~~Indicates Matter Stricken~~

Indicates New Matter

COMMITTEE REPORT

April 9, 2019

**H. 3137**

Introduced by Reps. G.M. Smith, Lucas, Ott, Stavrinakis, Simrill, Rutherford, Pope, Clyburn, S. Williams, Cobb‑Hunter, Bailey, Erickson, Bradley, Yow, Forrest, Kirby, Sottile, Murphy, Chellis, Kimmons, Rose, Wheeler, Young, Clemmons, Cogswell, Gilliard, B. Newton, Anderson, Jefferson, Bales, Blackwell, McDaniel, Moore, R. Williams and Henderson‑Myers

S. Printed 4/9/19--S.

Read the first time February 5, 2019.

**THE COMMITTEE ON FINANCE**

To whom was referred a Bill (H. 3137) to amend Chapter 27, Title 6, Code of Laws of South Carolina, 1976, relating to the State Aid to Subdivisions Act, so as to change the name, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass with amendment:

Amend the bill, as and if amended, SECTION 1, by striking Section 6‑27‑30 and inserting:

/ Section 6‑27‑30. (A) In the annual general appropriations act, ~~an amount equal to not less than four and one‑half percent of general fund revenues of the latest completed fiscal year must be appropriated~~ the General Assembly must appropriate funds to the Local Government Fund.

(B)(1) In any fiscal year in which general fund revenues are projected to increase or decrease, the appropriation to the Local Government Fund for the upcoming fiscal year must be adjusted by the same projected percentage change, but not to exceed five percent, when compared to the appropriation in the current fiscal year. For purposes of this subsection, beginning with the initial forecast required pursuant to Section 11‑9‑1130, the percentage adjustment in general fund revenues must be determined by the Revenue and Fiscal Affairs Office by comparing the current fiscal year’s recurring general fund expenditure base with the Board of Economic Advisors’ most recent projection of recurring general fund revenue for the upcoming fiscal year. Upon the issuance of the initial forecast, the Executive Director of the Revenue and Fiscal Affairs Office, or his designee, shall notify the Chairman of the Senate Finance Committee, the Chairman of the House Ways and Means Committee, and the Governor of the projected percentage adjustment. The executive director, or his designee, shall provide similar notice if subsequent modifications to the forecast change the projected percentage adjustment. However, the forecast in effect on February fifteenth of the current fiscal year is the final forecast for which the percentage adjustment is determined, and no subsequent forecast modifications shall have any effect on that determination.

(2) The Governor shall include the appropriation required by this chapter to the Local Government Fund in the Executive Budget.

(3) The Revenue and Fiscal Affairs Office shall determine the current fiscal year’s recurring general fund expenditure base, and determine any projected adjustment in general fund revenues. If a change is projected, the appropriation for the upcoming fiscal year must be adjusted accordingly.

(C) For purposes of this section:

(1) ‘Recurring general fund revenue’ means the forecast of recurring general fund revenues pursuant to Section 11‑9‑1130 after the amount apportioned to the Trust Fund for Tax Relief, as required in Section 11‑11‑150, is deducted.

(2) ‘Recurring general fund expenditure base’ means the total recurring general fund appropriations authorized in the current general appropriations act less any reduced appropriations mandated by the General Assembly or the Executive Budget Office pursuant to Section 11‑9‑1140(B). /

Amend the bill further, by striking SECTION 2 and inserting:

/ SECTION 2. This act takes effect upon approval by the Governor and first applies to for the annual general appropriations bill process for Fiscal Year 2020-2021. /

Renumber sections to conform.

Amend title to conform.

HUGH K. LEATHERMAN, SR. for Committee.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

**Explanation of Fiscal Impact**

**Amended by the House of Representatives on January 23, 2019Local Revenue**

This bill amends the State Aid to Subdivisions Act by removing a provision regarding mid-year cuts. Additionally, the requirement that the Local Government Fund receive no less than four and one-half percent of the General Fund revenues of the latest completed fiscal year is removed. The bill provides that in any fiscal year in which General Fund revenues are projected to increase, the appropriation to the Local Government Fund must also increase by the same projected percentage, not to exceed 5 percent. This proposal requires the percentage increase in General Fund revenues to be calculated by comparing the current year’s recurring General Fund Expenditure base with the Board of Economic Advisors’ (BEA) most recent projection of recurring General Fund revenue for the upcoming fiscal year. Current law requires that 83.278 percent of the fund be distributed to counties and 16.722 percent distributed to municipalities.

The provisions of this bill would take effect in FY 2020-21. The revenue impact of this bill in FY 2020-21 is undetermined, as the amount of the recurring General Fund expenditure base and BEA forecast of recurring General Fund revenue for FY 2020-21 are undetermined.

If the bill was applied to the general appropriations process for FY 2019-20, the November 8, 2018, BEA forecast estimates the growth in General Fund revenue over the preliminary expenditure base for FY 2019-20 will exceed five percent, with an estimated 6.06 percent growth. We anticipate FY 2019-20 county distributions to total $183,080,311 and municipal distributions to total $37,226,418 based on current funding levels. Fifty cents per capita, or $2,312,682, is withheld from the county allocation pursuant to Section 44-6-146 for Medicaid services. Under this proposal, with the 5 percent increase and the modified allocations, we calculate county distributions will total $192,349,961, and municipal distributions will total $39,087,740 in FY 2019-20. Again, the fifty cents per capita, or $2,312,682, will be withheld from the county allocation. Therefore, we estimate that an additional $9,269,650 will be distributed to counties, and an additional $1,851,635 will be distributed to municipalities. This amounts to an additional $11,121,285 in local revenue in FY 2019-20.

