blighted and conservation areas; the conservation areas are rapidly deteriorating and declining and may soon become blighted areas if their decline is not checked; the stable economic and physical development of the blighted areas and conservation areas is endangered by the presence of blighting factors as manifested by progressive and advanced deterioration of structures, by the overuse of housing and other facilities, by a lack of physical maintenance of existing structures, by obsolete and inadequate community facilities, and a lack of sound community planning, by obsolete platting, diversity of ownership, excessive tax and special assessment delinquencies, or by a combination of these factors; that as a result of the existence of blighted areas and areas requiring conservation, there is an excessive and disproportionate expenditure of public funds, inadequate public and private investment, unmarketability of property, growth in delinquencies and crime, and substandard housing conditions and zoning law violations in such areas together with an abnormal exodus of families and businesses so that the decline of these areas impairs the value of private investments and threatens the sound growth and the tax base of taxing districts in such areas, and threatens the health, safety, morals, and welfare of the public.

(4) In order to promote and protect the health, safety, morals, and welfare of the public, blighted conditions need to be eradicated and conservation measures instituted and redevelopment of such areas undertaken; to remove and alleviate adverse conditions it is necessary to encourage private investment and restore and enhance the tax base of the taxing districts in such areas by the redevelopment of project areas. The eradication of blighted areas and treatment and improvement of areas by redevelopment projects is declared to be essential to the public interest.

(4.5) There exists in or contiguous to many municipalities in the State large tracts of land which served the people of this State and its economy when originally developed and maintained over the generations as agricultural property, contributing food, fiber, timber, and pulpwood, and which now, in an evolving economy and amidst a much smaller, yet vastly more efficient agricultural economy, are in need of redevelopment to provide multiple uses utilizing the redevelopment tools provided in this chapter.

(5) 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 removal of blighted conditions, the eradication of conditions requiring conservation measures, and the redevelopment of agricultural areas.

(B) The General Assembly intends to implement the authorization granted in Article X, Section 14, 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 are vested with all powers consistent with the Constitution necessary, useful, and desirable to enable them to accomplish redevelopment in areas which are or threaten to become blighted 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 such redevelopment as provided in subsection (10) of Section 14 of Article X of the Constitution of this State. The indebtedness incurred pursuant to subsection (10) of Section 14 of 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 in carrying out the purposes of this chapter will perform essential governmental functions.

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

HISTORY: 1984 Act No. 452, Section 1; 2005 Act No. 109, Sections 9.A, 9.B.

Editor’s Note

2012 Act No. 267, Section 1, provides as follows:

“The General Assembly finds and determines that the legislative findings contained in Section 31‑6‑20 of the 1976 Code remain true and correct as of the effective date of this act. The General Assembly further finds and determines that it would further the purposes of the Tax Increment Financing Law, Sections 31‑6‑10, et seq. of the 1976 Code, and would be in the public interest, to explicitly confirm the ability of municipalities and one or more taxing districts to provide by intergovernmental agreement for partial or modified participation in a redevelopment project. The General Assembly further finds that such intergovernmental agreements are consistent with and permissible under existing law, and accordingly the purpose of this act is to explicitly confirm the validity and enforceability of such intergovernmental agreements, whether entered into prior or subsequent to the effective date of this act. This act may not be construed to create a negative implication that any such intergovernmental agreement entered into prior to the effective date of this act is not valid or enforceable.”

Library References

Municipal Corporations 267, 288, 450(1).

Westlaw Topic No. 268.

C.J.S. Municipal Corporations Sections 957, 969, 1193 to 1199.

LAW REVIEW AND JOURNAL COMMENTARIES

Annual Survey of South Carolina Law: State and Local Government. 38 S.C. L. Rev. 197 (Autumn 1986).

**SECTION 31‑6‑30.** Definitions.

Unless the context clearly indicates otherwise:

(1) “Blighted area” means any improved or vacant area within the boundaries of a redevelopment project area located within the territorial limits of the municipality where:

(a) if improved, industrial, commercial, and residential buildings or improvements, because of a combination of five or more of the following factors: age; dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; excessive vacancies; overcrowding of structures and community facilities; lack of necessary transportation infrastructure; presence of or potential environmental hazards; lack of water or wastewater services; inadequate electric, natural gas or other energy services; lack of modern communications infrastructure; lack of ventilation, light, sanitary or storm drainage facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; lack of community planning; and static or declining land values are detrimental to the public safety, health, morals, or welfare or;

(b) if vacant, the sound growth is impaired by:

(i) a combination of two or more of the following factors: obsolete platting of the vacant land; diversity of ownership of such land; tax and special assessment delinquencies on such land; deterioration of structures or site improvements in neighboring areas adjacent to the vacant land; overcrowding of structures and community facilities in neighboring areas adjacent to the vacant land; lack of necessary transportation infrastructure; presence of or potential environmental hazard; lack of water, or wastewater; lack of storm drainage facilities; inadequate electric and natural gas energy services; and lack of modern communications infrastructure; or

(ii) the area immediately prior to becoming vacant qualified as a blighted area.

