

# REPORT OF THE REVENUE POLICY SUBCOMMITTEE

(White, Limehouse, Bingham, Herbkersman & Pitts - Staff Contact: Rena N. Grant/Kara Brurok)

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## HOUSE BILL 3374

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H. 3374 -- Reps. Merrill and White: A BILL TO AMEND CHAPTER 27, TITLE 6, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE STATE AID TO SUBDIVISIONS ACT, SO AS TO CHANGE THE NAME OF THE LOCAL GOVERNMENT FUND, TO DELETE THE REQUIREMENT THAT THE FUND RECEIVE NOT LESS THAN FOUR AND ONE-HALF PERCENT OF THE GENERAL FUND REVENUES OF THE LATEST COMPLETED FISCAL YEAR, TO DELETE A PROVISION REGARDING MIDYEAR CUTS, TO PROVIDE THAT THE FUND MUST BE INCREASED BY TWO PERCENT IF REVENUES ARE PROJECTED TO INCREASE BY AT LEAST FOUR PERCENT, TO PROVIDE THAT THE TWO PERCENT INCREASE, IF APPLICABLE, BE INCLUDED IN ALL STAGES OF THE BUDGET PROCESS, TO AMEND THE DISTRIBUTION PERCENTAGE OF THE FUND, AND TO DELETE A PROVISION REQUIRING AMENDMENTS TO THE STATE AID TO SUBDIVISIONS ACT BE INCLUDED IN SEPARATE LEGISLATION.

***Summary of Bill:***

Legislation renames the Local Government Fund to the Local Government Revenue Sharing Fund. It deletes current funding formula of 4.5% of the prior year's general fund revenues. New formula will phase in over 2 years and during that time, the recurring base will be increased to \$212 million. This established a recurring base budget of \$212 million. The new-indexed formula will be based on the BEA's estimate of general fund revenue. If the general fund revenue is projected to increase by at least 4%, then the recurring appropriation to the LGF for the upcoming fiscal year must be increased by 2%. If the estimate is lower than 4%, there will be no automatic recurring increase. If revenues decline below the zero growth figure, the LGF will be subject to decreases in line with other state agencies.

Allocations to the counties will be 83% and 17% for municipalities.

***Introduced:***

01/10/2014

***Received by Ways and Means:***

01/10/2014

***Estimated Fiscal Impact:***

The bill as written first applies to the annual general appropriations bill process for FY17-18. For information, however, if the bill applied to the FY15-16 general appropriations bill, the appropriation to the local government fund would increase by \$4,252,388 and local revenue would increase by the same amount.

***Subcommittee Recommendation:***

Favorable

***Full Committee Recommendation:***

Pending



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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Bill Number: H. 3374 Updated to correct a typographical error  
 Author: Merrill  
 Requestor: House Ways and Means  
 Date: January 29, 2015  
 Subject: State Aid to Subdivisions Act  
 RFA Analyst(s): Wren

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**Estimate of Fiscal Impact**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>State Expenditure</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

The bill as written first applies to the annual general appropriations bill process for FY 2017-18. For information, however, if the bill applied to the FY 2015-16 general appropriations bill, the appropriation to the local government fund would increase by \$4,252,388 and local revenue would increase by the same amount. This fiscal impact statement has been updated to correct a typographical error in the footnote of the Municipal Estimates for FY 2015-16 table.

**Explanation of Fiscal Impact**

**State Expenditure**

N/A

**State Revenue**

N/A

**Local Expenditure**

N/A

**Local Revenue**

This bill amends Section 6-27-20 by changing the name of the Local Government Fund to the Local Government Revenue Sharing Fund and deleting the provision regarding mid-year cuts. Additionally, Section 6-27-30 is amended by deleting the requirement that the Local Government Fund receive no less than four and one-half percent of the General Fund revenues of the latest completed fiscal year. This bill also adds Section 6-27-30(B), which provides that in

any fiscal year in which the General Fund revenues are projected to increase by at least four percent, then the appropriation to the Local Government Revenue Sharing Fund for the upcoming fiscal year must increase by two percent. The percentage increase in General Fund revenues will be determined by the Revenue and Fiscal Affairs Office by comparing the current fiscal year's recurring General Fund expenditure base with the Board of Economic Advisor's (BEA) most recent projection of recurring General Fund revenue for the upcoming fiscal year. Also, this bill amends Section 6-27-40 by changing the county and municipal allocations. Under this proposal, the county allocation will change from 83.278 percent to 83 percent. The municipal allocation will change from 16.722 percent to 17 percent.

We are unable to forecast the future revenue impact of this bill when it first applies to the general appropriations bill process for FY 2017-18 since the amount of the recurring General Fund expenditure base and the BEA forecast of recurring General Fund revenue for FY 2017-18 are currently undetermined. If the bill was applied to the general appropriations process for FY 2015-16, the current BEA forecast anticipates that the growth in General Fund revenue over the recurring expenditure base will exceed four percent. This would result in a two percent increase in the Local Government Revenue Sharing Fund for FY 2015-16, or \$4,252,388. The distribution of this additional revenue is discussed below.

Under current statute, the FY 2015-16 county distributions total \$174,752,511 and the municipal distributions total \$35,554,218. Fifty cents per capita is withheld from the county allocation, per statute, for Medicaid Services. In FY 2015-16, this amount totaled \$2,312,682. Under this bill, county distributions would total \$177,690,911 and municipal distributions would total \$36,868,206. Again, the fifty cents per capita, or \$2,312,682, would be withheld from the county allocation. In calculating the two percent base, we presume the General Assembly will fund the Local Government Revenue Sharing Fund at \$212,619,411. Therefore, it is estimated that an additional \$2,938,400 would be distributed to counties and an additional \$1,313,988 would be distributed to municipalities. This totals an additional \$4,252,388 in local revenue for FY 2015-16.

The attached tables show the FY 2015-16 distributions under current statute and this proposal on county and municipal levels.