The attached tables show the FY 2019-20 estimated distributions by county and municipality under current statute and this proposal.

**Local Revenue**

This bill amends the State Aid to Subdivisions Act by changing the name of the Local Government Fund to the Local Government Revenue Sharing Fund and deleting the provision regarding mid-year cuts. Additionally, the requirement that the Local Government Fund receive no less than four and one-half percent of the General Fund revenues of the latest completed fiscal year is removed. The bill provides that in any fiscal year in which General Fund revenues are projected to increase, the appropriation to the Local Government Revenue Sharing Fund must also increase by the same projected percentage, not to exceed 5 percent. This proposal requires the percentage increase in General Fund revenues to be calculated by comparing the current year’s recurring General Fund Expenditure base with the Board of Economic Advisors’ (BEA) most recent projection of recurring General Fund revenue for the upcoming fiscal year. Additionally, this proposal changes the allocation percentages for county and municipal distributions. Current law requires that 83.278 percent of the fund be distributed to counties and 16.722 percent distributed to municipalities. This bill changes the county distribution to 83 percent and the municipal distribution to 17 percent.

The provisions of this bill would take effect in FY 2020-21. The revenue impact of this bill in FY 2020-21 is undetermined, as the amount of the recurring General Fund expenditure base and BEA forecast of recurring General Fund revenue for FY 2020-21 are undetermined.

If the bill was applied to the general appropriations process for FY 2019-20, the November 8, 2018, BEA forecast estimates the growth in General Fund revenue over the preliminary expenditure base for FY 2019-20 will exceed five percent, with an estimated 6.06 percent growth. We anticipate FY 2019-20 county distributions to total $183,080,311 and municipal distributions to total $37,226,418 based on current funding levels. Fifty cents per capita, or $2,312,682, is withheld from the county allocation pursuant to Section 44-6-146 for Medicaid services. Under this proposal, with the 5 percent increase and the modified allocations, we calculate county distributions will total $191,700,135, and municipal distributions will total $39,737,565 in FY 2019-20. Again, the fifty cents per capita, or $2,312,682, will be withheld from the county allocation. Therefore, we estimate that an additional $8,619,824 will be distributed to counties, and an additional $2,511,147 will be distributed to municipalities. This amounts to an additional $11,130,971 in local revenue in FY 2019-20.

The attached tables show the FY 2019-20 estimated distributions by county and municipality under current statute and this proposal.

County Local Government Fund Estimates ‐ FY 2019‐20

Revenue Distribution: 83.278% counties; 16.722% municipalities; Revenue Growth: 5%

