



# SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

## STATEMENT OF ESTIMATED FISCAL IMPACT

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<b>Bill Number:</b>	S. 0288	Introduced on January 29, 2025
<b>Subject:</b>	Transfer of Development Rights	
<b>Requestor:</b>	Senate Judiciary	
<b>RFA Analyst(s):</b>	Bryant	
<b>Impact Date:</b>	February 20, 2025	

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### Fiscal Impact Summary

This bill allows a local governing authority to provide, by ordinance, for the voluntary transfer of development rights permitted on one parcel of land to another parcel of land that restricts or prohibits further development of the sending property and increases the density or intensity of the receiving property. The ordinance must satisfy certain conditions as specified in the bill. Additionally, the bill allows two or more local governing authorities to join one another in setting up a transfer of development rights program.

Due to the permissive nature of the bill, the overall expenditure impact on local governments is undetermined and will vary by locality. The Revenue and Fiscal Affairs Office (RFA) contacted all county governments and the Municipal Association of South Carolina (MASC) regarding the fiscal impact of this legislation and received responses from three counties and MASC. The three responding counties indicate that the bill will have no expenditure impact unless the counties choose to participate in a transfer of development rights program. One county further indicates that if it were to implement such a program, expenses may increase due to the potential need to hire an outside consultant or dedicate staff time to develop the program but reports that the cost is currently undetermined.

MASC indicates that if a local government decides to enact an ordinance providing for the voluntary transfer of development rights, the expenditure impact will vary depending on how the ordinance is implemented and the specific circumstances of each transfer since the bill allows local governments to structure transfer of a development rights program as they see appropriate. MASC also notes that although there may be administrative costs associated with the implementation and management of a transfer of development rights program, a local government may enact fees to recoup (in whole or part) such costs.

Further, MASC notes that land held in conservation may reduce local property tax revenues. However, the bill provides that local governments may purchase development rights and hold them for conservation purposes or resale, and MASC reports that the resale of these rights may increase revenues, depending on the terms of the transaction. Due to the permissive nature of the bill, the revenue impact on local governments is undetermined and will vary by locality.

## **Explanation of Fiscal Impact**

**Introduced on January 29, 2025**

**State Expenditure**

N/A

**State Revenue**

N/A

### **Local Expenditure**

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Due to the permissive nature of the bill, the overall expenditure impact on local governments is undetermined and will vary by locality. RFA contacted all county governments and MASC regarding the fiscal impact of this legislation and received responses from three counties and MASC. The three responding counties indicate that the bill will have no expenditure impact unless the counties choose to participate in a transfer of development rights program. One county further indicates that if it were to implement such a program, expenses may increase due to the potential need to hire an outside consultant or dedicate staff time to develop the program but reports that the cost is currently undetermined.

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### **Local Revenue**

This bill allows a local governing authority to provide, by ordinance, for the voluntary transfer of development rights permitted on one parcel of land to another parcel of land that restricts or prohibits further development of the sending property and increases the density or intensity of the receiving property. The ordinance must satisfy certain conditions as specified in the bill. Additionally, the bill allows two or more local governing authorities to join one another in setting up a transfer of development rights program.

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governments may purchase development rights and hold them for conservation purposes or resale, and MASC reports that the resale of these rights may increase revenues, depending on the terms of the transaction. Due to the permissive nature of the bill, the impact on local government revenues is undetermined and will vary by locality.



Frank A. Rainwater, Executive Director