Frank A. Rainwater, Executive Director

**COUNTY ESTIMATES FOR FY 2015-16  
LOCAL GOVERNMENT FUND DISTRIBUTION**

COUNTY	FY 16 CURRENT STATUTORY FORMULA	FY 16 APPROPRIATION ESTIMATE	DIFFERENCE BETWEEN FY 16 APPROPRIATION ESTIMATE AND STATUTORY FORMULA	FY 16 ESTIMATE PROPOSED LEGISLATION	DIFFERENCE BETWEEN PROPOSAL AND FY 16 APPROPRIATION ESTIMATE
ABBEVILLE	\$1,336,630	\$960,282	(\$376,348)	\$976,429	\$16,147
AIKEN	\$8,419,291	\$6,048,743	(\$2,370,548)	\$6,150,451	\$101,707
ALLEDALE	\$547,915	\$393,630	(\$154,285)	\$400,249	\$6,619
ANDERSON	\$9,840,588	\$7,069,857	(\$2,770,730)	\$7,188,734	\$118,877
BAMBERG	\$840,725	\$603,997	(\$236,728)	\$614,153	\$10,156
BARNWELL	\$1,189,594	\$854,645	(\$334,949)	\$869,015	\$14,371
BEAUFORT	\$8,531,514	\$6,129,374	(\$2,402,140)	\$6,232,438	\$103,063
BERKELEY	\$9,352,413	\$6,719,147	(\$2,633,266)	\$6,832,127	\$112,980
CALHOUN	\$798,023	\$573,328	(\$224,695)	\$582,968	\$9,640
CHARLESTON	\$18,416,802	\$13,231,369	(\$5,185,433)	\$13,453,850	\$222,481
CHEROKEE	\$2,916,900	\$2,095,615	(\$821,286)	\$2,130,852	\$35,237
CHESTER	\$1,742,767	\$1,252,067	(\$490,701)	\$1,273,120	\$21,053
CHESTERFIELD	\$2,457,649	\$1,765,664	(\$691,985)	\$1,795,353	\$29,689
CLARENDON	\$1,839,056	\$1,321,251	(\$517,805)	\$1,343,468	\$22,216
COLLETON	\$2,045,254	\$1,469,389	(\$575,865)	\$1,494,096	\$24,707
DARLINGTON	\$3,611,799	\$2,594,847	(\$1,016,951)	\$2,638,479	\$43,631
DILLON	\$1,686,077	\$1,211,332	(\$474,746)	\$1,231,700	\$20,368
DORCHESTER	\$7,181,158	\$5,159,218	(\$2,021,940)	\$5,245,969	\$86,750
EDGEFIELD	\$1,419,088	\$1,019,524	(\$399,564)	\$1,036,666	\$17,143
FAIRFIELD	\$1,259,799	\$905,078	(\$354,721)	\$920,297	\$15,219
FLORENCE	\$7,198,513	\$5,171,696	(\$2,026,817)	\$5,258,656	\$86,960
GEORGETOWN	\$3,163,591	\$2,272,849	(\$890,742)	\$2,311,066	\$38,217
GREENVILLE	\$23,729,034	\$17,047,876	(\$6,681,158)	\$17,334,530	\$286,654
GREENWOOD	\$3,663,335	\$2,631,878	(\$1,031,457)	\$2,676,132	\$44,254
HAMPTON	\$1,109,082	\$796,801	(\$312,280)	\$810,199	\$13,398
HORRY	\$14,161,483	\$10,174,161	(\$3,987,322)	\$10,345,236	\$171,075
JASPER	\$1,302,974	\$936,097	(\$366,877)	\$951,837	\$15,740
KERSHAW	\$3,237,950	\$2,326,270	(\$911,680)	\$2,365,386	\$39,115
LANCASTER	\$4,030,978	\$2,896,016	(\$1,134,962)	\$2,944,712	\$48,695
LAURENS	\$3,499,050	\$2,513,850	(\$985,200)	\$2,556,119	\$42,269
LEE	\$1,010,742	\$726,149	(\$284,593)	\$738,359	\$12,210
LEXINGTON	\$13,798,626	\$9,913,483	(\$3,885,143)	\$10,080,174	\$166,692
MCCORMICK	\$538,133	\$386,605	(\$151,528)	\$393,105	\$6,501
MARION	\$1,738,665	\$1,249,113	(\$489,552)	\$1,270,117	\$21,003
MARLBORO	\$1,521,529	\$1,093,112	(\$428,418)	\$1,111,492	\$18,380
NEWBERRY	\$1,972,472	\$1,417,085	(\$555,386)	\$1,440,913	\$23,828
OCONEE	\$3,905,871	\$2,806,123	(\$1,099,748)	\$2,853,307	\$47,184
ORANGEBURG	\$4,864,445	\$3,494,805	(\$1,369,640)	\$3,553,569	\$58,764
PICKENS	\$6,269,755	\$4,504,438	(\$1,765,317)	\$4,580,179	\$75,740
RICHLAND	\$20,220,308	\$14,527,071	(\$5,693,237)	\$14,771,339	\$244,267
SALUDA	\$1,045,187	\$750,894	(\$294,293)	\$763,520	\$12,626
SPARTANBURG	\$14,951,145	\$10,741,495	(\$4,209,650)	\$10,922,109	\$180,614
SUMTER	\$5,650,899	\$4,059,833	(\$1,591,067)	\$4,128,097	\$68,265
UNION	\$1,523,002	\$1,094,178	(\$428,824)	\$1,112,576	\$18,398
WILLIAMSBURG	\$1,810,238	\$1,300,543	(\$509,695)	\$1,322,411	\$21,868
YORK	\$11,888,734	\$8,541,733	(\$3,347,000)	\$8,685,359	\$143,626
<b>TOTAL</b>	<b>\$243,238,782</b>	<b>\$174,752,511</b>	<b>(\$68,486,271)</b>	<b>\$177,690,911</b>	<b>\$2,938,400</b>

Notes: Statutory formula amounts are based on the fully funded formula pursuant to S.C. Code of Laws § 6-27-40. FY 16 appropriation estimates are based on recurring funds of \$187,619,411 and non-recurring funds of \$25,000,000, totaling \$212,619,411. Fifty cents per capita is withheld from the portion of the Local Government Fund allotted to counties per S.C. Code of Laws § 44-6-146 for Medicaid Services. This amount totals \$2,312,682 for FY 16. Of the \$212,619,411, the county allocation is 83.278%, which results in a distribution of \$174,752,511. Under proposed legislation, the county allocation is 83%, which would result in a distribution of \$177,690,911.