COUNTY FY 2019‐20 FY 2019‐20 DIFFERENCE BETWEEN FY 2019‐20 DIFFERENCE BETWEEN

STATUTORY ESTIMATED FY 2019‐20 ESTIMATED PROPOSED PROPOSED LEGISLATION

FORMULA APPROPRIATION APPROPRIATION AND LEGISLATION FY 2019‐20 ESTIMATED

FY 2019‐20 STATUTORY ESTIMATE (5%) APPROPRIATION

FORMULA

ABBEVILLE $1,660,327 $1,006,045 ($654,283) $1,056,982 $50,938

AIKEN $10,458,227 $6,336,995 ($4,121,232) $6,657,847 $320,852

ALLENDALE $680,606 $412,388 ($268,217) $433,268 $20,880

ANDERSON $12,223,725 $7,406,770 ($4,816,955) $7,781,787 $375,017

BAMBERG $1,044,327 $632,780 ($411,547) $664,819 $32,039

BARNWELL $1,477,683 $895,372 ($582,310) $940,707 $45,334

BEAUFORT $10,597,628 $6,421,469 ($4,176,159) $6,746,598 $325,129

BERKELEY $11,617,327 $7,039,346 ($4,577,981) $7,395,760 $356,413

CALHOUN $991,284 $600,650 ($390,634) $631,062 $30,412

CHARLESTON $22,876,878 $13,861,907 ($9,014,971) $14,563,758 $701,851

CHEROKEE $3,623,299 $2,195,543 ($1,427,755) $2,306,641 $111,098

CHESTER $2,164,821 $1,311,734 ($853,087) $1,378,149 $66,415

CHESTERFIELD $3,052,828 $1,849,807 ($1,203,022) $1,943,465 $93,659

CLARENDON $2,284,428 $1,384,215 ($900,213) $1,454,300 $70,085

COLLETON $2,540,562 $1,539,412 ($1,001,149) $1,617,355 $77,943

DARLINGTON $4,486,483 $2,718,504 ($1,767,979) $2,856,147 $137,642

DILLON $2,094,402 $1,269,058 ($825,344) $1,333,312 $64,254

DORCHESTER $8,920,251 $5,405,080 ($3,515,171) $5,678,748 $273,668

EDGEFIELD $1,762,755 $1,068,109 ($694,646) $1,122,189 $54,080

FAIRFIELD $1,564,890 $948,209 ($616,680) $996,219 $48,009

FLORENCE $8,941,807 $5,418,152 ($3,523,656) $5,692,482 $274,330

GEORGETOWN $3,929,731 $2,381,16 ($1,548,570) $2,501,723 $120,562

GREENVILLE $29,475,597 $17,860,290 ($11,615,307) $18,764,585 $904,295

GREENWOOD $4,550,500 $2,757,299 ($1,793,201) $2,896,906 $139,606

HAMPTON $1,377,673 $834,773 ($542,900) $877,039 $42,266

HORRY $17,591,031 $10,659,009 ($6,932,022) $11,198,691 $539,683

JASPER $1,618,520 $980,706 ($637,814) $1,030,361 $49,655

KERSHAW $4,022,099 $2,437,066 ($1,585,033) $2,560,524 $123,458

LANCASTER $5,007,177 $3,034,025 ($1,973,152) $3,187,643 $153,618

LAURENS $4,346,430 $2,633,647 ($1,712,783) $2,766,993 $133,346

LEE $1,255,518 $760,754 ($494,764) $799,272 $38,518

LEXINGTON $17,140,299 $10,385,908 ($6,754,391) $10,911,763 $525,855

MCCORMICK $668,455 $405,028 ($263,427) $425,536 $20,507

MARION $2,159,726 $1,308,640 ($851,086) $1,374,898 $66,259

MARLBORO $1,890,005 $1,145,204 ($744,801) $1,203,187 $57,984

NEWBERRY $2,450,154 $1,484,616 ($965,538) $1,559,785 $75,169

OCONEE $4,851,772 $2,939,849 ($1,911,924) $3,088,698 $148,849

ORANGEBURG $6,042,489 $3,661,350 ($2,381,139) $3,846,730 $185,380

PICKENS $7,788,129 $4,719,096 ($3,069,033) $4,958,032 $238,935

RICHLAND $25,117,147 $15,219,356 ($9,897,791) $15,989,937 $770,580

SALUDA $1,298,305 $786,678 ($511,627) $826,508 $39,831

SPARTANBURG $18,571,929 $11,253,379 ($7,318,550) $11,823,156 $569,777

SUMTER $7,019,402 $4,253,303 ($2,766,099) $4,468,655 $215,352

UNION $1,891,834 $1,146,321 ($745,513) $1,204,361 $58,040

WILLIAMSBURG $2,248,631 $1,362,520 ($886,111) $1,431,507 $68,987

YORK $14,767,880 $8,948,788 ($5,819,092) $9,401,879 $453,091

TOTAL $302,144,970 $183,080,311 ($119,064,659) $192,349,961 $9,269,650

Notes: Statutory formula amounts are based upon the fully funded formula pursuant to Section 6‐27‐40. FY 2019‐20 estimated appropriations are based upon FY 2018‐19 recurring funds of $222,619,411 as ratified by the General Assembly on June 29, 2018. Fifty cents per capita is withheld from the portion of the Local Government Fund allotted to counties pursuant to Section 44‐6‐146 for Medicaid services. This amount totaled

$2,312,682 for FY 2018‐19. Of the $222,619,411, the current county allocation is 83.278%, which results in a distribution of $183,080,311. Under this proposal, the county allocation is $192,349,961.

Municipal Local Government Fund Estimates ‐ FY 2019‐20

Revenue Distribution: 83.278% counties; 16.722% municipalities; Revenue Growth: 5%

