

"THE BELOW CONSTITUTED SUMMARY IS PREPARED BY THE STAFF OF THE SOUTH CAROLINA HOUSE OF REPRESENTATIVES AND IS NOT THE EXPRESSION OF THE LEGISLATION'S SPONSOR(S) OR THE HOUSE OF REPRESENTATIVES. IT IS STRICTLY FOR THE INTERNAL USE AND BENEFIT OF MEMBERS OF THE HOUSE OF REPRESENTATIVES AND IS NOT TO BE CONSTRUED BY A COURT OF LAW AS AN EXPRESSION OF LEGISLATIVE INTENT".

**REPORT OF THE
ECONOMIC DEVELOPMENT,
CAPITAL IMPROVEMENT &
OTHER TAXES SUBCOMMITTEE**
(Loftis, Simrill, Clyburn & Crawford - Staff Contact: Alyssa Weeks)

HOUSE BILL 3485

H. 3485 -- Rep. Jefferson: A BILL TO AMEND SECTION 12-6-3535, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO AN INCOME TAX CREDIT FOR MAKING QUALIFIED REHABILITATION EXPENDITURES FOR A CERTIFIED HISTORIC STRUCTURE, SO AS TO REMOVE A PROVISION ALLOWING THE DEPARTMENT OF ARCHIVES AND HISTORY TO ESTABLISH FEES, TO PROVIDE THAT A TAXPAYER CLAIMING THE CREDIT MUST PAY A FEE TO THE DEPARTMENT OF ARCHIVES AND HISTORY FOR THE STATE HISTORIC PRESERVATION GRANT FUND, AND TO PROVIDE THAT THE DEPARTMENT SHALL DEVELOP AN APPLICATION PROCESS; AND TO AMEND SECTION 12-6-5060, RELATING TO VOLUNTARY CONTRIBUTIONS MADE BY AN INDIVIDUAL BY MEANS OF THE INCOME TAX RETURN CHECK OFF, SO AS TO ADD THE DEPARTMENT OF ARCHIVES AND HISTORY.

Received by Ways and Means:

Summary of the Bill:

Under the 2002 South Carolina Historic Rehabilitation Incentives Act, the Department of Archives and History has authority to establish a fee through regulations to administer the certification process for state income tax credits for certain expenditures associated with the rehabilitation of certified state historic structures. Instead of authorizing a fee to administer the process, this bill establishes a State Historic Preservation Grant Fund through authorization of a fee for the State Historic Preservation Officer's review of applications for a federal income tax credit for making qualified rehabilitation expenditures for a certified historic structure.

Currently, S.C. Code §12-6-5060 allows taxpayers to voluntarily contribute to sixteen organizations via their individual tax returns. This legislation allows taxpayers the additional option to contribute to the Department of Archives and History's efforts towards preservation of collections with significant historical value to the state.

Estimated Revenue Impact:

Pending

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Subcommittee Recommendation: Favorable

Full Committee Recommendation:

Other Notes/Comments: [CLICK HERE to Enter Notes/Comments](#)

2nd Reading:

Amendments:

2nd Reading Vote:

Referred to Senate Finance: [CLICK HERE to Enter Date](#)

Finance Subcomm. Hearing Date: [CLICK HERE to Enter Date](#)

Subcommittee Recommendations:

Full Committee Recommendations:

Other Notes/Comments: [CLICK HERE to Enter Notes/Comments](#)

HISTORIC PRESERVATION GRANTS

Historic Preservation Fund | South Carolina 2009-2018

Since 2009, the South Carolina State Historic Preservation Office (SHPO) has awarded **93 historic preservation grants** from the Historic Preservation Fund (HPF) for a total award amount of over **\$1.6 million**. Grants have been awarded in **19 counties** and **three statewide grants** have also been awarded.

Over the last 10 years, the SHPO has exceeded the federal requirement to award 10% of HPF funds to Certified Local Governments (CLGs), with an **average of 22% awarded in subgrants to local projects**.

An average of **9 grants a year** have been awarded with a high of 17 grants in 2015. The average grant amount awarded is **\$17,914 per grant**.

WHAT PROJECTS ARE ELIGIBLE FOR GRANTS?