**MUNICIPAL ESTIMATES FOR FY 2015-16  
LOCAL GOVERNMENT FUND DISTRIBUTION**

<b>MUNICIPALITY</b>	<b>FY 16 CURRENT STATUTORY FORMULA</b>	<b>FY 16 APPROPRIATION ESTIMATE</b>	<b>DIFFERENCE BETWEEN FY 16 APPROPRIATION ESTIMATE AND STATUTORY FORMULA</b>	<b>FY 16 ESTIMATE PROPOSED LEGISLATION</b>	<b>DIFFERENCE BETWEEN PROPOSAL AND FY 16 APPROPRIATION ESTIMATE</b>
Abbeville city	\$156,673	\$112,976	(\$43,697)	\$117,151	\$4,175
Aiken city	\$883,259	\$636,911	(\$246,348)	\$660,450	\$23,539
Allendale town	\$104,170	\$75,116	(\$29,054)	\$77,892	\$2,776
Anderson city	\$798,356	\$575,688	(\$222,668)	\$596,964	\$21,276
Andrews town	\$85,592	\$61,719	(\$23,872)	\$64,000	\$2,281
Arcadia Lakes town	\$25,758	\$18,574	(\$7,184)	\$19,261	\$686
Atlantic Beach town	\$9,992	\$7,205	(\$2,787)	\$7,472	\$266
Awendaw town	\$38,712	\$27,915	(\$10,797)	\$28,947	\$1,032
Aynor town	\$16,753	\$12,081	(\$4,673)	\$12,527	\$446
Bamberg town	\$107,909	\$77,813	(\$30,097)	\$80,688	\$2,876
Barnwell city	\$142,104	\$102,470	(\$39,634)	\$106,257	\$3,787
Batesburg-Leesville town	\$160,413	\$115,673	(\$44,740)	\$119,948	\$4,275
Beaufort city	\$369,800	\$266,660	(\$103,140)	\$276,515	\$9,855
Belton city	\$123,675	\$89,181	(\$34,494)	\$92,477	\$3,296
Bennettsville city	\$271,314	\$195,642	(\$75,672)	\$202,873	\$7,230
Bethune town	\$9,992	\$7,205	(\$2,787)	\$7,472	\$266
Bishopville city	\$103,841	\$74,879	(\$28,962)	\$77,646	\$2,767
Blacksburg town	\$55,286	\$39,866	(\$15,420)	\$41,340	\$1,473
Blackville town	\$71,979	\$51,904	(\$20,076)	\$53,822	\$1,918
Blenheim town	\$4,607	\$3,322	(\$1,285)	\$3,445	\$123
Bluffton town	\$385,715	\$278,136	(\$107,579)	\$288,415	\$10,279
Blythewood town	\$60,850	\$43,879	(\$16,972)	\$45,500	\$1,622
Bonneau town	\$14,569	\$10,506	(\$4,064)	\$10,894	\$388
Bowman town	\$28,959	\$20,882	(\$8,077)	\$21,654	\$772
Branchville town	\$30,635	\$22,090	(\$8,544)	\$22,907	\$816
Briarcliffe Acres town	\$13,672	\$9,859	(\$3,813)	\$10,223	\$364
Brunson town	\$16,574	\$11,951	(\$4,623)	\$12,393	\$442
Burnettown town	\$79,967	\$57,664	(\$22,303)	\$59,795	\$2,131
Calhoun Falls town	\$59,953	\$43,232	(\$16,721)	\$44,829	\$1,598
Camden city	\$204,570	\$147,514	(\$57,056)	\$152,966	\$5,452
Cameron town	\$12,685	\$9,147	(\$3,538)	\$9,485	\$338
Campobello town	\$15,018	\$10,829	(\$4,189)	\$11,230	\$400
Carlisle town	\$13,044	\$9,406	(\$3,638)	\$9,753	\$348
Cayce city	\$374,796	\$270,262	(\$104,534)	\$280,250	\$9,988
Central town	\$154,340	\$111,293	(\$43,047)	\$115,406	\$4,113
Central Pacolet town	\$6,462	\$4,660	(\$1,802)	\$4,832	\$172
Chapin town	\$43,230	\$31,172	(\$12,057)	\$32,325	\$1,152
Charleston city	\$3,592,481	\$2,590,509	(\$1,001,972)	\$2,686,247	\$95,738
Cheraw town	\$175,042	\$126,222	(\$48,821)	\$130,886	\$4,665
Chesnee city	\$25,968	\$18,725	(\$7,243)	\$19,417	\$692
Chester city	\$167,743	\$120,958	(\$46,785)	\$125,428	\$4,470
Chesterfield town	\$44,037	\$31,755	(\$12,282)	\$32,929	\$1,174
Clemson city	\$415,991	\$299,968	(\$116,023)	\$311,054	\$11,086
Clinton city	\$253,992	\$183,152	(\$70,841)	\$189,921	\$6,769
Clio town	\$21,719	\$15,662	(\$6,058)	\$16,241	\$579
Clover town	\$152,395	\$109,891	(\$42,504)	\$113,952	\$4,061
Columbia city	\$3,867,385	\$2,788,740	(\$1,078,645)	\$2,891,805	\$103,064
Conway city	\$511,664	\$368,957	(\$142,707)	\$382,593	\$13,636
Cope town	\$2,304	\$1,661	(\$642)	\$1,722	\$61
Cordova town	\$5,056	\$3,646	(\$1,410)	\$3,781	\$135
Cottageville town	\$22,796	\$16,438	(\$6,358)	\$17,046	\$608
Coward town	\$22,497	\$16,223	(\$6,275)	\$16,822	\$600
Cowpens town	\$64,680	\$46,640	(\$18,040)	\$48,364	\$1,724
Cross Hill town	\$15,168	\$10,937	(\$4,230)	\$11,342	\$404
Darlington city	\$188,146	\$135,670	(\$52,475)	\$140,684	\$5,014
Denmark city	\$105,845	\$76,324	(\$29,521)	\$79,145	\$2,821