MUNICIPALITY FY 2019‐20 FY 2019‐20 DIFFERENCE BETWEEN FY 2019‐20 DIFFERENCE BETWEEN

STATUTORY ESTIMATED FY 2019‐20 ESTIMATED PROPOSED PROPOSED LEGISLATION

FORMULA APPROPRIATION APPROPRIATION AND LEGISLATION AND FY 2019‐20 ESTIMATED

FY 2019‐20 STATUTORY ESTIMATE (5%) APPROPRIATION

FORMULA

Abbeville city $194,208 $118,414 ($75,921) $124,172 $5,885

Aiken city $1,094,862 $667,569 ($427,999) $700,028 $33,165

Allendale town $129,126 $78,732 ($50,478) $82,560 $3,912

Anderson city $989,618 $603,398 ($386,856) $632,737 $29,975

Andrews town $106,097 $64,690 ($41,475) $67,836 $3,214

Arcadia Lakes town $31,929 $19,468 ($12,482) $20,415 $968

Atlantic Beach town $12,386 $7,552 ($4,844) $7,919 $377

Awendaw town $47,986 $29,259 ($18,760) $30,681 $1,455

Aynor town $20,767 $12,662 ($8,121) $13,278 $632

Bamberg town $133,761 $81,558 ($52,291) $85,524 $4,054

Barnwell city $176,148 $107,402 ($68,862) $112,625 $5,338

Batesburg‐Leesville $198,843 $121,240 ($77,731) $127,135 $6,023

Beaufort city $458,393 $279,495 ($179,195) $293,085 $13,887

Belton city $153,304 $93,474 ($59,929) $98,019 $4,644

Bennettsville city $336,313 $205,060 ($131,471) $215,030 $10,188

Bethune town $12,386 $7,552 ($4,844) $7,919 $377

Bishopville city $128,718 $78,483 ($50,319) $82,299 $3,900

Blacksburg town $68,531 $41,785 ($26,793) $43,817 $2,079

Blackville town $89,224 $54,402 ($34,881) $57,047 $2,704

Blenheim town $5,711 $3,482 ($2,234) $3,651 $174

Bluffton town $478,121 $291,524 ($186,907) $305,699 $14,484

Blythewood town $75,428 $45,991 ($29,487) $48,227 $2,286

Bonneau town $18,060 $11,012 ($7,063) $11,547 $550

Bowman town $35,897 $21,887 ($14,034) $22,952 $1,089

Branchville town $37,974 $23,154 ($14,845) $24,280 $1,151

Briarcliffe Acres town $16,947 $10,333 ($6,628) $10,836 $517

Brunson town $20,544 $12,527 ($8,033) $13,136 $624

Burnettown town $99,125 $60,439 ($38,751) $63,378 $3,004

Calhoun Falls town $74,316 $45,313 ($29,052) $47,516 $2,252

Camden city $253,579 $154,614 ($99,130) $162,132 $7,683

Cameron town $15,724 $9,587 ($6,149) $10,053 $479

Campobello town $18,616 $11,351 ($7,281) $11,903 $567

Carlisle town $16,169 $9,858 ($6,322) $10,338 $491

Cayce city $464,586 $283,271 ($181,613) $297,045 $14,072

Central town $191,315 $116,650 ($74,789) $122,322 $5,796

Central Pacolet town $8,010 $4,884 ($3,133) $5,121 $245

Chapin town $53,586 $32,673 ($20,950) $34,262 $1,625

Charleston city $4,453,134 $2,715,202 ($1,740,788) $2,847,223 $134,877

Cheraw town $216,977 $132,297 ($84,820) $138,730 $6,572

Chesnee city $32,189 $19,626 ($12,585) $20,581 $977

Chester city $207,929 $126,780 ($81,285) $132,945 $6,300

Chesterfield town $54,587 $33,283 ($21,340) $34,902 $1,655

Clemson city $515,650 $314,407 ($201,575) $329,694 $15,618

Clinton city $314,842 $191,968 ($123,077) $201,302 $9,537

Clio town $26,923 $16,416 ($10,525) $17,214 $816

Clover town $188,905 $115,181 ($73,846) $120,781 $5,722

Municipal Local Government Fund Estimates ‐ FY 2019‐20

Revenue Distribution: 83.278% counties; 16.722% municipalities; Revenue Growth: 5%

MUNICIPALITY FY 2019‐20 FY 2019‐20 DIFFERENCE BETWEEN FY 2019‐20 DIFFERENCE BETWEEN

STATUTORY ESTIMATED FY 2019‐20 ESTIMATED PROPOSED PROPOSED LEGISLATION

FORMULA APPROPRIATION APPROPRIATION AND LEGISLATION AND FY 2019‐20 ESTIMATED

FY 2019‐20 STATUTORY ESTIMATE (5%) APPROPRIATION

FORMULA

Columbia city $4,793,898 $2,922,975 ($1,873,999) $3,065,099 $145,200

Conway city $634,244 $386,717 ($247,935) $405,520 $19,210

Cope town $2,855 $1,741 ($1,117) $1,826 $87

Cordova town $6,267 $3,821 ($2,451) $4,007 $191

Cottageville town $28,258 $17,230 ($11,048) $18,067 $858

Coward town $27,887 $17,004 ($10,904) $17,830 $848

Cowpens town $80,175 $48,885 ($31,342) $51,262 $2,428

Cross Hill town $18,801 $11,464 ($7,351) $12,021 $570

Darlington city $233,220 $142,201 ($91,171) $149,115 $7,067

Denmark city $131,203 $79,998 ($51,292) $83,888 $3,977

Dillon city $251,725 $153,484 ($98,404) $160,947 $7,626

Donalds town $12,905 $7,869 ($5,047) $8,251 $393

Due West town $46,244 $28,196 ($18,078) $29,567 $1,401

Duncan town $117,964 $71,926 ($46,117) $75,423 $3,576

Easley city $741,417 $452,063 ($289,830) $474,043 $22,457

Eastover town $30,149 $18,383 ($11,789) $19,277 $917

Edgefield town $187,718 $114,457 ($73,385) $120,022 $5,689

Edisto Beach town $15,353 $9,361 ($6,005) $9,816 $469

Ehrhardt town $20,211 $12,323 ($7,904) $12,922 $615

Elgin town $48,617 $29,643 ($19,007) $31,084 $1,475

Elko town $7,157 $4,364 ($2,798) $4,576 $217

Elloree town $25,662 $15,647 ($10,034) $16,408 $780

Estill town $75,651 $46,127 ($29,576) $48,369 $2,294

Eutawville town $11,681 $7,122 ($4,567) $7,469 $355

Fairfax town $75,095 $45,787 ($29,358) $48,014 $2,277

Florence city $1,374,177 $837,875 ($537,186) $878,615 $41,624

Folly Beach city $97,048 $59,173 ($37,940) $62,050 $2,942

Forest Acres city $384,225 $234,273 ($150,201) $245,664 $11,640

Fort Lawn town $33,190 $20,237 ($12,976) $21,221 $1,007

Fort Mill town $400,913 $244,448 ($156,723) $256,334 $12,143

Fountain Inn city $289,217 $176,344 ($113,061) $184,918 $8,762

Furman town $8,863 $5,404 ($3,465) $5,667 $269

Gaffney city $464,994 $283,520 ($181,775) $297,305 $14,087

Gaston town $61,003 $37,195 ($23,847) $39,004 $1,848

Georgetown city $339,799 $207,185 ($132,835) $217,259 $10,295

Gifford town $10,680 $6,512 ($4,177) $6,829 $325

Gilbert town $20,952 $12,775 ($8,191) $13,396 $635

Goose Creek city $1,332,718 $812,596 ($520,977) $852,107 $40,366

Govan town $2,410 $1,470 ($944) $1,541 $74

Gray Court town $29,482 $17,976 ($11,527) $18,850 $896

Great Falls town $73,389 $44,747 ($28,691) $46,923 $2,225

Greeleyville town $16,243 $9,904 ($6,352) $10,385 $494

Greenville city $2,166,028 $1,320,689 ($846,731) $1,384,904 $65,608

Greenwood city $861,160 $525,074 ($336,640) $550,604 $26,084

Greer city $946,193 $576,921 ($369,880) $604,972 $28,659

Hampton town $104,131 $63,492 ($40,709) $66,579 $3,156

Municipal Local Government Fund Estimates ‐ FY 2019‐20

Revenue Distribution: 83.278% counties; 16.722% municipalities; Revenue Growth: 5%

