

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

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

SENATE BILL 1167

S. 1167 -- Senator Lourie: A BILL TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 31-6-85 SO AS TO ALLOW A MUNICIPALITY AND ONE OR MORE TAXING DISTRICTS TO PROVIDE BY INTERGOVERNMENTAL AGREEMENT FOR PARTIAL OR MODIFIED PARTICIPATION IN A REDEVELOPMENT PROJECT; AND TO AMEND SECTION 31-6-80, SO AS TO CLARIFY AN AMENDMENT TO THE TAX INCREMENT FINANCING LAW.

Summary of Bill:

The bill amends the tax increment financing law to explicitly confirm that a municipality and one or more taxing districts may enter into an intergovernmental agreement for partial or modified participation in a redevelopment project.

Introduced: 2/1/2012

Received by Ways and Means: 4/17/2012

Estimated Fiscal Impact:

None.

Subcommittee Recommendation:

Favorable

Full Committee Recommendation:

Pending

Other Notes/Comments:

FISCAL IMPACT STATEMENT ON BILL NO. **S.1167**
(Doc. No. 12069dg12.docx)

TO: The Honorable Larry A. Martin, Chairperson, Senate Judiciary Committee
FROM: State Budget Division, Budget and Control Board
ANALYSTS: K. Earle Powell
DATE: March 27, 2012 SBD: 2012116

AUTHOR: Senator Lourie PRIMARY CODE CITE: 31-6-85
SUBJECT: Tax Increment Financing Act

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:
\$0 (No additional expenditures or savings are expected)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:
\$0 (No additional expenditures or savings are expected)

BILL SUMMARY:

Senate Bill 1167 amends the Code of Laws of South Carolina, 1976, regarding the tax increment financing law of a municipality. This Bill authorizes a municipality and one or more taxing entities to, at any time, provide by intergovernmental agreement that they shall participate in a redevelopment project on a partial and modified basis.

EXPLANATION OF IMPACT:

There is no fiscal impact on the General Fund of the State or on Federal and/or Other funds.

LOCAL GOVERNMENT IMPACT:

The State Budget Division surveyed municipalities in the FIST Network of local governments. Respondents indicate there is no fiscal impact on the municipalities in the State with the adoption of this Bill.

SPECIAL NOTES:

None.

Approved by:



Brenda Hart
Assistant Director, State Budget Division

South Carolina General Assembly
119th Session, 2011-2012

S. 1167

STATUS INFORMATION

General Bill

Sponsors: Senator Lourie

Document Path: I:\council\bill\ncbd\12069dg12.docx

Introduced in the Senate on February 1, 2012

Introduced in the House on April 17, 2012

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

Summary: Tax increment financing law

HISTORY OF LEGISLATIVE ACTIONS

Date	Body	Action Description with journal page number
2/1/2012	Senate	Introduced and read first time (Senate Journal-page 12)
2/1/2012	Senate	Referred to Committee on Judiciary (Senate Journal-page 12)
2/6/2012	Senate	Referred to Subcommittee: Campbell (ch), Cleary, Williams, Nicholson, Gregory
3/28/2012	Senate	Committee report: Favorable Judiciary (Senate Journal-page 14)
3/29/2012	Senate	Read second time (Senate Journal-page 18)
3/29/2012	Senate	Roll call Ayes-34 Nays-1 (Senate Journal-page 18)
3/29/2012		Scrivener's error corrected
4/10/2012	Senate	Read third time and sent to House (Senate Journal-page 15)
4/17/2012	House	Introduced and read first time (House Journal-page 8)
4/17/2012	House	Referred to Committee on Ways and Means (House Journal-page 8)

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VERSIONS OF THIS BILL

[2/1/2012](#)

[3/28/2012](#)

[3/29/2012](#)

1 ~~Indicates Matter Stricken~~
2 Indicates New Matter

3

4 COMMITTEE REPORT

5 March 28, 2012

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S. 1167

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Introduced by Senator Lourie

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11 S. Printed 3/28/12--S.

[SEC 3/29/12 4:38 PM]

12 Read the first time February 1, 2012.

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THE COMMITTEE ON JUDICIARY

16 To whom was referred a Bill (S. 1167) to amend the Code of
17 Laws of South Carolina, 1976, by adding Section 31-6-85 so as to
18 allow a municipality and one or more taxing districts to, etc.,
19 respectfully

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REPORT:

21 That they have duly and carefully considered the same and
22 recommend that the same do pass:

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24 PAUL G. CAMPBELL, JR. for Committee.

