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REPORT OF THE PROPERTY TAX SUBCOMMITTEE

(Hewitt, Clyburn, Collins, Murphy & Crawford - Staff Contact: Stephanie Meetze)

HOUSE BILL 4294

H. 4294 -- Reps. Connell, Mitchell, Hager, Wheeler and B. Newton: A BILL TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY AMENDING SECTION 6-1-320, RELATING TO THE LIMITATION ON MILLAGE INCREASES, SO AS TO ALLOW THE GOVERNING BODY OF A RURAL COUNTY TO SUSPEND THE LIMITATION FOR THE PURPOSE OF SUPPORTING A FIRE PROTECTION DISTRICT.

Received by Ways and Means: 4/6/2023

Summary of Bill:

This bill permits a county council to exceed the millage rate increase limitation to support a fire protection district. The county must have a population of seventy thousand or less and not have a full-time fire department that is fully supported by the local applicable fire millage.

Estimated Revenue Impact:

No State fiscal impact

Other Notes/Comments:

There are 28 counties within the state with a population of less than seventy thousand.

Subcommittee Action / Explanation:

Passed with Amendment

Amendment adds language to clarify a population of 70,000 or less as of the 2020 decennial census. It further amends to limit the use of this provision to a 2% increase in the County's overall fire budget for the previous tax year.

SOUTH CAROLINA
HOUSE AMENDMENT

AMENDMENT NO. _____

David Good
March 20, 2024

ADOPTED	REJECTED	TABLED	ADJOURN DEBATE	RECONSIDERED	ROO

Clerk of the House

ADOPTION NO. _____

BILL NO: H. 4294

(Reference is to the original version)

The Property Tax Subcommittee proposes the following amendment (LC-4294.DG0001H):

Amend the bill, as and if amended, SECTION 1, by striking Section 6-1-320(8) and inserting:

(8) for a county council to support a fire protection district in a rural county that was created pursuant to Chapter 19, Title 4, or Chapter 11, Title 6. However, the two-thirds vote of the membership of the membership must occur no later than one year of the effective date of this item. A county council only may utilize the provisions of this item once and use of this provision may not result in a greater than a two percent increase in the county's overall fire budget for the previous tax year. Any increased revenue resulting from the suspension of the millage limitation first must be used on a dollar-for-dollar basis to reduce fees or other similar charges that support fire protection. Once all such fees are eliminated, additional revenue must be used to support the

fire protection district. For purposes of this subsection, a “rural county” is any county with a population of seventy thousand or less as of the 2020 decennial census that does not have a full-time fire department that is fully supported by the local applicable fire millage.

Renumber sections to conform.

Amend title to conform.



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
(803)734-3780 • RFA.SC.GOV/IMPACTS

This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number: H. 4294 Introduced on April 6, 2023
Author: Connell
Subject: Millage Increases
Requestor: House Ways and Means
RFA Analyst(s): Miller
Impact Date: March 5, 2024

Fiscal Impact Summary

This bill permits a county council to exceed the millage rate increase limitations, pursuant to §6-1-320, to support a fire protection district. The county must have a population of seventy thousand or less and not have a full-time fire department that is fully supported by the local applicable fire millage. There are twenty-eight counties within the state with a population of less than seventy thousand according to the United States Census Bureau's 2023 population estimates. This bill may result in an increase in local property tax revenue, depending upon whether a county increases its millage above the millage rate increase limitations to support a fire district.

For reference, the Revenue and Fiscal Affairs Office (RFA) contacted the twenty-eight counties that have a population of seventy-thousand or less to determine whether these counties met the requirements to increase their millage and whether the county would consider this. We received a response from Greenwood. Greenwood stated it had multiple fire districts and a blended fire service that included full time/paid and volunteer firefighters and that the fire districts were supported by an assessed fire fee. Therefore, they do not believe the bill applies to Greenwood.