MUNICIPALITY FY 2019‐20 FY 2019‐20 DIFFERENCE BETWEEN FY 2019‐20 DIFFERENCE BETWEEN

STATUTORY ESTIMATED FY 2019‐20 ESTIMATED PROPOSED PROPOSED LEGISLATION

FORMULA APPROPRIATION APPROPRIATION AND LEGISLATION AND FY 2019‐20 ESTIMATED

FY 2019‐20 STATUTORY ESTIMATE (5%) APPROPRIATION

FORMULA

Hanahan city $667,397 $406,931 ($260,896) $426,717 $20,216

Hardeeville city $109,471 $66,748 ($42,795) $69,993 $3,317

Harleyville town $25,106 $15,308 ($9,817) $16,052 $763

Hartsville city $287,919 $175,552 ($112,552) $184,088 $8,722

Heath Springs town $29,296 $17,863 ($11,454) $18,731 $889

Hemingway town $17,021 $10,378 ($6,658) $10,883 $519

Hickory Grove town $16,317 $9,949 ($6,381) $10,433 $497

Hilda town $16,576 $10,107 ($6,481) $10,599 $503

Hilton Head Island $1,375,772 $838,847 ($537,809) $879,634 $41,671

Hodges town $5,748 $3,505 ($2,249) $3,675 $176

Holly Hill town $47,356 $28,874 ($18,513) $30,278 $1,435

Hollywood town $174,813 $106,588 ($68,338) $111,771 $5,296

Honea Path town $133,390 $81,332 ($52,148) $85,287 $4,044

Inman city $86,072 $52,480 ($33,649) $55,032 $2,610

Irmo town $411,519 $250,915 ($160,870) $263,115 $12,466

Isle of Palms city $153,267 $93,451 ($59,915) $97,995 $4,643

Iva town $45,168 $27,540 ($17,658) $28,879 $1,369

Jackson town $63,042 $38,439 ($24,647) $40,308 $1,912

James Island $427,354 $260,570 ($167,059) $273,239 $12,945

Jamestown town $2,670 $1,628 ($1,047) $1,707 $84

Jefferson town $27,924 $17,026 ($10,919) $17,854 $849

Jenkinsville town $1,706 $1,040 ($667) $1,091 $52

Johnsonville city $54,884 $33,464 ($21,458) $35,091 $1,666

Johnston town $87,592 $53,407 ($34,243) $56,004 $2,655

Jonesville town $33,783 $20,599 ($13,208) $21,600 $1,025

Kershaw town $66,862 $40,768 ($26,140) $42,750 $2,028

Kiawah Island town $60,298 $36,766 ($23,574) $38,553 $1,829

Kingstree town $123,415 $75,250 ($48,247) $78,908 $3,741

Kline town $7,306 $4,454 ($2,857) $4,671 $222

Lake City city $247,534 $150,929 ($96,767) $158,267 $7,500

Lake View town $29,927 $18,247 ($11,701) $19,134 $908

Lamar town $36,676 $22,362 ($14,340) $23,450 $1,114

Lancaster city $316,177 $192,782 ($123,601) $202,155 $9,579

Landrum city $88,111 $53,724 ($34,446) $56,336 $2,670

Lane town $18,839 $11,486 ($7,365) $12,045 $572

Latta town $51,139 $31,181 ($19,991) $32,697 $1,549

Laurens city $338,909 $206,642 ($132,485) $216,690 $10,266

Lexington town $662,688 $404,059 ($259,056) $423,706 $20,075

Liberty town $121,227 $73,916 ($47,392) $77,510 $3,675

Lincolnville town $42,238 $25,754 ($16,515) $27,006 $1,283

Little Mountain town $10,791 $6,580 ($4,221) $6,900 $329

Livingston town $5,043 $3,075 ($1,972) $3,225 $153

Lockhart town $18,097 $11,034 ($7,078) $11,571 $552

Lodge town $4,450 $2,713 ($1,740) $2,845 $135

Loris city $88,853 $54,176 ($34,737) $56,810 $2,694

Lowndesville town $4,747 $2,894 ($1,858) $3,035 $146

Municipal Local Government Fund Estimates ‐ FY 2019‐20

Revenue Distribution: 83.278% counties; 16.722% municipalities; Revenue Growth: 5%