Any area within a redevelopment plan established by Chapter 10 of Title 31 is deemed to be a blighted area.

(1.5) “Agricultural area” means any unimproved or vacant area formerly developed and used primarily for agricultural purposes within the boundaries of a redevelopment project area located within the territorial limits of the municipality where redevelopment and sound growth is impaired by a combination of three or more of the following factors: obsolete platting of the land; diversity of ownership of the land; tax and special assessment delinquencies on the land; deterioration of structures or site improvements in neighboring areas adjacent to the land; overcrowding of structures and community facilities in neighboring areas adjacent to the land; lack of necessary transportation infrastructure; presence of or potential environmental hazards; lack of water or wastewater; lack of storm drainage facilities; inadequate electric, natural gas or other energy services; lack of modern communications infrastructure; lack of community planning; agricultural foreclosures; and static or declining land values.

(2) “Conservation area” means any improved area or vacant area within the boundaries of a redevelopment project area located within the territorial limits of the municipality that is not yet a blighted area where:

(a) if improved, because of a combination of three or more of the following factors: age; dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; excessive vacancies; overcrowding of structures and community facilities; lack of necessary transportation infrastructure; presence of or potential environmental hazards; lack of water or wastewater services; inadequate electric, natural gas or other energy services; lack of modern communications infrastructure; lack of ventilation, light, sanitary or storm drainage facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; lack of community planning; and static or declining land values are detrimental to the public safety, health, morals, or welfare or;

(b) if vacant, the sound growth is impaired by a combination of two or more of the following factors: obsolete platting of the vacant land; diversity of ownership of the land; tax and special assessment delinquencies on the land; deterioration of structures or site improvements in neighboring areas adjacent to the vacant land; overcrowding of structures and community facilities in neighboring areas adjacent to the vacant land; lack of necessary transportation infrastructure; presence of or potential environmental hazard; lack of water, or wastewater; lack of storm drainage facilities; inadequate electric and natural gas energy services; and lack of modern communications infrastructure; is detrimental to the public safety, health, morals, or welfare and may become a blighted area.

(3) “Municipality” means an incorporated municipality of this State.

(4) “Obligations” means bonds, notes, or other evidence of indebtedness issued by the municipality to carry out a redevelopment project or to refund outstanding obligations.

(5) “Redevelopment plan” means the comprehensive program of the municipality for redevelopment intended by the payment of redevelopment costs to reduce or eliminate those conditions which qualified the redevelopment project area as an agricultural area, blighted area, conservation area or combination thereof, and thereby to enhance the tax bases of the taxing districts which extend into the project redevelopment area. Each redevelopment plan shall set forth in writing the program to be undertaken to accomplish the objectives and shall include, but not be limited to, estimated redevelopment project costs including long‑term project maintenance, as applicable, the anticipated sources of funds to pay costs, the nature and term of any obligations to be issued, the most recent equalized assessed valuation of the project area, an estimate as to the equalized assessed valuation after redevelopment, and the general land uses to apply in the redevelopment project area. A redevelopment plan established by Chapter 10 of Title 31 is deemed a redevelopment plan for purposes of this paragraph.

(6) “Redevelopment project” means any buildings, improvements, including street, road, and highway improvements, water, sewer and storm drainage facilities, parking facilities, tourism and recreation‑related facilities, energy production or transmission infrastructure, communications technology, and public transportation infrastructure including, but not limited to, rail and airport facilities. Any project or undertaking authorized under Section 6‑21‑50 also may qualify as a redevelopment project under this chapter. All the projects are to be publicly owned. A redevelopment may be located outside of the redevelopment area provided the municipality makes specific findings of benefit to the redevelopment project area and the project area is located within the municipal limits. A redevelopment project for purposes of this chapter also includes affordable housing projects where all or a part of new property tax revenues generated in the tax increment financing district are used to provide or support publicly owned affordable housing in the district or is used to provide infrastructure projects to support privately owned affordable housing in the district. The term “affordable housing” as used herein means residential housing for rent or sale that is appropriately priced for rent or sale to a person or family whose income does not exceed eighty percent of the median income for the local area, with adjustments for household size, according to the latest figures available from the United States Department of Housing and Urban Development (HUD).