**MUNICIPAL ESTIMATES FOR FY 2015-16  
LOCAL GOVERNMENT FUND DISTRIBUTION**

<b>MUNICIPALITY</b>	<b>FY 16 CURRENT STATUTORY FORMULA</b>	<b>FY 16 APPROPRIATION ESTIMATE</b>	<b>DIFFERENCE BETWEEN FY 16 APPROPRIATION ESTIMATE AND STATUTORY FORMULA</b>	<b>FY 16 ESTIMATE PROPOSED LEGISLATION</b>	<b>DIFFERENCE BETWEEN PROPOSAL AND FY 16 APPROPRIATION ESTIMATE</b>
Dillon city	\$203,074	\$146,435	(\$56,639)	\$151,847	\$5,412
Donalds town	\$10,411	\$7,507	(\$2,904)	\$7,785	\$277
Due West town	\$37,306	\$26,901	(\$10,405)	\$27,895	\$994
Duncan town	\$95,165	\$68,623	(\$26,542)	\$71,159	\$2,536
Easley city	\$598,124	\$431,302	(\$166,821)	\$447,242	\$15,940
Eastover town	\$24,322	\$17,539	(\$6,784)	\$18,187	\$648
Edgefield town	\$151,438	\$109,201	(\$42,237)	\$113,237	\$4,036
Edisto Beach town	\$12,385	\$8,931	(\$3,454)	\$9,261	\$330
Ehrhardt town	\$16,305	\$11,757	(\$4,547)	\$12,192	\$435
Elgin town	\$39,221	\$28,282	(\$10,939)	\$29,327	\$1,045
Elko town	\$5,774	\$4,164	(\$1,610)	\$4,317	\$154
Elloree town	\$20,702	\$14,928	(\$5,774)	\$15,480	\$552
Estill town	\$61,030	\$44,008	(\$17,022)	\$45,635	\$1,626
Eutawville town	\$9,424	\$6,795	(\$2,628)	\$7,047	\$251
Fairfax town	\$60,581	\$43,685	(\$16,897)	\$45,299	\$1,614
Florence city	\$1,108,591	\$799,396	(\$309,195)	\$828,940	\$29,544
Folly Beach city	\$78,292	\$56,456	(\$21,836)	\$58,542	\$2,086
Forest Acres city	\$309,966	\$223,514	(\$86,452)	\$231,775	\$8,260
Fort Lawn town	\$26,775	\$19,308	(\$7,468)	\$20,021	\$714
Fort Mill town	\$323,429	\$233,222	(\$90,207)	\$241,841	\$8,619
Fountain Inn city	\$233,320	\$168,245	(\$65,075)	\$174,463	\$6,218
Furman town	\$7,150	\$5,156	(\$1,994)	\$5,346	\$191
Gaffney city	\$375,125	\$270,500	(\$104,625)	\$280,496	\$9,997
Gaston town	\$49,213	\$35,487	(\$13,726)	\$36,799	\$1,312
Georgetown city	\$274,126	\$197,670	(\$76,456)	\$204,976	\$7,305
Gifford town	\$8,616	\$6,213	(\$2,403)	\$6,443	\$230
Gilbert town	\$16,903	\$12,189	(\$4,714)	\$12,639	\$450
Goose Creek city	\$1,075,145	\$775,278	(\$299,866)	\$803,930	\$28,652
Govan town	\$1,945	\$1,402	(\$542)	\$1,454	\$52
Gray Court town	\$23,784	\$17,150	(\$6,633)	\$17,784	\$634
Great Falls town	\$59,205	\$42,692	(\$16,513)	\$44,270	\$1,578
Greeleyville town	\$13,103	\$9,449	(\$3,655)	\$9,798	\$349
Greenville city	\$1,747,402	\$1,260,037	(\$487,364)	\$1,306,605	\$46,568
Greenwood city	\$694,724	\$500,960	(\$193,764)	\$519,474	\$18,514
Greer city	\$763,323	\$550,426	(\$212,897)	\$570,769	\$20,342
Hampton town	\$84,006	\$60,576	(\$23,430)	\$62,815	\$2,239
Hanahan city	\$538,410	\$388,243	(\$150,167)	\$402,592	\$14,348
Hardeeville city	\$88,314	\$63,682	(\$24,631)	\$66,036	\$2,354
Harleyville town	\$20,254	\$14,605	(\$5,649)	\$15,144	\$540
Hartsville city	\$232,273	\$167,490	(\$64,783)	\$173,680	\$6,190
Heath Springs town	\$23,634	\$17,042	(\$6,592)	\$17,672	\$630
Hemingway town	\$13,732	\$9,902	(\$3,830)	\$10,268	\$366
Hickory Grove town	\$13,163	\$9,492	(\$3,671)	\$9,843	\$351
Hilda town	\$13,373	\$9,643	(\$3,730)	\$9,999	\$356
Hilton Head Island town	\$1,109,878	\$800,324	(\$309,554)	\$829,902	\$29,578
Hodges town	\$4,637	\$3,344	(\$1,293)	\$3,467	\$124
Holly Hill town	\$38,204	\$27,548	(\$10,655)	\$28,566	\$1,018
Hollywood town	\$141,027	\$101,694	(\$39,334)	\$105,452	\$3,758
Honea Path town	\$107,610	\$77,597	(\$30,013)	\$80,465	\$2,868
Inman city	\$69,437	\$50,070	(\$19,366)	\$51,921	\$1,850
Irmo town	\$331,985	\$239,392	(\$92,593)	\$248,239	\$8,847
Isle of Palms city	\$123,646	\$89,160	(\$34,486)	\$92,455	\$3,295
Iva town	\$36,438	\$26,275	(\$10,163)	\$27,247	\$971
Jackson town	\$50,858	\$36,674	(\$14,185)	\$38,029	\$1,355
James Island	\$344,759	\$248,603	(\$96,156)	\$257,791	\$9,188
Jamestown town	\$2,154	\$1,553	(\$601)	\$1,611	\$57