MUNICIPALITY FY 2019‐20 FY 2019‐20 DIFFERENCE BETWEEN FY 2019‐20 DIFFERENCE BETWEEN

STATUTORY ESTIMATED FY 2019‐20 ESTIMATED PROPOSED PROPOSED LEGISLATION

FORMULA APPROPRIATION APPROPRIATION AND LEGISLATION AND FY 2019‐20 ESTIMATED

FY 2019‐20 STATUTORY ESTIMATE (5%) APPROPRIATION

FORMULA

Lowrys town $7,417 $4,522 ($2,901) $4,742 $227

Luray town $4,710 $2,872 ($1,843) $3,011 $145

Lyman town $120,263 $73,328 ($47,012) $76,893 $3,643

Lynchburg $13,832 $8,434 ($5,408) $8,844 $420

McBee town $32,152 $19,604 ($12,571) $20,557 $976

McClellanville $18,505 $11,283 ($7,236) $11,832 $563

McColl town $80,620 $49,156 ($31,519) $51,547 $2,445

McConnells $9,456 $5,766 ($3,697) $6,046 $287

McCormick $103,204 $62,927 ($40,347) $65,986 $3,129

Manning city $152,340 $92,886 ($59,553) $97,403 $4,616

Marion city $257,325 $156,898 ($100,594) $164,527 $7,796

Mauldin city $848,811 $517,544 ($331,814) $542,709 $25,712

Mayesville town $27,108 $16,529 ($10,598) $17,332 $822

Meggett town $45,465 $27,721 ($17,776) $29,069 $1,380

Moncks Corner $292,406 $178,288 ($114,307) $186,957 $8,858

Monetta town $8,752 $5,336 ($3,425) $5,596 $269

Mount Croghan $7,231 $4,409 ($2,827) $4,624 $220

Mount Pleasant $2,515,877 $1,534,001 ($983,492) $1,608,589 $76,204

Mullins city $172,922 $105,435 ($67,601) $110,562 $5,241

Myrtle Beach $1,005,305 $612,963 ($392,990) $642,767 $30,452

Neeses town $13,869 $8,457 ($5,423) $8,868 $421

Newberry town $381,110 $232,374 ($148,981) $243,672 $11,543

New Ellenton $76,096 $46,398 ($29,749) $48,654 $2,307

Nichols town $13,647 $8,321 ($5,338) $8,725 $417

Ninety Six $74,093 $45,177 ($28,968) $47,374 $2,248

Norris town $30,149 $18,383 ($11,789) $19,277 $917

North town $27,961 $17,049 ($10,934) $17,878 $850

North Augusta $791,665 $482,701 ($309,475) $506,171 $23,981

North Char. $3,614,596 $2,203,921 ($1,412,995) $2,311,082 $109,482

North Myrtle

\Beach $509,976 $310,947 ($199,359) $326,066 $15,449

Norway town $12,497 $7,620 ($4,888) $7,990 $381

Olanta town $20,878 $12,730 ($8,162) $13,349 $632

Olar town $9,531 $5,811 ($3,727) $6,094 $290

Orangeburg city $517,838 $315,741 ($202,430) $331,093 $15,685

Pacolet town $82,882 $50,536 ($32,403) $52,993 $2,514

Pageland town $102,351 $62,406 ($40,012) $65,441 $3,102

Pamplico town $45,465 $27,721 ($17,776) $29,069 $1,380

Parksville town $4,339 $2,645 ($1,699) $2,774 $135

Patrick town $13,016 $7,936 ($5,091) $8,322 $397

Pawleys Island town $3,820 $2,329 ($1,497) $2,442 $119

Paxville town $6,861 $4,183 ($2,684) $4,386 $210

Peak town $2,373 $1,447 ($929) $1,517 $73

Pelion town $24,994 $15,240 ($9,773) $15,981 $759

Pelzer town $3,300 $2,012 ($1,290) $2,110 $100

Pendleton town $109,916 $67,019 ($42,968) $70,278 $3,330

Perry town $8,641 $5,268 ($3,380) $5,525 $264

Municipal Local Government Fund Estimates ‐ FY 2019‐20

Revenue Distribution: 83.278% counties; 16.722% municipalities; Revenue Growth: 5%

