

**REPORT OF THE
ECONOMIC DEVELOPMENT,
CAPITAL IMPROVEMENT &
OTHER TAXES SUBCOMMITTEE**

(Loftis, Cobb-Hunter, J.R. Smith, Barfield & Bales - Staff Contact: Daniel Boan)

HOUSE BILL 4602

H. 4602 -- Reps. Stavrinakis, Gilliard, R.L. Brown, Sottile and Mack: A BILL TO AMEND ARTICLE 4, CHAPTER 10, TITLE 4, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE EDUCATION CAPITAL IMPROVEMENTS SALES AND USE TAX ACT, SO AS TO PROVIDE THAT THE TAX MAY BE IMPOSED TO DEFRAY DEBT OBLIGATIONS OF THE SCHOOL DISTRICT AND THEREBY REDUCING PROPERTY TAXES, TO ALLOW THE REFERENDUM TO INCLUDE A SEPARATE QUESTION ON THE AUTHORIZATION OF GENERAL OBLIGATION BONDS PURSUANT TO THE CONSTITUTIONAL EXEMPTION, TO PROVIDE THE FORM OF THE QUESTION, AND TO CHANGE THE TIMING OF A REIMPOSITION REFERENDUM TO NO EARLIER THAN WITHIN THE CALENDAR YEAR WHICH IS TWO YEARS BEFORE THE CALENDAR YEAR IN WHICH THE TAX IS SCHEDULED TO TERMINATE.

Summary of Bill:

This bill would allow an eligible school district to use an education capital improvement, one-cent sales tax to be used to pay debt service on education capital improvement bonds and to reduce property taxes. It also allows for a reimposition referendum in the November election before the termination of the tax in December, which would allow for uninterrupted collection of the tax.

Introduced: 02/05/2014

Received by Ways and Means: 02/05/2014

Estimated Fiscal Impact:

None

Subcommittee Recommendation:

Favorable

Full Committee Recommendation:

Pending

Other Notes/Comments:

This tax is only available in counties that collect at least \$7 million in accommodations taxes; currently, only Charleston and Horry qualify.

Statement of Estimated Local Revenue Impact

Date: March 24, 2014

Bill Number: H. 4602

Authors: Stavrinakis, Gilliard, R.L. Brown, Sottile and Mack

Committee Requesting Impact: House Ways and Means Committee

Bill Summary

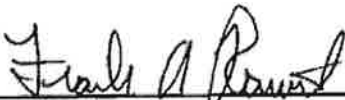
To amend Article 4, Chapter 10, Title 4, Code of Laws of South Carolina, 1976, relating to the Education Capital Improvements Sales and Use Tax Act, so as to provide that the tax may be imposed to defray debt obligations of the school district and thereby reducing property taxes, to allow the referendum to include a separate question on the authorization of general obligation bonds pursuant to the constitutional exemption, to provide the form of the question, and to change the timing of a reimposition referendum to no earlier than within the calendar year which is two years before the calendar year in which the tax is scheduled to terminate.

REVENUE IMPACT ¹¹

This bill is not expected to impact local revenue.

Explanation

This bill expands the purpose for imposing the Education Capital Improvement Tax. The amendments associated with this bill do not alter Article 4, Chapter 10, Title 4 in terms of any changes to local revenue.



Frank A. Rainwater
Chief Economist

Analyst: Williams

¹¹ This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, or Section 2-7-76 for a local revenue impact of Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.

South Carolina General Assembly
120th Session, 2013-2014

H. 4602

STATUS INFORMATION

General Bill

Sponsors: Reps. Stavrinakis, Gilliard, R.L. Brown, Sottile and Mack

Document Path: I:\council\bill\bh\26051dg14.docx

Introduced in the House on February 5, 2014

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

Summary: Education Capital Improvement Sales and Use Tax Act

HISTORY OF LEGISLATIVE ACTIONS

<u>Date</u>	<u>Body</u>	<u>Action Description with journal page number</u>
2/5/2014	House	Introduced and read first time (House Journal-page 9)
2/5/2014	House	Referred to Committee on Ways and Means (House Journal-page 9)