(7) “Redevelopment project area” means an area within the incorporated area of and designated by the municipality, which is not less in the aggregate than one and one‑half acres and in respect to which the municipality has made a finding that there exist conditions that cause the area to be classified as an agricultural area, a blighted area, or a conservation area, or a combination thereof.

(8) “Redevelopment project costs” means and includes the sum total of all reasonable or necessary costs incurred or estimated to be incurred and any costs incidental to a redevelopment project. The costs include, without limitation:

(a) costs of studies and surveys, plans, and specifications; professional service costs including, but not limited to, architectural, engineering, legal, marketing, financial, planning, or special services.

(b) property assembly costs including, but not limited to, acquisition of land and other property, real or personal, or rights or interest therein, demolition of buildings, and the clearing and grading of land.

(c) costs of rehabilitation, reconstruction, repair, or remodeling of a redevelopment project.

(d) costs of the construction and long‑term maintenance of a redevelopment project.

(e) financing costs including, but not limited to, all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued under the provisions of this chapter accruing during the estimated period of construction of any redevelopment project for which the obligations are issued and including reasonable reserves related thereto.

(f) relocation costs, including relocation or removal costs of federal, state, or local government facilities or activities, to the extent that a municipality determines that relocation costs must be paid or required by federal or state law.

(9) “Taxing districts” means counties, incorporated municipalities, schools, special purpose districts, and public and any other municipal corporations or districts with the power to levy taxes. Taxing districts include school districts which have taxes levied on their behalf.

(10) “Vacant land” means any parcel or combination of parcels of real property without industrial, commercial, and residential buildings.

HISTORY: 1984 Act No. 452, Section 1; 1996 Act No. 253, Section 1; 1999 Act No. 93, Section 17; 1999 Act No. 109, Section 2; 2002 Act No. 207, Section 1; 2005 Act No. 109, Section 10; 2008 Act No. 358, Section 1, eff June 25, 2008.

Code Commissioner’s Note

In 2013, the Code Commissioner removed text which formerly appeared as the second sentence of subsection (1)(b)(ii) and added it as the last undesignated paragraph under subsection (1).

Effect of Amendment

The 2008 amendment, in subsection (6), added the fifth and sixth sentences relating to affordable housing projects.

Library References

Municipal Corporations 267, 288, 450(1).

Westlaw Topic No. 268.

C.J.S. Municipal Corporations Sections 957, 969, 1193 to 1199.

LAW REVIEW AND JOURNAL COMMENTARIES

Annual Survey of South Carolina Law: State and Local Government. 38 S.C. L. Rev. 197 (Autumn 1986).

**SECTION 31‑6‑40.** Issuance of obligations for redevelopment costs; security; manner of retirement.

Obligations secured by the special tax allocation fund set forth in Section 31‑6‑70 for the redevelopment project area may be issued to provide for redevelopment project costs. The obligations, when so issued, must be retired in the manner provided in the ordinance authorizing the issuance of the obligations by the receipts of taxes levied as specified in Section 31‑6‑110 against the taxable property included in the area and other revenue as specified in Section 31‑6‑110 designated by the municipality which source does not involve revenues from any tax or license. In the ordinance the municipality may pledge all or any part of the funds in and to be deposited in the special tax allocation fund created pursuant to Section 31‑6‑70 to the payment of the redevelopment project costs and obligations. Any pledge of funds in the special tax allocation fund must provide for distribution to the taxing districts of monies not required for payment and securing of the obligations and the excess funds are surplus funds. In the event a municipality only pledges a portion of the monies in the special tax allocation fund for the payment of redevelopment project costs or obligations, any funds remaining in the special tax allocation fund after complying with the requirements of the pledge are also considered surplus funds. All surplus funds must be distributed annually to the taxing districts in the redevelopment project area by being paid by the municipality to the county treasurer of the county in which the municipality is located. The county treasurer shall immediately thereafter make distribution to the respective taxing districts in the same manner and proportion as the most recent distribution by the county treasurer to the affected districts of real property taxes from real property in the redevelopment project area.

In addition to obligations secured by the special tax allocation fund, the municipality may pledge for a period not greater than the term of the obligations toward payment of the obligations any part of the revenues remaining after payment of operation and maintenance, of all or part of any redevelopment project.

