INTRODUCED

April 3, 2014

**H. 5024**

Introduced by Rep. Sellers

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Read the first time April 3, 2014.

**A** **BILL**

TO ALLOW THE BOARD OF TRUSTEES OF DENMARK‑OLAR SCHOOL DISTRICT NO. 2 TO IMPOSE A CAPITAL MILLAGE TO PROVIDE SCHOOL BUILDINGS IN THE DISTRICT, INCLUDING ANY ASSOCIATED LEASE PAYMENTS, AND TO MAKE FINDINGS THAT ILLUSTRATE THE UNIQUE ISSUES FACING THE DISTRICT.

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

SECTION 1. (A) The General Assembly finds:

(1) The Denmark‑Olar School District No. 2 was created by an Order of Consolidation of the Bamberg County Board of Education dated September 21, 1951. The district operates one high school, one middle school, and one elementary school. The high school was constructed in 1994 and represents the district’s newest education building. The middle school and the elementary school were constructed in 1954 and 1957, respectively. While every effort has been made to maintain the middle school and elementary school facilities, the facilities are significantly outdated and are no longer viable facilities for the growing needs of the district.

(2) The district was given an “average” rating with a “good” growth rating in the state’s 2013 report card. This represents a significant improvement from its “at‑risk” rating and “below‑average” growth rating in 2009. Despite recent academic success and signs of educational improvement, the district’s substandard facilities are viewed as a significant hindrance toward continued progress in the district.

(3) While we are mindful of the limitations of special legislation under the Constitution, we believe that the capital millage authorization provided below will allow the district’s facilities to be updated, improved, and/or replaced. Absent the implementation of capital millage, the district’s students will be substantially limited in their access to technology and other necessary learning tools and it is highly likely that recent progress will stall or even regress.

(4) The problems facing the district are unique in that the combination of low assessed value, facilities needs beyond those encountered by other school districts, and the need to reduce operating budget costs that are driven higher by the age of existing facilities warrants the use of a capital millage to afford the district an opportunity to address its needs with methods that are not needed by other school districts.

(B) The General Assembly further finds that all actions taken by the district under the provisions of this act serve and better influence the educational welfare of the students in the district.

SECTION 2. (A) For purposes of ad valorem taxation, the board of trustees of Denmark‑Olar School District No. 2 may impose a capital millage. Capital millage is separate and distinct from operating millage and debt service millage. The provisions of Section 6‑1‑320 of the 1976 Code, or any millage limitation set forth pursuant to a local act of the General Assembly, do not apply to capital millage.

(B) The proceeds of the capital millage must be used to provide school buildings in the district, including any lease payments associated therewith. The proceeds may not be used to issue bonds.

(C) For purposes of Section 11‑27‑110 of the 1976 Code, an enterprise financing agreement includes the use of capital millage levied pursuant to this section to pay amounts due under the financing agreement.

SECTION 3. This act takes effect upon approval by the Governor and capital millage may be imposed beginning in the first property tax year after 2014.

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