



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number: S. 0284 Introduced on January 10, 2023
Author: Davis
Subject: Development of Workforce Housing
Requestor: Senate Finance
RFA Analyst(s): Wren
Impact Date: January 25, 2023

Fiscal Impact Summary

This bill allows local governments to use revenue generated by a local accommodations tax and a local hospitality tax for the development of workforce housing. The bill also expands the allowable uses for the portion of state accommodations tax that counties and municipalities must use for tourism-related expenditures to include workforce housing. Lastly, it allows counties and municipalities to use state accommodations tax revenues to issue bonds for the development of workforce housing.

Since this bill is permissive, the number of counties and municipalities that may choose to use local accommodations tax, local hospitality tax, or state accommodations tax revenue for the development of workforce housing is unknown. Therefore, the amount of revenue that will be used for these purposes is undetermined and will vary by location.

Explanation of Fiscal Impact

Introduced on January 10, 2023

State Expenditure

N/A

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

This bill permits local governments to use revenue generated by the local accommodations tax and the local hospitality for the development of workforce housing. This is in addition to the current list of purposes that revenue from these taxes may be utilized. The bill also allows counties and municipalities to use the portion of state accommodations tax allocated to tourism-related expenditures for the development of workforce housing. Lastly, the bill permits counties and municipalities to utilize state accommodations tax revenue to issue bonds for the purpose of workforce housing, among other items.

Since this bill is permissive, the number of counties and municipalities that may use revenues for the development of workforce housing is unknown. Therefore, the amount of revenue utilized for these purposes is undetermined.

For reference, based upon data in the FY 2020-21 Local Government Finance Report, 28 counties reported imposing a local accommodations tax, and 22 counties reported a local hospitality tax. Please see the table below for a list of counties that reported imposing these taxes.

Counties Reporting a Local Accommodations Tax *	Counties Reporting a Local Hospitality Tax *
Abbeville	Beaufort
Aiken	Clarendon
Anderson	Colleton
Beaufort	Darlington
Berkeley	Dillon
Charleston	Dorchester
Cherokee	Edgefield
Chester	Fairfield
Clarendon	Florence
Colleton	Georgetown
Dorchester	Greenville
Fairfield	Greenwood
Florence	Horry
Georgetown	Jasper
Greenville	Lancaster
Horry	Lee
Jasper	Richland
Kershaw	Spartanburg
Lancaster	Sumter
Lee	Union
Lexington	Williamsburg
Marlboro	York
Oconee	
Pickens	
Richland	
Spartanburg	
Sumter	
York	

*Please note that these counties reported the imposition of the above taxes. Since the data are not audited by RFA, this may not comprise a comprehensive list of counties imposing these taxes.

Additionally, based upon data in the FY 2020-21 Local Government Finance Report, 89 municipalities impose a local accommodations tax, and 113 municipalities impose a local hospitality tax.



Frank A. Rainwater, Executive Director