The obligations may be issued in one or more series, may bear such date or dates, may mature at such time or times not exceeding thirty years from their respective dates, may bear such rate or rates of interest as the governing body shall determine, may be in such denomination or denominations, may be in such form, either coupon or registered, may carry such registration and conversion privileges, may be executed in such manner, may be payable in such medium of payment, at such place or places, may be subject to such terms of redemption, with or without premium, may be declared or become due before the maturity date thereof, may provide for the replacement of mutilated, destroyed, stolen, or lost bonds, may be authenticated in such manner and upon compliance with such conditions, and may contain such other terms and covenants, as may be provided by the governing body of the municipality. If the governing body determines to sell any obligations the obligations must be sold at public or private sale in such manner and upon such terms as the governing body considers best for the interest of the municipality.

A certified copy of the ordinance authorizing the issuance of the obligations must be filed with the clerk of the governing body of each county and treasurer of each county in which any portion of the municipality is situated and shall constitute the authority for the extension and collection of the taxes to be deposited in the special tax allocation fund.

A municipality also may issue its obligations to refund in whole or in part obligations previously issued by the municipality under the authority of this chapter, whether at or prior to maturity, and all references in this chapter to “obligations” are considered to include these refunding obligations.

The debt incurred by a municipality pursuant to this chapter is exclusive of any statutory limitation upon the indebtedness a taxing district may incur. All obligations issued pursuant to this chapter shall contain a statement on the face of the obligation specifying the sources from which payment is to be made and shall state that the full faith, credit, and taxing powers are not pledged for the obligations.

The trustee or depositary under any indenture may be such persons or corporations as the governing body designates, or they may be nonresidents of South Carolina or incorporated under the laws of the United States or the laws of other states of the United States.

HISTORY: 1984 Act No. 452, Section 1; 1987 Act No. 200, Section 1.

Library References

Municipal Corporations 267, 288, 450(1).

Westlaw Topic No. 268.

C.J.S. Municipal Corporations Sections 957, 969, 1193 to 1199.

LAW REVIEW AND JOURNAL COMMENTARIES

Annual Survey of South Carolina Law: State and Local Government. 38 S.C. L. Rev. 197 (Autumn 1986).

**SECTION 31‑6‑50.** Application of proceeds of obligations.

The proceeds from obligations issued under authority of this chapter must be applied only for the purpose for which they were issued. Any premium and accrued interest received in any such sale must be applied to the payment of the principal of or the interest on the obligations sold. Any portion of the proceeds not needed for redevelopment project costs must be applied to the payment of the principal of or the interest on the obligations.

HISTORY: 1984 Act No. 452, Section 1.

Library References

Municipal Corporations 267, 288, 450(1).

Westlaw Topic No. 268.

C.J.S. Municipal Corporations Sections 957, 969, 1193 to 1199.

LAW REVIEW AND JOURNAL COMMENTARIES

Annual Survey of South Carolina Law: State and Local Government. 38 S.C. L. Rev. 197 (Autumn 1986).

**SECTION 31‑6‑60.** Exemption of obligations and interest thereon from South Carolina taxes.

The obligations authorized by this chapter and the income from the obligations and all security agreements and indentures executed as security for the obligations made pursuant to the provisions of this chapter and the revenue derived from the obligations are exempt from all taxation in the State of South Carolina except for inheritance, estate, or transfer taxes and all security agreements and indentures made pursuant to the provisions of this chapter are exempt from all state stamp and transfer taxes.

HISTORY: 1984 Act No. 452, Section 1.

Library References

Municipal Corporations 267, 288, 450(1).

Westlaw Topic No. 268.

C.J.S. Municipal Corporations Sections 957, 969, 1193 to 1199.

LAW REVIEW AND JOURNAL COMMENTARIES

Annual Survey of South Carolina Law: State and Local Government. 38 S.C. L. Rev. 197 (Autumn 1986).

**SECTION 31‑6‑70.** Ordinance pertaining to allocation of taxes; distribution of surplus funds; termination of redevelopment area status and dissolution of tax allocation fund.

