



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: S. 261 Introduced on January 18, 2017
Author: Alexander
Subject: SC Commercial-Property Assessed Clean Energy Act
Requestor: Senate Judiciary
RFA Analyst(s): Heineman
Impact Date: February 7, 2017

Estimate of Fiscal Impact

	FY 2017-18	FY 2018-19
State Expenditure		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Full-Time Equivalent Position(s)	0.00	0.00
State Revenue		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Local Expenditure	Undetermined	\$0
Local Revenue	Undetermined	\$0

Fiscal Impact Summary

Due to the permissive nature of this bill, the expenditure and revenue impact on local governments is undetermined.

Explanation of Fiscal Impact

Introduced on January 18, 2017

State Expenditure

N/A

State Revenue

N/A

Local Expenditure

This bill allows a governing body to establish a district by ordinance for the purpose of promoting, encouraging, and facilitating clean energy improvements within its geographic boundaries. The clean energy improvements must be for use at a qualifying real property, which is defined as a commercial property including industrial, agricultural, and nonprofit owned buildings and multifamily dwellings consisting of five or more units. The governing body has the authority to impose an assessment on the qualifying real property whose owners have voluntarily executed a written agreement consenting to the inclusion of their property within the district and a written financing agreement for the purpose of financing the clean energy improvements. The assessment must include, but not be limited to, an amount up to one hundred percent of a project's unpaid costs. The assessments shall constitute a lien against the qualifying real property. The lien related to delinquent assessments shall have priority over any mortgage.

Due to the permissive nature of this bill, the expenditure impact on local governments will depend upon the number of districts established by ordinance and the number of property owners who decide to volunteer their properties for the clean energy improvements. Therefore, the expenditure impact on local governments is undetermined.

Local Revenue

The clean energy improvements may be financed with revenue bonds, with funds provided directly by a bank or other financial institution or lender, or with any other legally available funds. The revenue bonds can be issued by the participating governing body or any other qualified issuer of municipal revenue bonds, provided that such revenue bonds must be secured solely by the assessments collected from properties whose owners have voluntarily entered into assessment contracts.

Due to the permissive nature of this bill, the revenue impact on local governments will depend upon the number of districts established by ordinance and the number of property owners who decide to volunteer their properties for the clean energy improvements. Therefore, the revenue impact on local governments is undetermined.



Frank A. Rainwater, Executive Director