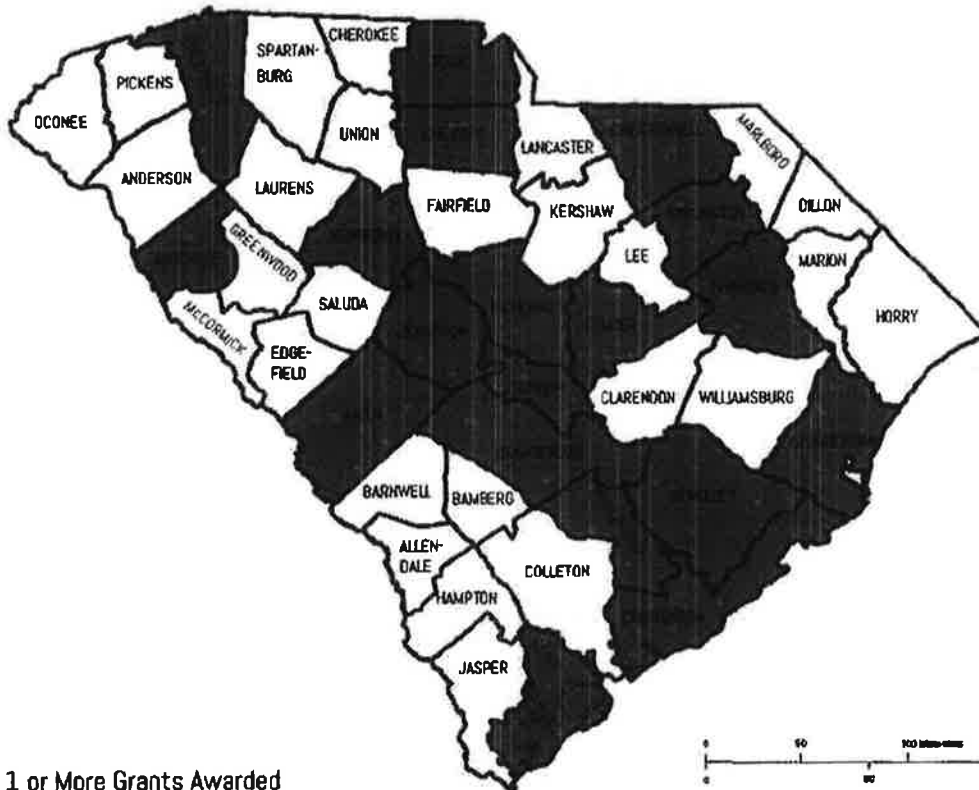
Survey and Planning Projects:

- Identifying, Recording, and Recognizing Historic Properties
- Planning for Historic Districts and Multiple Historic Properties
- Strengthening Local Government Historic Preservation Programs
- Preservation Education
- Planning for Individual Historic Properties

Stabilization Projects (CLGs only):

- Stabilization repairs

GRANTS AWARDED 2009-2018



**H. 3485-Historic Structure Rehabilitation Tax Credits
Actual Rehabilitation Expenses and Unrealized Fees, 2014-2018**

2014	Rehabilitation Expenses	Unrealized Fees
P2 estimate	35,351,928.00	176,759.64
P3 actual	54,028,074.00	270,140.37
S2 estimate	5,897,422.00	29,487.11
S3 actual	1,387,187.00	6,935.94
Total		483,323.06

2015	Rehabilitation Expenses	Unrealized Fees
P2 estimate	208,589,865.00	1,042,949.33
P3 actual	13,918,597.00	69,592.99
S2 estimate	3,541,800.00	17,709.00
S3 actual	3,988,470.00	19,942.35
Total		1,150,193.66

2016	Rehabilitation Expenses	Unrealized Fees
P2 estimate	158,633,387.00	793,166.94
P3 actual	155,719,963.00	778,599.82
S2 estimate	3,614,672.00	18,073.36
S3 actual	3,907,940.00	19,539.70
Total		1,609,379.81

2017	Rehabilitation Expenses	Unrealized Fees
P2 estimate	147,081,998.00	735,409.99
P3 actual	61,134,143.00	305,670.72
S2 estimate	3,985,989.00	19,929.95
S3 actual	1,784,722.00	8,923.61
Total		1,069,934.26

2018	Rehabilitation Expenses	Unrealized Fees
P2 estimate	56,105,160.00	280,525.80
P3 actual	61,192,581.00	305,962.91
S2 estimate	4,991,933.00	24,959.67
S3 actual	2,105,693.00	10,528.47
Total		621,976.84

Grand Total		4,934,807.62
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Note: Each year is based on received data and fees are based on .005 of rehabilitation costs

