COMMITTEE REPORT

March 17, 2021

**S. 401**

Introduced by Senators Gustafson, Hembree and Fanning

S. Printed 3/17/21--S.

Read the first time January 12, 2021.

**THE COMMITTEE ON FINANCE**

To whom was referred a Bill (S. 401) to amend Section 6-1-320 of the 1976 Code, relating to the limitation on millage increases, to allow the governing body of a county to suspend the limitation, 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, by striking SECTION 1 and inserting:

/ SECTION 1. Section 6-1-320 of the 1976 Code is amended by adding an appropriately lettered new subsection at the end to read:

“( ) Notwithstanding the limitation upon millage rate increases contained in subsection (A), the governing body of a county, by a positive majority vote, may adopt an ordinance or resolution to suspend the millage rate limitation for the purpose of supporting a fire protection district created pursuant to Chapter 19, Title 4, or Chapter 11, Title 6. However, the positive majority vote must occur no later than the second anniversary of the effective date of this subsection.” /

Renumber sections to conform.

Amend title to conform.

HUGH K. LEATHERMAN, SR. for Committee.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

**Explanation of Fiscal Impact**

**Local Revenue**

This bill allows a county, by a positive majority vote, to adopt an ordinance or resolution to suspend the millage rate increase limitation for the purposes of supporting a fire protection district created pursuant to Chapter 19, Title 4. Currently, §6-1-320(G)(1) allows for the suspension of the millage rate increase limitations, subject to the results of a referendum, for general operation purposes of fire districts in existence as of January 1, 2014. Additionally, §4-19-10(l) allows the governing body of a county to affect a levy and collection of ad valorem taxes without a limit for the payment of principal and interest of all bonds issued and for the maintenance and operation of the fire protection system. This bill provides another option for a county to suspend the millage rate increase limitation for the purpose of supporting a fire protection district. However, this bill is permissive in nature. Therefore, it is at the discretion of the county as to whether or not to adopt an ordinance or resolution, by a majority vote, to suspend the millage rate limitation and increase ad valorem taxes above what would be allowed pursuant to the millage rate limitation. Therefore, any local property tax revenue increase would be dependent upon the decisions of the county.

Frank A. Rainwater, Executive Director

Revenue and Fiscal Affairs Office

**A** **BILL**

TO AMEND SECTION 6-1-320 OF THE 1976 CODE, RELATING TO THE LIMITATION ON MILLAGE INCREASES, TO ALLOW THE GOVERNING BODY OF A COUNTY TO SUSPEND THE LIMITATION FOR THE PURPOSE OF SUPPORTING A FIRE PROTECTION DISTRICT.

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

SECTION 1. Section 6-1-320 of the 1976 Code is amended by adding an appropriately lettered new subsection at the end to read:

“( ) Notwithstanding the limitation upon millage rate increases contained in subsection (A), the governing body of a county, by a positive majority vote, may adopt an ordinance or resolution to suspend the millage rate limitation for the purpose of supporting a fire protection district created pursuant to Chapter 19, Title 4.”

SECTION 2. This act takes effect upon approval by the Governor.

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