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STATEMENT OF ESTIMATED FISCAL IMPACT

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ESTIMATED FISCAL IMPACT ON GENERAL FUND

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EXPENDITURES:

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\$0 (No additional expenditures or savings are expected)

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ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER

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FUND EXPENDITURES:

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\$0 (No additional expenditures or savings are expected)

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EXPLANATION OF IMPACT:

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There is no fiscal impact on the General Fund of the State or on
36 federal and/or other funds.

[1167-1]

1 **LOCAL GOVERNMENT IMPACT:**

2 The State Budget Division surveyed municipalities in the FIST
3 Network of local governments. Respondents indicate there is no
4 fiscal impact on the municipalities in the state with the adoption of
5 this bill.

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Approved By:

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Brenda Hart

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Office of State Budget

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A BILL

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 31-6-85 SO AS TO ALLOW A MUNICIPALITY AND ONE OR MORE TAXING DISTRICTS TO PROVIDE BY INTERGOVERNMENTAL AGREEMENT FOR PARTIAL OR MODIFIED PARTICIPATION IN A REDEVELOPMENT PROJECT; AND TO AMEND SECTION 31-6-80, SO AS TO CLARIFY AN AMENDMENT TO THE TAX INCREMENT FINANCING LAW.

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

SECTION 1. The General Assembly finds and determines that the legislative findings contained in Section 31-6-20 of the 1976 Code remain true and correct as of the effective date of this act. The General Assembly further finds and determines that it would further the purposes of the Tax Increment Financing Law, Sections 31-6-10 et seq. of the 1976 Code, and would be in the public interest, to explicitly confirm the ability of municipalities and one or more taxing districts to provide by intergovernmental agreement for partial or modified participation in a redevelopment project. The General Assembly further finds that such intergovernmental agreements are consistent with and permissible under existing law, and accordingly the purpose of this act is to explicitly confirm the validity and enforceability of such intergovernmental agreements, whether entered into prior or subsequent to the effective date of this act. This act may not be construed to create a negative implication that any such intergovernmental agreement entered into prior to the effective date of this act is not valid or enforceable.

1 SECTION 2. Chapter 6, Title 31 of the 1976 Code is amended by
2 adding:

3
4 "Section 31-6-85. The municipality and one or more taxing
5 districts may at any time provide by intergovernmental agreement
6 that such taxing district or taxing districts will participate in a
7 redevelopment project on a partial or modified basis. Such
8 intergovernmental agreement shall become effective, and shall be
9 valid and enforceable for the entire duration thereof, upon its
10 approval by ordinance enacted by the municipality and by
11 ordinance or resolution, whichever is applicable, enacted or
12 approved by the affected taxing district or taxing districts."

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14 SECTION 3. The final two undesignated paragraphs of Section
15 31-6-80 of the 1976 Code are amended to read:

16
17 ~~"Prior to the adoption of an ordinance approving a~~
18 ~~redemption plan pursuant to Section 31-6-80, changes may be~~
19 ~~made in the redemption plan which do not alter the exterior~~
20 ~~boundaries or do not substantially affect the general land use~~
21 ~~established in the plan or substantially change the nature of the~~
22 ~~redemption project, without further hearing or notice, provided~~
23 ~~that notice of the changes is given by mail to each affected taxing~~
24 ~~district and by publication in a newspaper or newspapers of~~
25 ~~general circulation within the taxing districts not less than ten days~~
26 ~~prior to the adoption of the changes by ordinance. Notice of the~~
27 ~~adoption of the ordinance must be published by the municipality in~~
28 ~~a newspaper having general circulation in the affected taxing~~
29 ~~districts. Any interested party may, within twenty days after the~~
30 ~~date of publication of the notice of adoption of the redemption~~
31 ~~plan, but not afterwards, challenge the validity of such adoption by~~
32 ~~action de novo in the court of common pleas in the county in~~
33 ~~which the redemption plan is located.~~

