



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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**Bill Number:** H. 4995  
**Author:** Bernstein  
**Subject:** Tax Increment Financing System  
**Requestor:** House Ways and Means  
**RFA Analyst(s):** Jolliff  
**Impact Date:** February 29, 2016

**Estimate of Fiscal Impact**

	<b>FY 2016-17</b>	<b>FY 2017-18</b>
<b>State Expenditure</b>		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
<b>Local Expenditure</b>	Undetermined	\$0
<b>Local Revenue</b>	Undetermined	\$0

**Fiscal Impact Summary**

The bill is not expected to impact state expenditures or revenues for the General Fund, Federal Funds, or Other Funds.

Revenue and Fiscal Affairs is unable to determine the impact of the bill on local expenditures or revenues due to the permissive nature of the bill, which allows local jurisdictions to create a tax increment financing system for redevelopment in areas with infrastructure damaged in the October 2015 flooding.

**Explanation of Fiscal Impact**

**State Expenditure**

N/A

**State Revenue**

N/A

**Local Expenditure**

This bill authorizes counties and municipalities affected by the flooding in October 2015 to form a tax increment financing system to pay for redevelopment in areas with damaged infrastructure. The bill does not specify a definition of counties and municipalities affected by the October floods. We anticipate that the twenty-four counties designated by FEMA as eligible for disaster assistance resulting from the flooding will qualify. These counties are Bamberg, Berkeley, Calhoun, Charleston, Clarendon, Colleton, Darlington, Dorchester, Fairfield, Florence,

Georgetown, Greenville, Greenwood, Horry, Kershaw, Lee, Lexington, Marion, Newberry, Orangeburg, Richland, Spartanburg, Sumter, and Williamsburg.

For the tax increment financing system area, the county auditor must reassess property in the project area as it was affected by the October flooding. The difference in reassessed value and the estimated value of the property within the project area as improved by the redevelopment project must be used to pay the redevelopment project costs and obligations. The reassessed value is determined to be the property value as of December 31, 2015. Due to the permissive nature of the bill, we are unable to determine which local jurisdictions would implement a tax increment financing system and cannot determine the impact on local expenditures.

### **Local Revenue**

This bill authorizes counties and municipalities impacted by the flooding in October 2015 to create a tax increment financing system to repair infrastructure damaged by the flooding. Due to the permissive nature of the bill, we are unable to determine which local jurisdictions would implement a tax increment financing system and cannot determine the impact on local revenues.



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Frank A. Rainwater, Executive Director