A municipality, within ten years after the date of adoption of an ordinance providing for approval of a redevelopment plan pursuant to Section 31‑6‑80, may issue the initial obligations under this chapter to finance the redevelopment project upon adoption of an ordinance providing that:

(1) after the issuance of the obligations; and

(2) after the total equalized assessed valuation of the taxable real property in a redevelopment project area exceeds the certified “total initial equalized assessed value” established in accordance with Section 31‑6‑100(B) of all taxable real property in the project area, the ad valorem taxes, if any, arising from the levies upon taxable real property in the project area by taxing districts and tax rates determined in the manner provided in Section 31‑6‑100(B) each year after the obligations have been issued until obligations issued under this chapter have been retired and redevelopment project costs have been paid must be divided as follows:

(a) that portion of taxes levied upon each taxable lot, block, tract, or parcel of real property which is attributable to the total initial equalized assessed value of all taxable real property in the redevelopment project area must be allocated to and when collected must be paid by the county treasurer to the respective affected taxing districts in the manner required by law in the absence of the adoption of the redevelopment plan; and

(b) that portion, if any, of taxes which is attributable to the increase in the current total equalized assessed valuation of all taxable real property in the redevelopment project area over and above the total initial equalized assessed value of taxable real property in the redevelopment project area must be allocated to and when collected must be paid to the municipality which shall deposit the taxes into a special fund called the special tax allocation fund of the municipality for the purpose of paying redevelopment project costs and obligations incurred in the payment of the costs and obligations. The municipality may pledge in the ordinance the funds in and to be deposited in the special tax allocation fund for the payment of the costs and obligations.

Any ordinance adopted based on acts of the municipality occurring before the effective date of this chapter must incorporate by reference and adopt those prior acts undertaken in accordance with the procedures of this chapter as if they had been undertaken pursuant to this chapter.

Obligations may be issued subsequent to the initial ten‑year period. When obligations issued under this chapter have been retired and redevelopment project costs incurred under this chapter have been paid or budgeted pursuant to the redevelopment plan, as evidenced by resolution of the governing body of the municipality, all surplus funds then remaining in the special tax allocation fund must be paid by the municipal treasurer to the county treasurer who immediately, after receiving the payment, shall pay the funds to the taxing districts in the redevelopment project area in the same manner and proportion as the most recent distribution by the treasurer to the affected districts of real property taxes from real property in the redevelopment project area.

Upon the payment of all redevelopment project costs, retirement of all obligations of a municipality issued under this chapter, and the distribution of any surplus monies pursuant to this section, the municipality shall adopt an ordinance dissolving the tax allocation fund for the project redevelopment area and terminating the designation of the redevelopment project area as a redevelopment project area for purposes of this chapter. Thereafter, the rates of the taxing districts must be extended and taxes levied, collected, and distributed in the manner applicable in the absence of the adoption of a redevelopment plan and the issuance of obligations under this chapter.

If ten years have passed from the time a redevelopment project area is designated and the municipality has not issued the initial obligations under this chapter to finance the redevelopment project, upon the expiration of the ten‑year term, the municipality shall adopt an ordinance terminating the designation of the redevelopment project area.

HISTORY: 1984 Act No. 452, Section 1; 1987 Act No. 200, Section 2; 2002 Act No. 207, Section 2.

CROSS REFERENCES

Assessment of the value of real estate within a redevelopment project area where an ordinance provides for the issuance of obligations pursuant to this section, see Section 31‑6‑100.

Issuance of obligations to provide for redevelopment costs, generally, see Section 31‑6‑40.

Local sales and use tax as affecting municipality’s adoption of redevelopment plan for a tax increment financed redevelopment project, see Section 4‑10‑40.

Library References

Municipal Corporations 267, 288, 450(1).

Westlaw Topic No. 268.

C.J.S. Municipal Corporations Sections 957, 969, 1193 to 1199.

LAW REVIEW AND JOURNAL COMMENTARIES

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**SECTION 31‑6‑80.** Public hearing prior to approval of redevelopment plan; changes in plan; notice to, and objections by taxing districts; adoption of ordinance prior to issuance of obligations; changes to redevelopment plan.

(A) Prior to the issuance of any obligations under this chapter, the municipality shall set forth by way of ordinance the following:

(1) a copy of the redevelopment plan containing a statement of the objectives of a municipality with regard to the plan;

(2) a statement indicating the need for and proposed use of the proceeds of the obligations in relationship to the redevelopment plan;

(3) a statement containing the cost estimates of the redevelopment plan and redevelopment project and the projected sources of revenue to be used to meet the costs including estimates of tax increments and the total amount of indebtedness to be incurred;

(4) a list of all real property in the redevelopment project area;

(5) the duration of the redevelopment plan;

(6) a statement of the estimated impact of the redevelopment plan upon the revenues of all taxing districts in which a redevelopment project area is located;

(7) findings that:

(a) the redevelopment project area is an agricultural, blighted, or conservation area and that private initiatives are unlikely to alleviate these conditions without substantial public assistance;

(b) property values in the area would remain static or decline without public intervention; and

(c) redevelopment is in the interest of the health, safety, and general welfare of the citizens of the municipality.

