

# REPORT OF THE REVENUE POLICY SUBCOMMITTEE

(White, J.R. Smith, Bingham, Herbkersman & Pitts - Staff Contact: Rena N. Grant)

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## HOUSE BILL 3501

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H. 3501 -- Reps. White, Simrill, Merrill, Limehouse, J.R. Smith, Bingham and Pitts: A JOINT RESOLUTION TO PROVIDE THAT THE PROVISIONS OF SECTION 6-27-50, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO RESTRICTIONS ON AMENDING OR REPEALING PROVISIONS IN THE STATE AID TO SUBDIVISIONS ACT ARE SUSPENDED FOR FISCAL YEARS 2013-2014 AND 2014-2015, AND TO PROVIDE THAT FOR THOSE FISCAL YEARS COUNTIES MAY TRANSFER AMONG APPROPRIATED STATE REVENUES AS NEEDED TO ENSURE THE DELIVERY OF SERVICES.

***Summary of Bill:***

This joint resolution suspends the requirement that the local government fund receive 4.5% of the previous year's general fund base revenue.

***Introduced:*** 02/06/2013

***Received by Ways and Means:*** 02/06/2013

***Estimated Fiscal Impact:***

This joint resolution is not expect to impact State revenues. Local revenues will not be directly impacted by this joint resolution.

***Subcommittee Recommendation:*** Favorable

***Full Committee Recommendation:*** Pending

***Other Notes/Comments:***

Please see next page for a history of the local government fund appropriations from FY 1994-95 to FY 2012-13.

## LOCAL GOVERNMENT FUND APPROPRIATIONS

Chapter 27 of Title 6 of the SC Code of Laws mandates that 4.5% of the previous year's General Fund revenue collections be appropriated to the Local Government Fund (beginning in FY 1991-92). The amount is apportioned on the basis of 83.278% for counties and 16.722% for municipalities.

FISCAL YEAR	LOCAL GOVERNMENT FUND	
1994-95	165,266,702	
1995-96	181,102,181	
1996-97	190,509,294	
1997-98	195,569,599	
1998-99	206,474,224	
1999-2000	218,056,570	
2000-01	221,874,595	
2001-02	225,303,162	
2002-03	228,614,568	
2003-04	221,874,595	
2004-05	223,551,057	
2005-06	230,232,591	
2006-07	249,347,728	
2007-08	280,171,196	
2008-09	280,180,502	
2009-10	230,232,591	1
2010-11	202,619,411	2
2011-12	182,619,411	2
2012-13	212,619,411	2 & 3

NOTE: Local Government Funds were reduced when mid-year cuts were taken in accordance with Section 6-27-20.

FY 2001-02: \$3,428,567

FY 2002-03: \$6,739,973

FY 2008-09: \$19,452,129

FY 2009-10: \$82,870

<sup>1</sup> For FY 2009-10, 4.5% funding formula as mandated in Section 6-27-30 of the SC Code of Laws was suspended.

<sup>2</sup> For FY 2010-11, FY 2011-12, and FY 2012-13, 4.5% funding formula as mandated in Section 6-27-30 of the SC Code of Laws was suspended.

<sup>3</sup> Includes \$30,000,000 Non-Recurring Appropriations (Proviso 90.20)

Prepared  
October 2012 (LGF)

## **Statement of Estimated State Revenue Impact**

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**Date:** February 14, 2013

**Bill Number:** H.B. 3501

**Authors:** White

**Committee Requesting Impact:** Ways and Means

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### **Bill Summary**

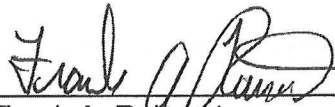
A joint resolution to provide that the provisions of Section 6-27-50, Code of Laws of South Carolina, 1976, relating to restrictions on amending or repealing provisions on the State Aid to Subdivisions Act are suspended for FYs 2013-2014 and 2014-2015, and to provide that for those fiscal years counties may transfer among appropriated state revenues as needed to ensure the delivery of services.

### **REVENUE IMPACT <sup>1/</sup>**

This joint resolution is not expected to impact State revenues. Local revenues will not be directly impacted by this joint resolution that allows the General Assembly to suspend required funding to Aid to Subdivisions for FYs 2013-2014 and 2014-2015. Local government revenue from the State Aid to Subdivisions Fund will be determined by the General Assembly in the Appropriation Act.

### **Explanation**

This joint resolution allows an amendment to the State Aid to Subdivisions Act for Section 6-27-50. Under Code Section 6-27-30, four and one-half percent of general fund revenues of the latest completed fiscal year must be appropriated to the Local Government Fund. Code Section 6-27-50 requires that special legislation be passed to suspend this requirement. Under proposed Proviso 110.5 with the Ways and Means Committee from FY 2012-2013, the provisions of Section 6-27-30 and Section 6-27-50 of the Code are suspended. Since this was previously suspended, local revenues will not be directly impacted by this joint resolution that allows the General Assembly to suspend required funding to Aid to Subdivisions. Therefore, local government revenue from the State Aid to Subdivisions Fund will be determined by the General Assembly in the Appropriation Act.

  
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Frank A. Rainwater  
Chief Economist

**Analyst:** Wren

<sup>1/</sup> 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 or 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. 3501**

**STATUS INFORMATION**

Joint Resolution

Sponsors: Reps. White, Simrill, Merrill, Limehouse, J.R. Smith, Bingham and Pitts

Document Path: I:\council\bill\bbm\10839htc13.docx

Introduced in the House on February 6, 2013

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

Summary: Aid to subdivisions

**HISTORY OF LEGISLATIVE ACTIONS**

Date	Body	Action Description with journal page number
2/6/2013	House	Introduced and read first time ( <a href="#">House Journal-page 6</a> )
2/6/2013	House	Referred to Committee on <b>Ways and Means</b> ( <a href="#">House Journal-page 6</a> )

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**VERSIONS OF THIS BILL**

2/6/2013

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## A JOINT RESOLUTION

TO PROVIDE THAT THE PROVISIONS OF SECTION 6-27-50, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO RESTRICTIONS ON AMENDING OR REPEALING PROVISIONS IN THE STATE AID TO SUBDIVISIONS ACT ARE SUSPENDED FOR FISCAL YEARS 2013-2014 AND 2014-2015, AND TO PROVIDE THAT FOR THOSE FISCAL YEARS COUNTIES MAY TRANSFER AMONG APPROPRIATED STATE REVENUES AS NEEDED TO ENSURE THE DELIVERY OF SERVICES.

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

SECTION 1. The provisions of Section 6-27-50 of the 1976 Code for fiscal years 2013-2014 and 2014-2015 are suspended.

SECTION 2. Notwithstanding other provisions of this joint resolution, for those fiscal years provided in Section 1, counties of this State may transfer among appropriated state revenues as needed to ensure the delivery of services.

SECTION 3. This joint resolution takes effect upon approval by the Governor.

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