MUNICIPALITY FY 2019‐20 FY 2019‐20 DIFFERENCE BETWEEN FY 2019‐20 DIFFERENCE BETWEEN

STATUTORY ESTIMATED FY 2019‐20 ESTIMATED PROPOSED PROPOSED LEGISLATION

FORMULA APPROPRIATION APPROPRIATION AND LEGISLATION AND FY 2019‐20 ESTIMATED

FY 2019‐20 STATUTORY ESTIMATE (5%) APPROPRIATION

FORMULA

Pickens town $115,924 $70,682 ($45,317) $74,119 $3,512

Pine Ridge town $76,541 $46,669 ($29,922) $48,938 $2,320

Pinewood town $19,951 $12,165 ($7,800) $12,756 $606

Plum Branch t $3,041 $1,854 ($1,191) $1,944 $94

Pomaria town $6,638 $4,047 ($2,595) $4,244 $201

Port Royal town $395,981 $241,441 ($154,795) $253,180 $11,994

Prosperity town $43,759 $26,681 ($17,109) $27,978 $1,328

Quinby town $34,562 $21,073 ($13,514) $22,098 $1,050

Ravenel town $91,412 $55,736 ($35,736) $58,446 $2,770

Reevesville town $7,268 $4,432 ($2,842) $4,647 $221

Reidville town $22,287 $13,589 ($8,715) $14,250 $677

Richburg town $10,198 $6,218 ($3,989) $6,520 $311

Ridgeland town $149,670 $16,664 ($58,510) $95,695 $4,535

Ridge Spring town $27,331 $91,258 ($10,687) $17,475 $831

Ridgeville town $73,389 $44,747 ($28,691) $46,923 $2,225

Ridgeway town $11,830 $7,213 ($4,626) $7,564 $360

Rock Hill city $2,453,242 $1,495,811 ($959,007) $1,568,542 $74,307

Rockville town $4,969 $3,030 ($1,943) $3,178 $152

Rowesville town $11,273 $6,874 ($4,409) $7,208 $343

Ruby town $13,350 $8,140 ($5,220) $8,536 $406

St. George $77,283 $47,121 ($30,214) $49,413 $2,344

St. Matthews town $74,946 $45,697 ($29,299) $47,919 $2,272

St. Stephen town $62,931 $38,371 ($24,603) $40,237 $1,908

Salem town $5,006 $3,052 ($1,957) $3,201 $152

Salley town $14,759 $8,999 ($5,773) $9,437 $450

Saluda town $132,204 $80,608 ($51,683) $84,528 $4,007

Santee town $35,638 $21,729 ($13,935) $22,786 $1,083

Scotia town $7,973 $4,861 ($3,119) $5,098 $243

Scranton town $34,562 $21,073 ($13,514) $22,098 $1,050

Seabrook Island $63,562 $38,755 ($24,850) $40,640 $1,928

Sellers town $8,121 $4,952 ($3,178) $5,193 $249

Seneca city $300,453 $183,195 ($117,452) $192,102 $9,101

Sharon town $18,319 $11,170 ($7,163) $11,713 $556

Silverstreet town $6,008 $3,663 ($2,352) $3,841 $185

Simpsonville city $676,334 $412,380 ($264,391) $432,431 $20,488

Six Mile town $25,032 $15,262 ($9,787) $16,005 $760

Smoaks town $4,673 $2,849 ($1,828) $2,988 $143

Smyrna town $1,669 $1,018 ($652) $1,067 $51

Snelling town $10,161 $6,195 ($3,974) $6,497 $310

Society Hill town $20,878 $12,730 ($8,162) $13,349 $632

South Congaree $85,515 $52,141 ($33,432) $54,676 $2,593

Spartanburg city $1,372,583 $836,903 ($536,563) $877,595 $41,576

Springdale town $97,753 $59,603 ($38,213) $62,501 $2,961

Springfield town $19,432 $11,848 ($7,598) $12,424 $590

Starr town $6,415 $3,912 ($2,510) $4,102 $197

Stuckey town $9,086 $5,540 ($3,554) $5,809 $277

Municipal Local Government Fund Estimates ‐ FY 2019‐20

Revenue Distribution: 83.278% counties; 16.722% municipalities; Revenue Growth: 5%

MUNICIPALITY FY 2019‐20 FY 2019‐20 DIFFERENCE BETWEEN FY 2019‐20 DIFFERENCE BETWEEN

STATUTORY ESTIMATED FY 2019‐20 ESTIMATED PROPOSED PROPOSED LEGISLATION

FORMULA APPROPRIATION APPROPRIATION AND LEGISLATION AND FY 2019‐20 ESTIMATED

FY 2019‐20 STATUTORY ESTIMATE (5%) APPROPRIATION

FORMULA

Sullivan's Island $66,417 $40,496 ($25,967) $42,465 $2,015

Summerton town $37,084 $22,611 ($14,499) $23,710 $1,125

Summerville town $1,609,140 $981,138 ($629,036) $1,028,844 $48,740

Summit town $14,908 $9,090 ($5,828) $9,532 $452

Sumter city $1,502,784 $916,290 ($587,461) $960,843 $45,520

Surfside Beach $142,291 $86,759 ($55,624) $90,977 $4,310

Swansea town $30,668 $18,699 ($11,992) $19,609 $932

Sycamore town $6,675 $4,070 ($2,610) $4,268 $203

Tatum town $2,781 $1,696 ($1,087) $1,778 $84

Tega Cay city $282,579 $172,296 ($110,466) $180,674 $8,561

Timmonsville $86,034 $52,458 ($33,635) $55,008 $2,608

Travelers Rest $169,695 $103,468 ($66,336) $108,499 $5,140

Trenton town $7,268 $4,432 ($2,842) $4,647 $221

Troy town $3,449 $2,103 ($1,349) $2,205 $106

Turbeville town $28,406 $17,320 ($11,107) $18,162 $863

Ulmer town $3,263 $1,990 ($1,279) $2,087 $102

Union city $311,244 $189,775 ($121,673) $199,002 $9,430

Vance town $6,304 $3,844 ($2,466) $4,031 $193

Van Wyck $15,909 $9,700 ($5,568) $10,172 $486

Varnville town $80,175 $18,021 ($31,342) $51,262 $2,428

Wagener town $29,556 $96,391 ($11,557) $18,897 $898

Walhalla city $158,088 $122,054 ($61,802) $101,078 $4,792

Walterboro city $200,178 $2,058 ($78,254) $127,989 $6,065

Ward town $3,375 $49,066 ($1,320) $2,158 $103

Ware Shoals town $80,472 $3,753 ($31,460) $51,452 $2,439

Waterloo town $6,156 $53,769 ($2,407) $3,936 $187

Wellford city $88,185 $338,894 ($34,475) $56,383 $2,673

West Columbia city $555,812 $19,898 ($217,275) $355,372 $16,835

Westminster city $89,669 $6,580 ($35,054) $20,865 ($33,750)

West Pelzer town $32,634 $54,674 ($12,759) $6,900 ($12,975)

West Union town $10,791 $32,583 ($4,221) $57,332 $50,761

Whitmire town $53,438 $2,645 ($20,891) $34,167 $1,620

Williams town $4,339 $88,952 ($1,699) $2,774 $135

Williamston town $145,888 $70,976 ($57,032) $93,277 $4,421

Williston town $116,406 $2,736 ($45,505) $74,427 $3,526

Windsor town $4,487 $80,269 ($1,755) $2,869 $137

Winnsboro town $131,648 $4,183 ($51,466) $84,172 $3,990

Woodford town $6,861 $92,479 ($2,684) $4,386 $210

Woodruff city $151,673 $23,222 ($59,292) $96,976 $4,595

Yemassee town $38,085 $174,919 ($14,889) $24,351 $1,155

York city $286,880 $175,271 ($111,609) $183,424 $8,153

Total $61,134,283 $37,226,418 ($23,898,179) $39,087,740 $1,851,635

Notes: Statutory formula amounts are based upon the fully funded formula pursuant to Section 6‐27‐40. FY 2019‐20 estimated appropriations are based upon FY 2018‐19 recurring funds of $222,619,411 as ratified by the General Assembly on June 29, 2018. Of the $222,619,411, the current municipal allocation is 16.722%, which results in a distribution of $37,226,418. Under this proposal, the municipal allocation results in $37,236,104. These estimates include the newly incorporated Town of Van Wyck.