34 ~~After adoption of an ordinance approving a redemption plan,~~
35 ~~any alteration in the exterior boundaries, general land uses~~
36 ~~established pursuant to the redemption plan, maximum term of~~
37 ~~maturity of obligations to be issued under the plan, the~~
38 ~~redemption project must be approved by resolution of each~~
39 ~~affected taxing district in accordance with the procedures provided~~
40 ~~in this chapter for the initial approval of a redemption project~~
41 ~~and designation of a redemption project area. If the~~
42 ~~redemption project or portion of it is to be located outside of~~
43 ~~the redemption project area, the municipality shall by~~

1 ~~resolution make a specific finding of benefit to the redevelopment~~
2 ~~project area and provide written notice to the affected taxing~~
3 ~~district. No further action is required of the municipality.~~

4 Prior to the adoption of an ordinance approving a redevelopment
5 plan pursuant to Section 31-6-80, changes may be made in the
6 redevelopment plan that do not add parcels to or expand the
7 exterior boundaries of the redevelopment project area, do not
8 change the proposed use of the proceeds of the obligations in
9 relationship to the redevelopment plan, and do not extend the
10 maximum amount or term of obligations to be issued under the
11 redevelopment plan, without further hearing or notice, provided
12 that notice of the changes is given by mail to each affected taxing
13 district and by publication in a newspaper or newspapers of
14 general circulation within the taxing districts not less than ten days
15 prior to the adoption of the changes by ordinance. Notice of the
16 adoption of the ordinance must be published by the municipality in
17 a newspaper having general circulation in the affected taxing
18 districts. Any interested party may, within twenty days after the
19 date of publication of the notice of adoption of the redevelopment
20 plan, but not afterwards, challenge the validity of such adoption by
21 action de novo in the court of common pleas in the county in
22 which the redevelopment plan is located.

23 Subsequent to the adoption of an ordinance approving a
24 redevelopment plan pursuant to Section 31-6-80, the municipality
25 may by ordinance make changes to the redevelopment plan that do
26 not add parcels to or expand the exterior boundaries of the
27 redevelopment project area, do not change the proposed use of the
28 proceeds of the obligations in relationship to the redevelopment
29 plan, and do not extend the maximum amount or term of
30 obligations to be issued under the redevelopment plan, in
31 accordance with the following procedures:

32 (a) The municipality must provide notice of the proposed
33 changes by mail to each affected taxing district. The proposed
34 changes shall become effective only with respect to affected taxing
35 districts that consent to such proposed changes by resolution of the
36 governing body of such taxing districts.

37 (b) The municipality must publish notice of the adoption of the
38 ordinance in a newspaper having general circulation in the affected
39 taxing districts. Any interested party may, within twenty days after
40 the date of publication of the notice of adoption of the
41 redevelopment plan, but not afterwards, challenge the validity of
42 such adoption by action de novo in the court of common pleas in
43 the county in which the redevelopment plan is located.

1 Subsequent to the adoption of an ordinance approving a
2 redevelopment plan pursuant to Section 31-6-80, the municipality
3 may by ordinance make changes to the redevelopment plan that
4 add parcels to or expand the exterior boundaries of the
5 redevelopment project area, change the proposed use of the
6 proceeds of the obligations in relationship to the redevelopment
7 plan, or extend the maximum amount or term of obligations to be
8 issued under the redevelopment plan, in accordance with the
9 procedures provided in this chapter for the initial approval of a
10 redevelopment project and designation of a redevelopment project
11 area.

12 If the redevelopment project or portion of it is to be located
13 outside of the redevelopment project area, the municipality shall
14 by resolution make a specific finding of benefit to the
15 redevelopment project area and provide written notice to the
16 affected taxing district. No further action is required of the
17 municipality.”

18
19 SECTION 4. If any section, subsection, paragraph, subparagraph,
20 sentence, clause, phrase, or word of this act is for any reason held
21 to be unconstitutional or invalid, such holding shall not affect the
22 constitutionality or validity of the remaining portions of this act,
23 the General Assembly hereby declaring that it would have passed
24 this act, and each and every section, subsection, paragraph,
25 subparagraph, sentence, clause, phrase, and word thereof,
26 irrespective of the fact that any one or more other sections,
27 subsections, paragraphs, subparagraphs, sentences, clauses,
28 phrases, or words hereof may be declared to be unconstitutional,
29 invalid, or otherwise ineffective.

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31 SECTION 5. This act takes effect upon approval by the Governor.

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