View the latest [legislative information](#) at the website

VERSIONS OF THIS BILL

2/5/2014

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41

A BILL

TO AMEND ARTICLE 4, CHAPTER 10, TITLE 4, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE EDUCATION CAPITAL IMPROVEMENTS SALES AND USE TAX ACT, SO AS TO PROVIDE THAT THE TAX MAY BE IMPOSED TO DEFRAY DEBT OBLIGATIONS OF THE SCHOOL DISTRICT AND THEREBY REDUCING PROPERTY TAXES, TO ALLOW THE REFERENDUM TO INCLUDE A SEPARATE QUESTION ON THE AUTHORIZATION OF GENERAL OBLIGATION BONDS PURSUANT TO THE CONSTITUTIONAL EXEMPTION, TO PROVIDE THE FORM OF THE QUESTION, AND TO CHANGE THE TIMING OF A REIMPOSITION REFERENDUM TO NO EARLIER THAN WITHIN THE CALENDAR YEAR WHICH IS TWO YEARS BEFORE THE CALENDAR YEAR IN WHICH THE TAX IS SCHEDULED TO TERMINATE.

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

SECTION 1. Article 4, Chapter 10, Title 4 of the 1976 Code is amended to read:

“Article 4

Education Capital Improvements Sales and Use Tax Act

Section 4-10-410. This act may be cited as the ‘Education Capital Improvements Sales and Use Tax Act’.

Section 4-10-415. For purposes of this article, the following terms and words are defined as follows:

1 (1) 'Area commission' means the governing body, however
2 described, of a technical college under the jurisdiction of the State
3 Board for Technical and Comprehensive Education which has a
4 campus located in the county which contains the site of a capital
5 improvement financed by revenue of the tax authorized pursuant to
6 this article.

7 (2) 'School district board of trustees' means the governing
8 body of a school district.

9 (3) 'County' means a county within which the sales and use tax
10 authorized by this article is imposed.

11 (4) 'County auditor' means the county auditor of the county.

12 (5) 'County treasurer' means the county treasurer of the
13 county.

14 (6) 'Debt obligations' means any general obligation bonds or
15 bond anticipation notes issued by a school district, together with a
16 school district's obligations with respect to installment purchase
17 revenue bonds issued prior to January 1, 2007, and lease purchase
18 agreements, and any obligations issued to refund or refinance any
19 of the foregoing.

20 (7) 'Election authority' means the authority charged with the
21 conduct of countywide elections within the county.

22 (78) 'Higher education board of trustees' means the governing
23 body of a public institution of higher learning, other than a
24 technical college, as defined in Section 59-103-5, which has a
25 campus located in the county which contains the site of a capital
26 improvement financed by revenue of the tax authorized pursuant to
27 this article.

28 (89) 'Memorandum of agreement' means a written document
29 executed by the school district board of trustees and the area
30 commission or higher education board of trustees, or both of these
31 entities, to provide for the school district's sharing of the revenue
32 of the tax authorized pursuant to this article. The agreement must
33 contain, inter alia, the revenue distribution formula expressed in
34 percentages and the specific capital improvement projects for
35 which the shared revenue must be used. The memorandum of
36 agreement is not effective unless it has been ratified by a recorded
37 vote of at least two-thirds of the membership of the school district
38 board of trustees and a recorded vote of at least two-thirds of the
39 membership of the area commission or higher education board of
40 trustees, or both, as applicable. When ratified by all parties and
41 incorporated into the resolution adopted by the school district
42 board of trustees, the memorandum of agreement is binding on all
43 parties.

1
2 Section 4-10-420. (A) Subject to the requirements of this
3 article, there may be imposed a one percent sales and use tax
4 within a county for specific education capital improvements for the
5 school district or school districts listed in the referendum question
6 as provided pursuant to Section 4-10-425(C). The revenues
7 collected pursuant to this article also may be used to defray debt
8 service on bonds issued to pay for education capital improvements
9 listed in the referendum question and to reduce property taxes
10 needed to pay debt obligations of the school district. Pursuant to a
11 memorandum of agreement, a portion of the revenue of the tax
12 may be shared with and distributed to the area commission or
13 higher education board of trustees, or both such governing bodies
14 for specific education capital improvements on the campus or
15 campuses of the recipient governing body located in the county as
16 listed in the referendum question pursuant to Section 4-10-425(C).
17 The proceeds of the tax must be distributed as provided in this
18 article. The boards of trustees of the school districts, in the
19 resolution adopted pursuant to Section 4-10-425, shall provide
20 specific capital improvement projects for which the proceeds of the
21 tax distributed to those school districts must be expended and, if
22 applicable, shall provide that proceeds of the tax also may be used
23 to reduce property taxes levied for the payment of debt obligations
24 of the school district. Where an area commission or higher
25 education board of trustees shares in the revenues, the resolution
26 must incorporate the memorandum of agreement.