**MUNICIPAL ESTIMATES FOR FY 2015-16  
LOCAL GOVERNMENT FUND DISTRIBUTION**

MUNICIPALITY	FY 16 CURRENT STATUTORY FORMULA	FY 16 APPROPRIATION ESTIMATE	DIFFERENCE BETWEEN FY 16 APPROPRIATION ESTIMATE AND STATUTORY FORMULA	FY 16 ESTIMATE PROPOSED LEGISLATION	DIFFERENCE BETWEEN PROPOSAL AND FY 16 APPROPRIATION ESTIMATE
Jefferson town	\$22,527	\$16,244	(\$6,283)	\$16,845	\$600
Jenkinsville town	\$1,376	\$992	(\$384)	\$1,029	\$37
Johnsonville city	\$44,277	\$31,928	(\$12,349)	\$33,107	\$1,180
Johnston town	\$70,663	\$50,955	(\$19,709)	\$52,838	\$1,883
Jonesville town	\$27,254	\$19,653	(\$7,601)	\$20,379	\$726
Kershaw town	\$53,940	\$38,896	(\$15,044)	\$40,333	\$1,437
Kiawah Island town	\$48,644	\$35,077	(\$13,567)	\$36,373	\$1,296
Kingstree town	\$99,563	\$71,794	(\$27,769)	\$74,447	\$2,653
Kline town	\$5,894	\$4,250	(\$1,644)	\$4,407	\$157
Lake City city	\$199,694	\$143,997	(\$55,696)	\$149,319	\$5,322
Lake View town	\$24,143	\$17,409	(\$6,734)	\$18,053	\$643
Lamar town	\$29,588	\$21,335	(\$8,252)	\$22,124	\$788
Lancaster city	\$255,069	\$183,928	(\$71,141)	\$190,726	\$6,798
Landrum city	\$71,082	\$51,257	(\$19,825)	\$53,151	\$1,894
Lane town	\$15,198	\$10,959	(\$4,239)	\$11,364	\$405
Latta town	\$41,255	\$29,749	(\$11,506)	\$30,848	\$1,099
Laurens city	\$273,408	\$197,153	(\$76,256)	\$204,439	\$7,286
Lexington town	\$534,611	\$385,503	(\$149,107)	\$399,751	\$14,247
Liberty town	\$97,798	\$70,521	(\$27,277)	\$73,127	\$2,606
Lincolnton town	\$34,075	\$24,571	(\$9,504)	\$25,479	\$908
Little Mountain town	\$8,706	\$6,278	(\$2,428)	\$6,510	\$232
Livingston town	\$4,069	\$2,934	(\$1,135)	\$3,042	\$108
Lockhart town	\$14,599	\$10,527	(\$4,072)	\$10,917	\$389
Lodge town	\$3,590	\$2,589	(\$1,001)	\$2,684	\$96
Loris city	\$71,680	\$51,688	(\$19,992)	\$53,598	\$1,910
Lowndesville town	\$3,829	\$2,761	(\$1,068)	\$2,863	\$102
Lowrys town	\$5,983	\$4,315	(\$1,669)	\$4,474	\$159
Luray town	\$3,799	\$2,740	(\$1,060)	\$2,841	\$101
Lyman town	\$97,020	\$69,960	(\$27,060)	\$72,546	\$2,586
Lynchburg town	\$11,159	\$8,047	(\$3,112)	\$8,344	\$297
McBee town	\$25,938	\$18,703	(\$7,234)	\$19,395	\$691
McClellanville town	\$14,928	\$10,765	(\$4,164)	\$11,163	\$398
McColl town	\$65,039	\$46,899	(\$18,140)	\$48,632	\$1,733
McConnells town	\$7,629	\$5,501	(\$2,128)	\$5,704	\$203
McCormick town	\$83,258	\$60,037	(\$23,221)	\$62,256	\$2,219
Manning city	\$122,898	\$88,620	(\$34,277)	\$91,896	\$3,275
Marion city	\$207,592	\$149,693	(\$57,899)	\$155,225	\$5,532
Mauldin city	\$684,762	\$493,777	(\$190,986)	\$512,025	\$18,249
Mayesville town	\$21,869	\$15,770	(\$6,099)	\$16,352	\$583
Meggett town	\$36,678	\$26,448	(\$10,230)	\$27,426	\$977
Moncks Corner town	\$235,893	\$170,100	(\$65,792)	\$176,387	\$6,286
Monetta town	\$7,060	\$5,091	(\$1,969)	\$5,279	\$188
Mount Croghan town	\$5,834	\$4,207	(\$1,627)	\$4,362	\$155
Mount Pleasant town	\$2,029,635	\$1,463,554	(\$566,082)	\$1,517,643	\$54,089
Mullins city	\$139,501	\$100,593	(\$38,908)	\$104,311	\$3,718
Myrtle Beach city	\$811,010	\$584,813	(\$226,197)	\$606,426	\$21,613
Neeses town	\$11,189	\$8,068	(\$3,121)	\$8,366	\$298
Newberry town	\$307,453	\$221,702	(\$85,751)	\$229,896	\$8,194
New Ellenton town	\$61,389	\$44,267	(\$17,122)	\$45,903	\$1,636
Nichols town	\$11,009	\$7,939	(\$3,071)	\$8,232	\$293
Ninety Six town	\$59,773	\$43,102	(\$16,671)	\$44,695	\$1,593
Norris town	\$24,322	\$17,539	(\$6,784)	\$18,187	\$648
North town	\$22,557	\$16,266	(\$6,291)	\$16,867	\$601
North Augusta city	\$638,661	\$460,533	(\$178,128)	\$477,553	\$17,020
North Charleston city	\$2,916,006	\$2,102,708	(\$813,297)	\$2,180,419	\$77,710
North Myrtle Beach city	\$411,414	\$296,667	(\$114,747)	\$307,631	\$10,964

