**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 6‑1‑175 SO AS TO AUTHORIZE THE GOVERNING BODY OF A COUNTY OR MUNICIPALITY TO IMPOSE A ONE‑TIME IMPACT FEE ON A PRIVATE DEVELOPER FOR EACH NEW RESIDENTIAL AND COMMERCIAL UNIT CONSTRUCTED BY THE DEVELOPER WITHIN THE COUNTY OR MUNICIPALITY, TO PROVIDE THAT THE FUNDS MAY BE USED ONLY TO FUND THE SOUTH CAROLINA GENTRIFICATION TRUST FUND AND TO PROVIDE THAT A DEVELOPER WHO DEDICATES AT LEAST FIFTEEN PERCENT OF THE HOUSING DEVELOPMENT TO LOW INCOME HOUSING IS EXEMPT FROM THE IMPACT FEE; BY ADDING SECTION 11‑11‑250 SO AS TO CREATE THE “SOUTH CAROLINA GENTRIFICATION TRUST FUND” TO PROVIDE FINANCIAL ASSISTANCE FOR RELOCATION TO LOW INCOME AND FIXED INCOME INDIVIDUALS, CHURCHES, AND GROUPS ADVERSELY IMPACTED AND DISPLACED BY GENTRIFICATION, AND TO PROVIDE THAT EACH YEAR THE GENERAL ASSEMBLY SHALL APPROPRIATE FIVE MILLION DOLLARS; AND TO AMEND SECTION 12‑6‑5060, AS AMENDED, RELATING TO VOLUNTARY CONTRIBUTIONS MADE BY AN INDIVIDUAL BY MEANS OF THE INCOME TAX RETURN CHECK OFF, SO AS TO ADD THE “SOUTH CAROLINA GENTRIFICATION TRUST FUND”.

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

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

“Section 6‑1‑175. The governing body of a county or municipality may impose a one‑time impact fee of at least six percent on a private developer for each new residential and commercial unit constructed by the developer within the county or municipality. The fees must be paid to the county or municipality before or at the issuance of a certificate of occupancy for the unit. These fees must be deposited in the South Carolina Gentrification Trust Fund and may be used only for the purposes set forth in Section 11‑11‑250. However, if a developer dedicates at least fifteen percent of the housing development to low income housing, he is exempt from the impact fee. The low income housing must remain low income for one hundred years.”

B. This section takes effect upon approval by the Governor and applies to any new residential or commercial construction which has not been issued a certificate of occupancy.

SECTION 2. Article 1, Chapter 11, Title 11 of the 1976 Code is amended by adding:

“Section 11‑11‑250. There is created the ‘South Carolina Gentrification Trust Fund’. This fund is separate and distinct from the general fund of the State and all other funds. Earnings on this fund must be credited to it and any balance in this fund at the end of a fiscal year carries forward in the fund in the succeeding fiscal year. Beginning with Fiscal Year 2021-2022, each year the General Assembly shall appropriate five million dollars to the South Carolina Gentrification Trust Fund. The fund also may receive donations and grants from public and private sources, including a contribution on an income tax return pursuant to Section 12‑6‑5060 and may receive impact fees imposed pursuant to Section 6‑1‑175. Revenues credited to this fund must be used only by the South Carolina State Housing Finance and Development Authority to operate a grant program that provides financial assistance for relocation to low income or fixed income individuals, churches, and groups adversely impacted and displaced by gentrification due to growth prompted by private developers, political subdivisions, or other entities. The South Carolina State Housing Finance and Development Authority shall promulgate regulations specifying the manner in which an individual becomes eligible for a grant and shall determine the manner in which money from the fund is distributed.”

SECTION 3. Section 12‑6‑5060(A) of the 1976 Code, as last amended by Act 172 of 2020, is further amended to read:

“(A) Each taxpayer required to file a state individual income tax return may contribute to the War Between the States Heritage Trust Fund established pursuant to Section 51‑18‑115, the Nongame Wildlife and Natural Areas Program Fund established pursuant to Section 50‑1‑280, the Children’s Trust Fund of South Carolina established pursuant to Section 63‑11‑910, the Eldercare Trust Fund of South Carolina established pursuant to Section 43‑21‑160, the First Steps to School Readiness Fund established pursuant to Section 63‑11‑1750, the South Carolina Military Family Relief Fund established pursuant to Article 3, Chapter 11, Title 25, the Donate Life South Carolina established pursuant to Section 44‑43‑1310, the Veterans’ Trust Fund of South Carolina established pursuant to Chapter 21, Title 25, the South Carolina Litter Control Enforcement Program (SCLCEP) and used by the Governor’s Task Force on Litter only for the SCLCEP Program, the South Carolina Law Enforcement Assistance Program (SCLEAP) and used as provided in Section 23‑3‑65, the South Carolina Department of Parks, Recreation and Tourism for use in the South Carolina State Park Service in the manner the General Assembly provides, the South Carolina Forestry Commission for use in the state forest system, the South Carolina Department of Natural Resources for use in its programs and operations, K‑12 public education for use in the manner the General Assembly provides by law, South Carolina Conservation Bank Trust Fund established pursuant to Section 48‑59‑60, the Financial Literacy Trust Fund established pursuant to Section 59‑29‑510, the South Carolina Association of Habitat for Humanity Affiliates, ~~or~~ the Department of Archives and History and used by the agency to purchase or preserve collections with significant historical value to the State, or the South Carolina Gentrification Trust Fund established pursuant to Section 11‑11‑250, by designating the contribution on the return. The contribution may be made by reducing the income tax refund or by remitting additional payment by the amount designated.”

SECTION 4. This act takes effect upon approval by the Governor.

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