27 A school district board of trustees shall use the school district's
28 share of the distribution only to pay for those capital improvements
29 provided in the resolution and included in the referendum question
30 directly, or to service general obligation debt incurred by the
31 districts for such improvements, or a combination of these
32 purposes and, if provided for in the resolution and referendum
33 question, to pay debt obligations of the school district in order to
34 reduce property taxes levied for the payment of such debt
35 obligations.

36 An area commission or higher education board of trustees, or
37 both, shall use its share of the distribution only to pay for its
38 capital improvements provided in the memorandum of agreement
39 and included in the referendum question directly, or to replace
40 tuition revenues pledged to service state institution bonds issued
41 for such improvements, for some other applicable method of
42 financing capital improvements provided by law, or a combination
43 of these purposes. If any necessary approvals required by law for

1 the issuing of state institution bonds or other method of financing
2 are not forthcoming, the area commission and higher education
3 board of trustees, as appropriate, shall then use the revenue for the
4 projects approved to the extent possible and may prioritize among
5 their projects for their completion.

6 (B)(1) The tax allowed by this article may not be imposed in a
7 county in which there is currently imposed or scheduled to be
8 imposed a local sales and use tax for public school capital
9 improvements authorized pursuant to any local law enacted by the
10 General Assembly.

11 (2) Notwithstanding any other provision of law, a local sales
12 and use tax for public school capital improvements authorized by a
13 local law enacted by the General Assembly may not be imposed in
14 a county while the tax authorized pursuant to this article is
15 imposed in that county.

16
17 Section 4-10-425. (A) The tax authorized by this article may
18 be imposed in the county upon the adoption of an approving
19 resolution by the board of trustees of a school district, and the
20 subsequent approval of the imposition of the tax by referendum
21 open to all qualified electors residing in the county in which the
22 question includes each specific education capital improvement
23 included in the resolution and any incorporated memorandum of
24 agreement and, if provided for in the resolution, a statement that
25 proceeds of the tax also may be used for the payment of debt
26 obligations of the school district in order to reduce property taxes
27 levied for the payment of such debt obligations. The referendum
28 also may include a separate question on the authorization of
29 general obligation bonds to fund the capital improvements listed in
30 the referendum under the exemption provided in Section 15(5),
31 Article X of the Constitution of South Carolina, 1895.

32 The approving resolution must specify some period, stated in
33 calendar years, not to exceed fifteen years, for which the tax must
34 be imposed, the date of the referendum, and the question to appear
35 on the referendum ballot. If the board of trustees proposes to
36 include a separate question on the authorization of general
37 obligation bonds, the approving resolution must specify the
38 maximum amount of bonds to be issued and the maximum term of
39 the bonds. The approving resolution, upon adoption, must be
40 forwarded to the election authority. The referendum required by
41 this article may only be conducted in even-numbered years at the
42 time of the general election.

1 (B) Upon receipt of a resolution from the board of trustees of a
2 school district, the election authority shall conduct a referendum
3 on the question of imposing the tax in the county. Notice of the
4 election must be provided in the manner provided by the general
5 election law and include the question to be voted upon in the
6 referendum. Expenses of the referendum must be paid by the
7 school district or school districts for which the referendum is being
8 held.

9 (C)(1) The ballot to be voted upon in the referendum must read
10 substantially as follows:

11 EDUCATION CAPITAL IMPROVEMENTS SALES AND USE
12 TAX ACT REFERENDUM FOR _____ COUNTY

13 Must a special one percent sales and use tax be imposed in
14 _____ County for not more than _____ years with the revenue of
15 the tax used to pay, directly or indirectly, the cost of the following
16 education capital improvement projects in _____ County

17 (1) _____
18 (2) _____ etc.?