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A BILL

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11 TO AMEND SECTION 12-6-3535, CODE OF LAWS OF SOUTH
12 CAROLINA, 1976, RELATING TO AN INCOME TAX CREDIT
13 FOR MAKING QUALIFIED REHABILITATION
14 EXPENDITURES FOR A CERTIFIED HISTORIC STRUCTURE,
15 SO AS TO REMOVE A PROVISION ALLOWING THE
16 DEPARTMENT OF ARCHIVES AND HISTORY TO
17 ESTABLISH FEES, TO PROVIDE THAT A TAXPAYER
18 CLAIMING THE CREDIT MUST PAY A FEE TO THE
19 DEPARTMENT OF ARCHIVES AND HISTORY FOR THE
20 STATE HISTORIC PRESERVATION GRANT FUND, AND TO
21 PROVIDE THAT THE DEPARTMENT SHALL DEVELOP AN
22 APPLICATION PROCESS; AND TO AMEND SECTION
23 12-6-5060, RELATING TO VOLUNTARY CONTRIBUTIONS
24 MADE BY AN INDIVIDUAL BY MEANS OF THE INCOME
25 TAX RETURN CHECK OFF, SO AS TO ADD THE
26 DEPARTMENT OF ARCHIVES AND HISTORY.

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

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31 SECTION 1. A. Section 12-6-3535(E) of the 1976 Code is
32 amended to read:

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34 “(E) The South Carolina Department of Archives and History
35 shall develop an application and may promulgate regulations,
36 ~~including the establishment of fees,~~ needed to administer the
37 certification process. The Department of Revenue may promulgate
38 regulations, including the establishment of fees, to administer the
39 tax credit.”

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41 B. Section 12-6-3535 of the 1976 Code is amended by adding
42 appropriately lettered subsections to read:

1
2 “() A taxpayer claiming a credit pursuant to this section must
3 pay a fee to the Department of Archives and History for the State
4 Historic Preservation Grant Fund. The preliminary fee is one half of
5 one percent of the estimated qualified rehabilitation expenses or the
6 rehabilitation expenses, to be paid before review of an Historic
7 Preservation Certification Application, Part 2, or a Certified
8 Rehabilitation Application, S2. The final fee is one percent of the
9 actual qualified rehabilitation expenses or the rehabilitation
10 expenses, to be paid before review of an Historic Preservation
11 Certification Application, Part 3, or a Certified Rehabilitation
12 Application, S3, less any amount paid as a preliminary fee.

13 () The Department of Archives and History shall develop an
14 application process for distribution of funds from the State Historic
15 Preservation Grant Fund, to include eligibility criteria and grant
16 requirements.”

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18 SECTION 2. A. Section 12-6-5060(A) of the 1976 Code is
19 amended to read:

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21 “(A)Each taxpayer required to file a state individual income tax
22 return may contribute to the War Between the States Heritage Trust
23 Fund established pursuant to Section 51-18-115, the Nongame
24 Wildlife and Natural Areas Program Fund established pursuant to
25 Section 50-1-280, the Children’s Trust Fund of South Carolina
26 established pursuant to Section 63-11-910, the Eldercare Trust Fund
27 of South Carolina established pursuant to Section 43-21-160, the
28 First Steps to School Readiness Fund established pursuant to
29 Section 63-11-1750, the South Carolina Military Family Relief
30 Fund established pursuant to Article 3, Chapter 11, Title 25, the
31 Donate Life South Carolina established pursuant to Section
32 44-43-1310, the Veterans’ Trust Fund of South Carolina established
33 pursuant to Chapter 21, Title 25, the South Carolina Litter Control
34 Enforcement Program (SCLCEP) and used by the Governor’s Task
35 Force on Litter only for the SCLCEP Program, the South Carolina
36 Law Enforcement Assistance Program (SCLEAP) and used as
37 provided in Section 23-3-65, the South Carolina Department of
38 Parks, Recreation and Tourism for use in the South Carolina State
39 Park Service in the manner the General Assembly provides, the
40 South Carolina Forestry Commission for use in the state forest
41 system, the South Carolina Department of Natural Resources for use
42 in its programs and operations, K-12 public education for use in the
43 manner the General Assembly provides by law, South Carolina

1 Conservation Bank Trust Fund established pursuant to Section
2 48-59-60, the Financial Literacy Trust Fund established pursuant to
3 Section 59-29-510, ~~or~~ the South Carolina Association of Habitat for
4 Humanity Affiliates, or the Department of Archives and History and
5 only used by the agency to purchase or preserve collections with
6 significant historical value to the State by designating the
7 contribution on the return. The contribution may be made by
8 reducing the income tax refund or by remitting additional payment
9 by the amount designated.”

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11 B. Contributions made to the Department of Archives and History as
12 provided in this act may be designated on an income tax return for
13 tax years beginning after 2018.

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15 SECTION 3. Except as otherwise provided, this act takes effect
16 upon approval by the Governor and applies to income tax years
17 beginning after 2018.

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