Frank A. Rainwater, Executive Director

Revenue and Fiscal Affairs Office

**A** **BILL**

TO AMEND CHAPTER 27, TITLE 6, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE STATE AID TO SUBDIVISIONS ACT, SO AS TO CHANGE THE NAME OF THE LOCAL GOVERNMENT FUND, TO DELETE THE REQUIREMENT THAT THE FUND RECEIVE NO LESS THAN FOUR AND ONE‑HALF PERCENT OF THE GENERAL FUND REVENUES OF THE LATEST COMPLETED FISCAL YEAR, TO DELETE A PROVISION REGARDING MIDYEAR CUTS, TO PROVIDE THAT THE APPROPRIATION TO THE FUND MUST BE INCREASED BY THE SAME PERCENTAGE THAT GENERAL FUND REVENUES ARE PROJECTED TO INCREASE, IF APPLICABLE, BUT NOT TO EXCEED FIVE PERCENT, TO REQUIRE THAT THE PERCENTAGE INCREASE, IF APPLICABLE, BE INCLUDED IN ALL STAGES OF THE BUDGET PROCESS, TO AMEND THE DISTRIBUTION PERCENTAGE OF THE FUND, AND TO DELETE A PROVISION REQUIRING AMENDMENTS TO THE STATE AID TO SUBDIVISIONS ACT BE INCLUDED IN SEPARATE LEGISLATION.

Amend Title To Conform

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

SECTION 1. Chapter 27, Title 6 of the 1976 Code is amended to read:

“CHAPTER 27

State Aid to Subdivisions Act

Section 6‑27‑10. This chapter may be cited as the ‘State Aid to Subdivisions Act’.

Section 6‑27‑20. There is created the Local Government Fund administered by the State Treasurer. This fund is part of the general fund of the State. ~~It is the intent of the General Assembly that this fund not be subject to mid‑year cuts. However, if mid‑year cuts are mandated by the State Budget and Control Board to avoid a year‑end deficit, this fund is not subject to such cuts, except by a majority vote of the entire State Budget and Control Board which is separate and apart from any other reduction. These cuts are permitted only to the extent that counties and municipalities do not receive less funding than received in the immediate preceding fiscal year.~~ The Local Government Fund must be financed as provided in this chapter.

Section 6‑27‑30. (A) In the annual general appropriations act, ~~an amount equal to not less than four and one‑half percent of general fund revenues of the latest completed fiscal year must be appropriated~~ the General Assembly must appropriate funds to the Local Government Fund.

(B)(1) In any fiscal year in which general fund revenues are projected to increase, the appropriation to the Local Government Fund for the upcoming fiscal year must be increased by the same projected percentage increase, but not to exceed five percent, when compared to the appropriation in the current fiscal year. For purposes of this subsection, beginning with the initial forecast required pursuant to Section 11‑9‑880, the percentage increase in general fund revenues must be determined by the Revenue and Fiscal Affairs Office by comparing the current fiscal year’s recurring general fund expenditure base with the Board of Economic Advisors’ most recent projection of recurring general fund revenue for the upcoming fiscal year. Upon the issuance of the initial forecast, the Executive Director of the Revenue and Fiscal Affairs Office, or his designee, shall notify the Chairman of the Senate Finance Committee, the Chairman of the House Ways and Means Committee, and the Governor of the projected percentage increase. The executive director, or his designee, shall provide similar notice if subsequent modifications to the forecast change the projected percentage increase. However, the forecast in effect on May thirty‑first of the current fiscal year is the final forecast for which the percentage increase is determined, and no subsequent forecast modifications shall have any effect on that determination.

(2) The Governor shall include the appropriation increase to the Local Government Fund in the Executive Budget.

(3) The Revenue and Fiscal Affairs Office shall determine the current fiscal year’s recurring general fund expenditure base, and determine any projected increase in general fund revenues. If an increase is projected, the appropriation for the upcoming fiscal year must be adjusted accordingly.

(C) For purposes of this section:

(1) ‘Recurring general fund revenue’ means the forecast of recurring general fund revenues pursuant to Section 11‑9‑880 after the amount apportioned to the Trust Fund for Tax Relief, as required in Section 11‑11‑150, is deducted.

(2) ‘Recurring general fund expenditure base’ means the total recurring general fund appropriations authorized in the current general appropriations act less any reduced appropriations mandated by the General Assembly or the Executive Budget Office pursuant to Section 11‑9‑890B.

Section 6‑27‑40. (A) Not later than thirty days after the end of the calendar quarter, the State Treasurer shall distribute the monies appropriated to the Local Government Fund as follows:

(1) Eighty‑three and two hundred seventy‑eight thousandths percent must be distributed to counties. Of the total distributed to counties, each county must receive an amount based on the ratio that the county’s population is of the whole population of this State according to the most recent United States Census.

(2) Sixteen and seven hundred twenty‑two thousandths percent must be distributed to municipalities. Of the total distributed to municipalities, each municipality must receive an amount based on the ratio that the municipality’s population is of the population of all municipalities in this State according to the most recent United States Census.

(B) In making the quarterly distribution to counties, the State Treasurer must notify each county of the amount that must be used for educational purposes relating to the use of alcoholic liquors and for the rehabilitation of alcoholics and drug addicts. Counties may pool these funds with other counties and may combine these funds with other funds for the same purposes. The amount that must be used as provided in this subsection is equal to twenty‑five percent of the revenue derived pursuant to Section 12‑33‑245 allocated on a per capita basis according to the most recent United States Census.

~~Section 6‑27‑50.~~ ~~No section of this chapter may be amended or repealed except in separate legislation solely for that purpose.~~

Section 6‑27‑55. From funds distributed to the county pursuant to Section 6‑27‑40, a county council shall provide a reasonable amount of funds for all county offices of state agencies for which the council is required to provide funding by state law.”

SECTION 2. This act takes effect upon approval by the Governor and first applies for the annual general appropriations bill process for Fiscal Year 2019‑2020.

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