19 Yes
20 No

21 Those voting in favor of the question shall deposit a ballot with
22 a check or cross mark in the square after the word 'Yes', and those
23 voting against the question shall deposit a ballot with a check or
24 cross mark in the square after the word 'No'.

25 The ballot may contain a short explanation of the question to be
26 voted upon in this referendum.

27 (2) If the resolution adopted by the board of trustees
28 provides that proceeds of the sales and use tax also may be used to
29 pay debt obligations of the school district in order to reduce
30 property taxes levied for the payment of such debt obligations,
31 then the ballot question in item (1) also must contain 'and to pay
32 debt obligations of the school district in order to reduce property
33 taxes levied for the payment of such debt obligations'.

34 (3) In addition, the referendum, as determined by the board
35 of trustees of a school district, may contain a separate optional
36 question on the authorization of general obligation bonds to fund
37 the capital improvements listed in the referendum under the
38 exemption provided in Section 15(5), Article X of the Constitution
39 of South Carolina, 1895, so that revenues derived from the
40 imposition of the sales and use tax may be used to pay debt service
41 on the bonds. The additional question must read substantially as
42 follows:

1 If the sales and use tax described in the preceding question is
2 approved, shall _____ School District, South Carolina, be
3 authorized to issue and sell, either as a single issue or as several
4 issues, general obligation bonds of _____ School District,
5 South Carolina, in the principal amount not exceeding
6 \$ _____ and maturing over a period not to exceed _____
7 years to fund the education capital improvements described above?

8 Yes

9 No

10 Those voting in favor of the question shall deposit a ballot with
11 a check or cross mark in the square after the word 'Yes', and those
12 voting against the question shall deposit a ballot with a check or
13 cross mark in the square after the word 'No'.

14 The ballot may contain a short explanation of the question to be
15 voted upon in this referendum.

16 (D) Upon receipt and certification of the returns of the
17 referendum, the election authority shall by resolution certify the
18 results of the referendum by resolution and within ten days
19 thereafter file the resolution with the clerk of court for the county
20 and with the South Carolina Department of Revenue. The result of
21 the referendum, as declared by resolution of the election authority
22 and as filed with the clerk of court, is not open to question except
23 by a civil action instituted in the county within twenty days of the
24 filing of the resolution. If a majority of the total votes cast is in
25 favor of imposing the tax, then the tax is imposed as provided in
26 this section; otherwise the tax is not imposed. If the question on
27 the imposition of the tax is approved, the tax will be imposed for
28 the applicable period stated in the question regardless of whether
29 the question relating to the issuance of general obligation bonds, if
30 any, is approved.

31
32 Section 4-10-430. (A) If the tax is approved in the referendum,
33 the tax must be imposed beginning upon the first day of the fourth
34 full month following the filing of the declaration of results of the
35 referendum with the Department of Revenue.

36 (B) The tax terminates upon the earlier of:

37 (1) the final day of the maximum time specified for the
38 imposition; or

39 (2) sixty days following the filing with the Department of
40 Revenue of certified copies of a resolution adopted by the board of
41 trustees of the school district requesting termination of the tax.
42 Where revenues of the tax are shared pursuant to a memorandum
43 of agreement as provided pursuant to Section 4-10-420, the

1 termination resolution must be adopted by all parties to the
2 memorandum of agreement.

3
4 Section 4-10-435. (A) The tax levied pursuant to this article
5 must be administered and collected by the Department of Revenue
6 in the same manner that other sales and use taxes are collected.
7 The Department of Revenue may prescribe the amounts which
8 may be added to the sales price because of the tax.

9 (B) The tax authorized by this article is in addition to all other
10 local sales and use taxes and applies to the gross proceeds of the
11 sales in the county which are subject to the tax imposed by Chapter
12 36, of Title 12 and the enforcement provisions of Chapter 54, of
13 Title 12. The gross proceeds of the sale of items subject to a
14 maximum tax in Chapter 36, of Title 12 are exempt from the tax
15 imposed by this article. The gross proceeds of the sale of
16 unprepared food items which may lawfully be purchased with
17 United States Department of Agriculture food coupons are exempt
18 from the tax imposed by this article. The tax imposed by this
19 article also applies to tangible personal property subject to the use
20 tax in Chapter 36, of Title 12.