**MUNICIPAL ESTIMATES FOR FY 2015-16  
LOCAL GOVERNMENT FUND DISTRIBUTION**

MUNICIPALITY	FY 16 CURRENT STATUTORY FORMULA	FY 16 APPROPRIATION ESTIMATE	DIFFERENCE BETWEEN FY 16 APPROPRIATION ESTIMATE AND STATUTORY FORMULA	FY 16 ESTIMATE PROPOSED LEGISLATION	DIFFERENCE BETWEEN PROPOSAL AND FY 16 APPROPRIATION ESTIMATE
Norway town	\$10,082	\$7,270	(\$2,812)	\$7,539	\$269
Olanta town	\$16,843	\$12,145	(\$4,698)	\$12,594	\$449
Olar town	\$7,689	\$5,544	(\$2,144)	\$5,749	\$205
Orangeburg city	\$417,756	\$301,241	(\$116,516)	\$312,374	\$11,133
Pacolet town	\$66,864	\$48,215	(\$18,649)	\$49,997	\$1,782
Pageland town	\$82,570	\$59,541	(\$23,029)	\$61,741	\$2,200
Pamplico town	\$36,678	\$26,448	(\$10,230)	\$27,426	\$977
Parksville town	\$3,500	\$2,524	(\$976)	\$2,617	\$93
Patrick town	\$10,501	\$7,572	(\$2,929)	\$7,852	\$280
Pawleys Island town	\$3,081	\$2,222	(\$859)	\$2,304	\$82
Paxville town	\$5,535	\$3,991	(\$1,544)	\$4,138	\$148
Peak town	\$1,915	\$1,381	(\$534)	\$1,432	\$51
Pelion town	\$20,164	\$14,540	(\$5,624)	\$15,077	\$537
Pelzer town	\$2,663	\$1,920	(\$743)	\$1,991	\$71
Pendleton town	\$88,673	\$63,941	(\$24,732)	\$66,304	\$2,363
Perry town	\$6,971	\$5,026	(\$1,944)	\$5,212	\$186
Pickens town	\$93,519	\$67,436	(\$26,083)	\$69,928	\$2,492
Pine Ridge town	\$61,748	\$44,526	(\$17,222)	\$46,172	\$1,646
Pinewood town	\$16,095	\$11,606	(\$4,489)	\$12,035	\$429
Plum Branch town	\$2,453	\$1,769	(\$684)	\$1,834	\$65
Pomaria town	\$5,355	\$3,862	(\$1,494)	\$4,004	\$143
Port Royal town	\$319,450	\$230,353	(\$89,097)	\$238,866	\$8,513
Prosperity town	\$35,302	\$25,456	(\$9,846)	\$26,397	\$941
Quinby town	\$27,882	\$20,106	(\$7,777)	\$20,849	\$743
Ravenel town	\$73,745	\$53,177	(\$20,568)	\$55,142	\$1,965
Reevesville town	\$5,864	\$4,228	(\$1,635)	\$4,385	\$156
Reidville town	\$17,980	\$12,965	(\$5,015)	\$13,444	\$479
Richburg town	\$8,227	\$5,932	(\$2,295)	\$6,152	\$219
Ridgeland town	\$120,744	\$87,067	(\$33,676)	\$90,285	\$3,218
Ridge Spring town	\$22,049	\$15,899	(\$6,150)	\$16,487	\$588
Ridgeville town	\$59,205	\$42,692	(\$16,513)	\$44,270	\$1,578
Ridgeway town	\$9,543	\$6,882	(\$2,662)	\$7,136	\$254
Rock Hill city	\$1,979,106	\$1,427,117	(\$551,989)	\$1,479,860	\$52,742
Rockville town	\$4,009	\$2,891	(\$1,118)	\$2,998	\$107
Rowesville town	\$9,095	\$6,558	(\$2,537)	\$6,800	\$242
Ruby town	\$10,770	\$7,766	(\$3,004)	\$8,053	\$287
St. George town	\$62,346	\$44,957	(\$17,389)	\$46,619	\$1,662
St. Matthews town	\$60,462	\$43,598	(\$16,863)	\$45,210	\$1,611
St. Stephen town	\$50,769	\$36,609	(\$14,160)	\$37,962	\$1,353
Salem town	\$4,039	\$2,912	(\$1,126)	\$3,020	\$108
Salley town	\$11,907	\$8,586	(\$3,321)	\$8,903	\$317
Saluda town	\$106,653	\$76,907	(\$29,746)	\$79,749	\$2,842
Santee town	\$28,750	\$20,731	(\$8,019)	\$21,498	\$766
Scotia town	\$6,432	\$4,638	(\$1,794)	\$4,810	\$171
Scranton town	\$27,882	\$20,106	(\$7,777)	\$20,849	\$743
Seabrook Island town	\$51,277	\$36,976	(\$14,302)	\$38,342	\$1,367
Sellers town	\$6,552	\$4,724	(\$1,827)	\$4,899	\$175
Seneca city	\$242,385	\$174,782	(\$67,603)	\$181,241	\$6,459
Sharon town	\$14,779	\$10,657	(\$4,122)	\$11,051	\$394
Silverstreet town	\$4,846	\$3,495	(\$1,352)	\$3,624	\$129
Simpsonville city	\$545,620	\$393,442	(\$152,178)	\$407,983	\$14,541
Six Mile town	\$20,194	\$14,562	(\$5,632)	\$15,100	\$538
Smoaks town	\$3,769	\$2,718	(\$1,051)	\$2,819	\$100
Smyrna town	\$1,346	\$971	(\$375)	\$1,007	\$36
Snelling town	\$8,197	\$5,911	(\$2,286)	\$6,129	\$218
Society Hill town	\$16,843	\$12,145	(\$4,698)	\$12,594	\$449