(B) Before approving any redevelopment plan under this chapter, the governing body of the municipality must hold a public hearing on the redevelopment plan after published notice in a newspaper of general circulation in the county in which the municipality and any taxing district affected by the redevelopment plan is located not less than fifteen days and not more than thirty days prior to the hearing. The notice shall include:

(1) the time and place of the public hearing;

(2) the boundaries of the proposed redevelopment project area;

(3) a notification that all interested persons will be given an opportunity to be heard at the public hearing;

(4) a description of the redevelopment plan and redevelopment project; and

(5) the maximum estimated term of obligations to be issued under the redevelopment plan.

(C) Not less than forty‑five days prior to the date set for the public hearing, the municipality shall give notice to all taxing districts of which taxable property is included in the redevelopment project area, and in addition to the other requirements of the notice set forth in the section, the notice shall request each taxing district to submit comments to the municipality concerning the subject matter of the hearing prior to the date of the public hearing.

(D) If a taxing district does not file an objection to the redevelopment plan at or prior to the date of the public hearing, the taxing district is considered to have consented to the redevelopment plan and the issuance of obligations under this chapter to finance the redevelopment project, provided that the actual term of obligations issued is equal to or less than the term stated in the notice of public hearing. The municipality may issue obligations to finance the redevelopment project to the extent that each affected taxing district consents to the redevelopment plan. The tax increment for a taxing district that does not consent to the redevelopment plan must not be included in the special tax allocation fund.

(E) Prior to the adoption of an ordinance approving a redevelopment plan pursuant to Section 31‑6‑80, changes may be made in the redevelopment plan that do not add parcels to or expand the exterior boundaries of the redevelopment project area, change general land uses established pursuant to the redevelopment plan or the proposed use of the proceeds of the obligations in relationship to the redevelopment plan, or extend the maximum amount or term of obligations to be issued under the redevelopment plan, without further hearing or notice, provided that notice of the changes is given by mail to each affected taxing district and by publication in a newspaper or newspapers of general circulation within the taxing districts not less than ten days prior to the adoption of the changes by ordinance. Notice of the adoption of the ordinance must be published by the municipality in a newspaper having general circulation in the affected taxing districts. Any interested party may, within twenty days after the date of publication of the notice of adoption of the redevelopment plan, but not afterwards, challenge the validity of such adoption by action de novo in the court of common pleas in the county in which the redevelopment plan is located.

(F)(1) Subsequent to the adoption of an ordinance approving a redevelopment plan pursuant to Section 31‑6‑80, the municipality may by ordinance make changes to the redevelopment plan that do not add parcels to or expand the exterior boundaries of the redevelopment project area, change general land uses established pursuant to the redevelopment plan, change the proposed use of the proceeds of the obligations in relationship to the redevelopment plan, or extend the maximum amount or term of obligations to be issued under the redevelopment plan, in accordance with the following procedures:

(a) The municipality must provide notice of the proposed changes by mail to each affected taxing district. The proposed changes shall become effective only with respect to affected taxing districts that consent to the proposed changes by resolution of the governing body of the taxing districts.

(b) The municipality must publish notice of the adoption of the ordinance in a newspaper having general circulation in the affected taxing districts. Any interested party may, within twenty days after the date of publication of the notice of adoption of the redevelopment plan, but not afterwards, challenge the validity of the adoption by action de novo in the court of common pleas in the county in which the redevelopment plan is located.

(2) Subsequent to the adoption of an ordinance approving a redevelopment plan pursuant to Section 31‑6‑80, the municipality may by ordinance make changes to the redevelopment plan that adds parcels to or expands the exterior boundaries of the redevelopment project area, to general land uses established pursuant to the redevelopment plan, to the proposed use of the proceeds of the obligations in relationship to the redevelopment plan, or to extend the maximum amount or term of obligations to be issued under the redevelopment plan, in accordance with the procedures provided in this chapter for the initial approval of a redevelopment project and designation of a redevelopment project area.

(3) If the redevelopment project or portion of it is to be located outside of the redevelopment project area, the municipality shall by resolution make a specific finding of benefit to the redevelopment project area and provide written notice to the affected taxing district. No further action is required of the municipality.