21 (C) Taxpayers required to remit use taxes under Chapter 36, of
22 Title 12 shall identify the county in which the tangible personal
23 property purchased at retail is stored, used, or consumed in this
24 State.

25 (D) Utilities are required to report sales in the county in which
26 consumption of the tangible personal property occurs.

27 (E) A taxpayer subject to the tax imposed by Section 12-36-920
28 who owns or manages rental units in more than one county shall
29 separately report in his sales tax return the total gross proceeds
30 from business done in each county.

31 (F) The gross proceeds of sales of tangible personal property
32 delivered after the imposition date of the tax levied under this
33 article in the county, either under the terms of a construction
34 contract executed before the imposition date, or a written bid
35 submitted before the imposition date, culminating in a construction
36 contract entered into before or after the imposition date, are
37 exempt from the special local sales and use tax provided in this
38 section if a verified copy of the contract is filed with the
39 Department of Revenue within six months after the imposition of
40 the special local sales and use tax.

41 (G) Notwithstanding the imposition date of the sales and use
42 tax authorized pursuant to this article, with respect to services that
43 are regularly billed on a monthly basis, the sales and use tax is

1 imposed beginning on the first day of the billing period beginning
2 on or after the imposition date.

3

4 Section 4-10-440. (A) The revenues of the sales and use tax
5 collected under this article must be remitted to the State Treasurer
6 and credited to a fund separate and distinct from the general fund
7 of the State. If revenue of the tax is shared, the school district shall
8 forward a certified copy of the resolution and an incorporated
9 memorandum of agreement to the State Treasurer. After deducting
10 the amount of refunds made and costs to the Department of
11 Revenue of administering the tax, not to exceed one percent of the
12 revenues, the State Treasurer shall distribute the revenues monthly
13 as provided pursuant to subsection (B) of this section. The State
14 Treasurer may correct misallocation costs or refunds by adjusting
15 proportionately subsequent distributions, but these adjustments
16 must be made in the same fiscal year as the misallocation.

17 (B) The State Treasurer shall distribute proceeds of the tax due
18 the school district to the county treasurer for the benefit of the
19 school district. If revenues are shared, any revenue due the area
20 commission or higher education board of trustees, or both of these
21 entities, must be distributed by the State Treasurer monthly to
22 approved accounts of those entities. All such distributions must be
23 proportionately reduced by amounts attributable to refunds and
24 administration as provided pursuant to subsection (A) of this
25 section.

26 (C) Except as provided in Section 4-10-445, withdrawals by a
27 school district of tax proceeds from the county treasurer must be
28 made in the same manner as are funds appropriated to the school
29 districts by the State. Pending these withdrawals, taxes must be
30 deposited in an account for the school district, separate and distinct
31 from accounts established for any other purpose, and investment
32 earnings derived from monies in such an account must be credited
33 to the account. The school district shall maintain records which
34 demonstrate that tax proceeds are spent only for the purposes as
35 approved by its board of trustees and in accordance with this
36 article.

37 (D) The proceeds of the sales and use tax paid to the county
38 treasurer for the benefit of a school district must be applied only
39 for the purposes set forth in the resolution adopted pursuant to
40 Section 4-10-425.

41

42 Section 4-10-445. (A) If a school district has provided in its
43 resolution adopted pursuant to Section 4-10-425, that any portion

1 of the proceeds of the sales and use tax allocated to it must be
2 applied to debt service on general obligation bonds issued to fund
3 the capital improvements listed in the referendum or to pay debt
4 obligations of the school district in order to reduce property taxes
5 levied for the payment of such debt obligations, the school district
6 shall notify the county treasurer in writing no later than the first
7 day of August of each year of the amount of sales and use taxes to
8 be applied to offset the debt service millage levy for such general
9 obligation bonds or other debt obligations of the school district.

10 The amount so specified must not exceed the amount of sales and
11 use tax proceeds held by the county treasurer for the school district
12 as of the June thirtieth immediately preceding such first day of
13 August. The notice applies only to debt service payments or
14 payment of debt obligations to be made in the eighteen-month
15 period following that June thirtieth.