**MUNICIPAL ESTIMATES FOR FY 2015-16  
LOCAL GOVERNMENT FUND DISTRIBUTION**

MUNICIPALITY	FY 16 CURRENT STATUTORY FORMULA	FY 16 APPROPRIATION ESTIMATE	DIFFERENCE BETWEEN FY 16 APPROPRIATION ESTIMATE AND STATUTORY FORMULA	FY 16 ESTIMATE PROPOSED LEGISLATION	DIFFERENCE BETWEEN PROPOSAL AND FY 16 APPROPRIATION ESTIMATE
South Congaree town	\$68,988	\$49,747	(\$19,241)	\$51,585	\$1,839
Spartanburg city	\$1,107,305	\$798,469	(\$308,836)	\$827,978	\$29,509
Springdale town	\$78,860	\$56,866	(\$21,995)	\$58,967	\$2,102
Springfield town	\$15,676	\$11,304	(\$4,372)	\$11,722	\$418
Starr town	\$5,176	\$3,732	(\$1,444)	\$3,870	\$138
Stuckey town	\$7,330	\$5,285	(\$2,044)	\$5,481	\$195
Sullivan's Island town	\$53,581	\$38,637	(\$14,944)	\$40,065	\$1,428
Summerton town	\$29,917	\$21,573	(\$8,344)	\$22,370	\$797
Summerville town	\$1,298,143	\$936,081	(\$362,063)	\$970,676	\$34,595
Summit town	\$12,026	\$8,672	(\$3,354)	\$8,993	\$321
Sumter city	\$1,212,342	\$874,210	(\$338,132)	\$906,519	\$32,308
Surfside Beach town	\$114,790	\$82,774	(\$32,016)	\$85,833	\$3,059
Swansea town	\$24,741	\$17,841	(\$6,900)	\$18,500	\$659
Sycamore town	\$5,385	\$3,883	(\$1,502)	\$4,027	\$144
Tatum town	\$2,244	\$1,618	(\$626)	\$1,678	\$60
Tega Cay city	\$227,965	\$164,384	(\$63,581)	\$170,459	\$6,075
Timmons ville town	\$69,407	\$50,049	(\$19,358)	\$51,898	\$1,850
Travelers Rest city	\$136,899	\$98,716	(\$38,182)	\$102,365	\$3,648
Trenton town	\$5,864	\$4,228	(\$1,635)	\$4,385	\$156
Troy town	\$2,782	\$2,006	(\$776)	\$2,080	\$74
Turbeville town	\$22,916	\$16,525	(\$6,392)	\$17,135	\$611
Ulmer town	\$2,633	\$1,898	(\$734)	\$1,969	\$70
Union city	\$251,090	\$181,059	(\$70,031)	\$187,751	\$6,691
Vance town	\$5,086	\$3,667	(\$1,418)	\$3,803	\$136
Varnville town	\$64,680	\$46,640	(\$18,040)	\$48,364	\$1,724
Wagener town	\$23,844	\$17,193	(\$6,650)	\$17,829	\$635
Walhalla city	\$127,535	\$91,964	(\$35,570)	\$95,363	\$3,399
Walterboro city	\$161,490	\$116,449	(\$45,041)	\$120,753	\$4,304
Ward town	\$2,722	\$1,963	(\$759)	\$2,036	\$73
Ware Shoals town	\$64,919	\$46,813	(\$18,106)	\$48,543	\$1,730
Waterloo town	\$4,966	\$3,581	(\$1,385)	\$3,713	\$132
Wellford city	\$71,142	\$51,300	(\$19,842)	\$53,196	\$1,896
West Columbia city	\$448,391	\$323,331	(\$125,060)	\$335,280	\$11,949
Westminster city	\$72,338	\$52,163	(\$20,176)	\$54,090	\$1,928
West Pelzer town	\$26,327	\$18,984	(\$7,343)	\$19,686	\$702
West Union town	\$8,706	\$6,278	(\$2,428)	\$6,510	\$232
Whitmire town	\$43,110	\$31,086	(\$12,024)	\$32,235	\$1,149
Williams town	\$3,500	\$2,524	(\$976)	\$2,617	\$93
Williamston town	\$117,692	\$84,867	(\$32,825)	\$88,003	\$3,136
Williston town	\$93,908	\$67,717	(\$26,192)	\$70,219	\$2,503
Windsor town	\$3,620	\$2,610	(\$1,010)	\$2,707	\$96
Winnboro town	\$106,204	\$76,583	(\$29,621)	\$79,413	\$2,830
Woodford town	\$5,535	\$3,991	(\$1,544)	\$4,138	\$148
Woodruff city	\$122,359	\$88,232	(\$34,127)	\$91,493	\$3,261
Yemassee town	\$30,724	\$22,155	(\$8,569)	\$22,974	\$819
York city	\$231,435	\$166,886	(\$64,549)	\$173,054	\$6,168
<b>Total</b>	<b>\$49,306,078</b>	<b>\$35,554,218</b>	<b>(\$13,751,860)</b>	<b>\$36,868,206</b>	<b>\$1,313,988</b>

Notes: Statutory formula amounts are based on the fully funded formula pursuant to S.C. Code of Laws § 6-27-40. FY 16 estimates are based on recurring funds of \$187,619,411 and non-recurring funds of \$25,000,000, totaling \$212,619,411. Of the \$212,619,411, the municipal allocation is 16.722%, which results in a distribution of \$35,554,218. Under proposed legislation, the municipal allocation is 17%, which would result in a distribution of \$36,868,206.