HISTORY: 1984 Act No. 452, Section 1; 1987 Act No. 200, Section 3; 1999 Act No. 93, Section 18; 1999 Act No. 109, Section 3; 2002 Act No. 207, Section 3; 2005 Act No. 109, Section 11; 2012 Act No. 267, Section 3, eff June 20, 2012.

Effect of Amendment

The 2012 amendment added the subsection identifiers, rewrote subsection (E), and added subsection (F).

CROSS REFERENCES

Authority of a municipality to issue obligations to finance a redevelopment project within ten years after the date of adoption of an ordinance providing for the approval of a redevelopment plan pursuant to this section, see Section 31‑6‑70.

Requirement for an assessment of values of real property in a redevelopment project area after the approval of a redevelopment plan pursuant to this section, see Section 31‑6‑100.

Library References

Municipal Corporations 267, 288, 450(1).

Westlaw Topic No. 268.

C.J.S. Municipal Corporations Sections 957, 969, 1193 to 1199.

LAW REVIEW AND JOURNAL COMMENTARIES

Annual Survey of South Carolina Law: State and Local Government. 38 S.C. L. Rev. 197 (Autumn 1986).

Attorney General’s Opinions

Absent amendment of notice statutes requiring notice in a newspaper of general circulation by the General Assembly, the term newspaper of general circulation cannot be extended to include online newspapers. S.C. Op.Atty.Gen. (October 21, 2015) 2015 WL 6745997.

Notes of Decisions

In general 1

1. In general

Statutory subsection providing that a municipality could by ordinance make changes to a redevelopment plan in accordance with procedures for initial approval referred only to the procedural requirements, such as public notices and hearings, and not to substantive requirements, and since there was no claim that mayor and city council did not meet those requirements for ordinance amending tax increment financing district ordinance, amending ordinance was valid. Donohue v. City of North Augusta (S.C. 2015) 412 S.C. 526, 773 S.E.2d 140. Zoning and Planning 1142; Zoning and Planning 1180

**SECTION 31‑6‑85.** Intergovernmental agreement for redevelopment project.

The municipality and one or more taxing districts may at any time provide by intergovernmental agreement that such taxing district or taxing districts will participate in a redevelopment project on a partial or modified basis. Such intergovernmental agreement shall become effective, and shall be valid and enforceable for the entire duration thereof, upon its approval by ordinance enacted by the municipality and by ordinance or resolution, whichever is applicable, enacted or approved by the affected taxing district or taxing districts.

HISTORY: 2012 Act No. 267, Section 2, eff June 20, 2012.

**SECTION 31‑6‑90.** Persons displaced by redevelopment project.

When there are any persons residing in the area covered by the redevelopment plan:

(1) The redevelopment plan shall include:

(a) An assessment of the displacement impact of the redevelopment project and provisions for the relocation of all persons who would be displaced by the project, provided that no residents may be displaced by a redevelopment project unless housing is made available to them pursuant to the terms of this section.

(b) Provisions for the creation of housing opportunities to the extent feasible to enable a substantial number of the displaced persons to relocate within or in close proximity to the area covered by the redevelopment plan.

(2) Prior to authorizing the demolition of any residential units in connection with a tax increment financing plan, the governing body of the municipality must insure that the redevelopment plan complies with the requirements of this section and further that standard housing is made available to all persons to be displaced.

(3) Persons displaced by a redevelopment plan are entitled to the benefits and protections available under Section 28‑11‑10. The costs of the relocation are proper expenditures for the proceeds of any obligations issued under this chapter.

HISTORY: 1984 Act No. 452, Section 1.

Library References

Municipal Corporations 267, 288, 450(1).

Westlaw Topic No. 268.

C.J.S. Municipal Corporations Sections 957, 969, 1193 to 1199.

LAW REVIEW AND JOURNAL COMMENTARIES

Annual Survey of South Carolina Law: State and Local Government. 38 S.C. L. Rev. 197 (Autumn 1986).

**SECTION 31‑6‑100.** Assessment of value of real estate in redevelopment project area.

(A) If a municipality by ordinance approves a redevelopment plan pursuant to Section 31‑6‑80, the auditor of the county in which the municipality is situated, immediately after adoption of the ordinance pursuant to Section 31‑6‑80, must, upon request of the municipality, determine and certify:

(1) the most recently ascertained equalized assessed value of all taxable real property within the redevelopment project area, as of the date of adoption of the ordinance adopted pursuant to Section 31‑6‑80, which value is the “initial equalized assessed value” of the property; and

(2) the total equalized assessed value of all taxable real property within the redevelopment project area and certifying the amount as the “total initial equalized assessed value” of the taxable real property within the redevelopment project area.