16 Upon receipt of notice from a school district pursuant to this
17 section, the county treasurer shall certify to the county auditor, by
18 the fifteenth day of August of the amount of sales and use taxes
19 designated by the school district for application to general
20 obligation bond debt service payments or payment of other debt
21 obligations of the school district. The county auditor shall reduce
22 the next levy of property taxes required to pay debt service on such
23 general obligation bonds or other debt obligations of the school
24 district by the amount of sales and use tax revenues certified as
25 held by the county treasurer and designated by the school district
26 for the purpose. This amount of sales and use taxes thereafter must
27 not be released to the school district, but must be held by the
28 county treasurer to pay debt service on general obligation bonds or
29 other debt obligations of the school district. However, any sales
30 and use taxes held by the county treasurer in excess of the amounts
31 designated by the school district for payment of debt service on
32 such general obligation bonds or other debt obligations of the
33 school district must be expended as directed by the school district
34 in accordance with this article. Any investment earnings derived
35 from the sales and use tax must be expended as directed by the
36 school district in accordance with this article. Any sales and use
37 taxes allocated to a school district and not required to accomplish
38 the purposes described in the resolution of the school district
39 adopted pursuant to Section 4-10-425 may be applied to debt
40 service on any general obligation bonds of the school district.

41 (B) If the school district presents the county treasurer with a
42 surety bond or letter of credit from a financial institution which is
43 rated in one of the two highest rating categories by two national

1 ratings agencies, the county treasurer may treat the amount
2 available under such surety as if it were taxes held by the county
3 treasurer and shall provide the certificate called for in the
4 foregoing paragraph to the auditor by including the amount
5 available under the surety or letter of credit so long as such amount
6 is not in excess of ninety percent of the actual sales and use taxes
7 allocated to the school district in the prior fiscal year, or which
8 would have been allocated if the sales and use tax had been in
9 force for all of the prior fiscal year. The county auditor shall
10 reduce the next levy of ad valorem property taxes required to pay
11 debt service on bonds or other debt obligations of the school
12 district to which the tax is applicable by the amount so certified by
13 the county treasurer. If the sales and use taxes thereafter allocated
14 to the school district are less than the amount required to pay debt
15 service on bonds or other debt obligations of the school district
16 during the eighteen-month period established in Section
17 4-10-445(A), the county treasurer shall draw upon the surety to
18 provide for timely payment of such general obligation bonds or
19 other debt obligations of the school district. The costs of such
20 surety, including any reimbursements for payments thereon, are
21 deemed to be part of the debt service requirements for such general
22 obligation bonds or other debt obligations of the school district
23 covered by such surety and may be paid from amounts available in
24 the fund created in accordance with Section 4-10-445(A). Any
25 reimbursement to the financial institution providing such surety
26 may be paid from the fund from taxes collected in the year after
27 any draw.

28

29 Section 4-10-450. The Department of Revenue shall furnish
30 data to the State Treasurer and to a school district and others
31 receiving tax revenues pursuant to this article for the purpose of
32 calculating distributions and estimating revenues. The information
33 which must be supplied to the school district upon request
34 includes, but is not limited to, gross receipts, net taxable sales, and
35 tax liability by taxpayers. Information about a specific taxpayer is
36 considered confidential and is governed by the provisions of
37 Section 12-54-240. A person violating this section is subject to the
38 penalties provided in Section 12-54-240.

39

40 Section 4-10-460. The tax authorized in this article may be
41 renewed and imposed within a county in the same manner as
42 proceedings for the initial imposition of the tax. A referendum on
43 the question of reimposition of a tax must not be held ~~more~~ earlier

1 than within the calendar year which is two years before the date
2 ~~upon~~ calendar year in which the tax then in effect is scheduled to
3 terminate, but any reimposition is effective immediately upon the
4 termination of the tax previously imposed.

5

6 Section 4-10-470. The Education Capital Improvements Sales
7 and Use Tax authorized by this article may only be imposed in
8 counties which have collected at least seven million dollars in state
9 accommodations taxes as imposed pursuant to Section
10 12-36-920(A) in the most recent fiscal year for which full
11 collection figures are available. Once a county meets this threshold
12 it thereafter remains eligible to impose this tax.”

13

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

15

----XX----

16