**South Carolina General Assembly**  
121st Session, 2015-2016

**H. 3374**

**STATUS INFORMATION**

General Bill

Sponsors: Reps. Merrill and White

Document Path: I:\council\bill\bbm\9152dg15.docx

Introduced in the House on January 21, 2015

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

Summary: State Aid to Subdivisions Act

**HISTORY OF LEGISLATIVE ACTIONS**

<u>Date</u>	<u>Body</u>	<u>Action Description with journal page number</u>
1/21/2015	House	Introduced and read first time (House Journal-page 18)
1/21/2015	House	Referred to Committee on <b>Ways and Means</b> (House Journal-page 18)

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

**VERSIONS OF THIS BILL**

1/21/2015

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**A BILL**

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TO AMEND CHAPTER 27, TITLE 6, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE STATE AID TO SUBDIVISIONS ACT, SO AS TO CHANGE THE NAME OF THE LOCAL GOVERNMENT FUND, TO DELETE THE REQUIREMENT THAT THE FUND RECEIVE NOT LESS THAN FOUR AND ONE-HALF PERCENT OF THE GENERAL FUND REVENUES OF THE LATEST COMPLETED FISCAL YEAR, TO DELETE A PROVISION REGARDING MIDYEAR CUTS, TO PROVIDE THAT THE FUND MUST BE INCREASED BY TWO PERCENT IF REVENUES ARE PROJECTED TO INCREASE BY AT LEAST FOUR PERCENT, TO PROVIDE THAT THE TWO PERCENT INCREASE, IF APPLICABLE, BE INCLUDED IN ALL STAGES OF THE BUDGET PROCESS, TO AMEND THE DISTRIBUTION PERCENTAGE OF THE FUND, AND TO DELETE A PROVISION REQUIRING AMENDMENTS TO THE STATE AID TO SUBDIVISIONS ACT BE INCLUDED IN SEPARATE LEGISLATION.

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

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SECTION 1. Chapter 27, Title 6 of the 1976 Code is amended to read:

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39

“CHAPTER 27

State Aid to Subdivisions Act

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41  
42

Section 6-27-10. This chapter may be cited as the ‘State Aid to Subdivisions Act’.

1 Section 6-27-20. There is created the Local Government Revenue  
2 Sharing Fund administered by the State Treasurer. This fund is part  
3 of the general fund of the State. ~~It is the intent of the General~~  
4 ~~Assembly that this fund not be subject to mid-year cuts. However,~~  
5 ~~if mid-year cuts are mandated by the State Budget and Control~~  
6 ~~Board to avoid a year end deficit, this fund is not subject to such~~  
7 ~~cuts, except by a majority vote of the entire State Budget and~~  
8 ~~Control Board which is separate and apart from any other reduction.~~  
9 ~~These cuts are permitted only to the extent that counties and~~  
10 ~~municipalities do not receive less funding than received in the~~  
11 ~~immediate preceding fiscal year.~~ The Local Government Revenue  
12 Sharing Fund must be financed as provided in this chapter.

13  
14 Section 6-27-30. (A) ~~In the annual general appropriations act, an~~  
15 ~~amount equal to not less than four and one half percent of general~~  
16 ~~fund revenues of the latest completed fiscal year must be~~  
17 ~~appropriated~~ the General Assembly must appropriate funds to the  
18 Local Government Revenue Sharing Fund.

19 (B)(1) In any fiscal year in which general fund revenues are  
20 projected to increase by at least four percent, then the appropriation  
21 to the Local Government Revenue Sharing Fund for the upcoming  
22 fiscal year must be increased by two percent. For purposes of this  
23 subsection, beginning with the initial forecast required pursuant to  
24 Section 11-9-880, the percentage increase in general fund revenues  
25 must be determined by the Revenue and Fiscal Affairs Office by  
26 comparing the current fiscal year's recurring general fund  
27 expenditure base with the Board of Economic Advisor's most recent  
28 projection of recurring general fund revenue for the upcoming fiscal  
29 year. Upon the issuance of the initial forecast, the Executive  
30 Director of the Revenue and Fiscal Affairs Office, or his designee,  
31 must notify the Chairman of the Senate Finance Committee, the  
32 Chairman of the House Ways and Means Committee, and the  
33 Governor as to whether the requirements of this subsection have  
34 been met. The executive director, or his designee, must provide  
35 similar notice if subsequent modifications to the forecast change  
36 whether the requirements of this subsection have been met.  
37 However, the forecast in effect on May thirty-first of the current  
38 fiscal year is the final forecast for which it is determined whether  
39 the requirements of this subsection have been met, and no  
40 subsequent forecast modifications shall have any effect on that  
41 determination.

42 (2) If the provisions of this subsection have been met prior to  
43 submission of the Governor's Executive Budget, then the Governor

1 must include the two percent increase to the Local Government  
2 Revenue Sharing Fund in the Executive Budget.

3 (3) The Revenue and Fiscal Affairs Office shall determine the  
4 current fiscal year's recurring general fund expenditure base, and if  
5 the provisions of this subsection are met, the base must be adjusted  
6 accordingly.

7  
8 Section 6-27-40. (A) Not later than thirty days after the end of  
9 the calendar quarter, the State Treasurer shall distribute the monies  
10 appropriated to the Local Government Revenue Sharing Fund as  
11 follows:

12 (1) ~~Eighty-three and two hundred seventy-eight thousandths~~  
13 percent must be distributed to counties. Of the total distributed to  
14 counties, each county must receive an amount based on the ratio that  
15 the county's population is of the whole population of this State  
16 according to the most recent United States Census.

17 (2) ~~Sixteen and seven hundred twenty-two thousandths~~  
18 Seventeen percent must be distributed to municipalities. Of the total  
19 distributed to municipalities, each municipality must receive an  
20 amount based on the ratio that the municipality's population is of  
21 the population of all municipalities in this State according to the  
22 most recent United States Census.

23 (B) In making the quarterly distribution to counties, the State  
24 Treasurer must notify each county of the amount that must be used  
25 for educational purposes relating to the use of alcoholic liquors and  
26 for the rehabilitation of alcoholics and drug addicts. Counties may  
27 pool these funds with other counties and may combine these funds  
28 with other funds for the same purposes. The amount that must be  
29 used as provided in this subsection is equal to twenty-five percent  
30 of the revenue derived pursuant to Section 12-33-245 allocated on a  
31 per capita basis according to the most recent United States Census.

32  
33 ~~Section 6-27-50. No section of this chapter may be amended or~~  
34 ~~repealed except in separate legislation solely for that purpose.~~

35  
36 Section 6-27-55. From funds distributed to the county pursuant to  
37 Section 6-27-40, a county council shall provide a reasonable amount  
38 of funds for all county offices of state agencies for which the council  
39 is required to provide funding by state law.”

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1 SECTION 2. This act takes effect on July 1, 2016, and first applies  
2 for the annual general appropriations bill process for Fiscal Year  
3 2017-2018.

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