(B) After the county auditor has certified the total initial equalized assessed value of the taxable real property in the area, then in respect to every taxing district containing a redevelopment project area, the county auditor or any other official required by law to ascertain the amount of the equalized assessed value of all taxable property within the district for the purpose of computing the rate percent of tax to be extended upon taxable property within such district, shall in every year that obligations are outstanding for redevelopment projects in the redevelopment area ascertain the amount of value of taxable property in a project redevelopment area by including in the amount the certified total initial equalized assessed value of all taxable real property in the area in lieu of the equalized assessed value of all taxable real property in the area. The rate percent of tax determined must be extended to the current equalized assessed value of all property in the redevelopment project area in the same manner as the rate percent of tax is extended to all other taxable property in the taxing district. The method of extending taxes established under this section terminates when the municipality adopts an ordinance dissolving the special tax allocation fund for the redevelopment project.

HISTORY: 1984 Act No. 452, Section 1; 1987 Act No. 200, Section 4.

CROSS REFERENCES

Applicability of this section to the payment of ad valorum taxes arising from levies upon taxable real property in a redevelopment project area, see Section 31‑6‑70.

Library References

Municipal Corporations 267, 288, 450(1).

Westlaw Topic No. 268.

C.J.S. Municipal Corporations Sections 957, 969, 1193 to 1199.

LAW REVIEW AND JOURNAL COMMENTARIES

Annual Survey of South Carolina Law: State and Local Government. 38 S.C. L. Rev. 197 (Autumn 1986).

**SECTION 31‑6‑110.** Disposition of revenues from municipal property within project area; deposit of revenues from sale of property acquired with proceeds of obligations.

Revenues received by the municipality from any property, building, or facility owned by the municipality or any agency or authority established by the municipality in the redevelopment project area may be used to pay redevelopment project costs or reduce outstanding obligations of the municipality incurred under this chapter for redevelopment project costs. If the obligations are used to finance the extension or expansion of a system as defined in Section 6‑21‑40 in the redevelopment project area, all or a portion of the revenues of the system, whether or not located entirely within the redevelopment project area, including the revenues of the redevelopment project, may be pledged to secure the obligations issued under this chapter. The municipality is fully empowered to use any of the powers granted by either or both of the provisions of Chapter 17 of Title 6 (The Revenue Bond Refinancing Act of 1937) or the provisions of Chapter 21 of Title 6 (Revenue Bond Act for Utilities). In exercising the powers conferred by the provisions, the municipality may make any pledges and covenants authorized by any provision of those chapters. The municipality may place the revenues in the special tax allocation fund or a separate fund which must be held by the municipality or financial institution designated by the municipality. Revenue received by the municipality from the sale or other disposition of real property acquired by the municipality with the proceeds of obligations issued under the provisions of this chapter must be deposited by the municipality in the special tax allocation fund or a separate fund which must be held by the municipality or financial institution designated by the municipality. Proceeds of grants may be pledged by the municipality and deposited in the special tax allocation fund or a separate fund.

HISTORY: 1984 Act No. 452, Section 1; 1987 Act No. 200, Section 5.

CROSS REFERENCES

Application of the tax and other revenues specified in this section to the retirement of obligations issued to provide for redevelopment project costs, see Section 31‑6‑40.

Library References

Municipal Corporations 267, 288, 450(1).

Westlaw Topic No. 268.

C.J.S. Municipal Corporations Sections 957, 969, 1193 to 1199.

LAW REVIEW AND JOURNAL COMMENTARIES

Annual Survey of South Carolina Law: State and Local Government. 38 S.C. L. Rev. 197 (Autumn 1986).

**SECTION 31‑6‑120.** Project located within more than one municipality.

If the redevelopment project area is located within more than one municipality, the municipalities may jointly adopt a redevelopment plan and authorize obligations as provided under the provisions of this chapter.

HISTORY: 1984 Act No. 452, Section 1.

Library References

Municipal Corporations 267, 288, 450(1).

Westlaw Topic No. 268.

C.J.S. Municipal Corporations Sections 957, 969, 1193 to 1199.

LAW REVIEW AND JOURNAL COMMENTARIES

Annual Survey of South Carolina Law: State and Local Government. 38 S.C. L. Rev. 19 (Autumn 1986).