Explanation of Fiscal Impact

Introduced on April 6, 2023

State Expenditure

N/A

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

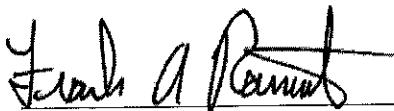
This bill permits a county council to exceed the millage rate increase limitations, pursuant to §6-1-320, to support a fire protection district. The county must have a population of seventy thousand or less and not have a full-time fire department that is fully supported by the local

applicable fire millage. There are twenty-eight counties within the state with a population of less than seventy thousand according to the United States Census Bureau's 2023 population estimates. The following provides a list of these counties and their respective population estimates.

County	Population Estimate
Allendale	7,579
McCormick	9,764
Bamberg	12,908
Calhoun	14,179
Lee	16,153
Hampton	18,113
Saluda	18,938
Barnwell	20,414
Fairfield	20,455
Abbeville	24,356
Marlboro	26,039
Union	26,752
Edgefield	26,932
Dillon	27,738
Marion	28,450
Williamsburg	30,058
Clarendon	30,913
Chester	31,931
Jasper	32,039
Newberry	38,247
Colleton	38,599
Chesterfield	43,683
Cherokee	56,121
Darlington	62,398
Georgetown	64,722
Kershaw	67,751
Laurens	67,965
Greenwood	69,267

This bill may result in an increase in local property tax revenue, depending upon whether a county increases its millage above the millage rate increase limitations to support a fire district.

For reference, RFA contacted the twenty-eight counties that have a population of seventy-thousand or less to determine whether these counties met the requirements to increase their millage and whether the county would consider this. We received a response from Greenwood. Greenwood stated it had multiple fire districts and a blended fire service that included full time/paid and volunteer firefighters and that the fire districts were supported by an assessed fire fee. Therefore, they do not believe the bill applies to Greenwood.



Frank A. Rainwater, Executive Director

South Carolina General Assembly
125th Session, 2023-2024

H. 4294

STATUS INFORMATION

General Bill

Sponsors: Reps. Connell, Mitchell, Hager, Wheeler and B. Newton

Companion/Similar bill(s): 781

Document Path: LC-0193DG23.docx

Introduced in the House on April 6, 2023

Currently residing in the House Committee on **Ways and Means**

Summary: Millage increases

HISTORY OF LEGISLATIVE ACTIONS

<u>Date</u>	<u>Body</u>	<u>Action Description with journal page number</u>
4/6/2023	House	Introduced and read first time (House Journal-page 10)
4/6/2023	House	Referred to Committee on Ways and Means (House Journal-page 10)

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VERSIONS OF THIS BILL

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A BILL

TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY AMENDING SECTION 6-1-320, RELATING TO THE LIMITATION ON MILLAGE INCREASES, SO AS TO ALLOW THE GOVERNING BODY OF A RURAL COUNTY TO SUSPEND THE LIMITATION FOR THE PURPOSE OF SUPPORTING A FIRE PROTECTION DISTRICT.

Whereas, the millage cap set forth in Section 6-1-320 hinders the ability of rural county fire districts to adequately provide services within the county; and

Whereas, to account for the shortfall and provide essential fire services, counties are forced to establish fees to support the service that disparately affects the citizens of the county; and

Whereas, allowing a rural county to exceed the millage limitation to support fire services would enable the county to cease imposing such fees. Now, therefore,

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

SECTION 1. Section 6-1-320(B) of the S.C. Code is amended by adding:

(8) for a county council to support a fire protection district in a rural county that was created pursuant to Chapter 19, Title 4, or Chapter 11, Title 6. However, the two-thirds vote of the membership of the membership must occur no later than one year of the effective date of this item. A county council only may utilize the provisions of this item once. Any increased revenue resulting from the suspension of the millage limitation first must be used on a dollar-for-dollar basis to reduce fees or other similar charges that support fire protection. Once all such fees are eliminated, additional revenue must be used to support the fire protection district. For purposes of this subsection, a "rural county" is any county with a population of seventy thousand or less that does not have a full-time fire department that is fully supported by the local applicable fire millage.

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

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