~~Indicates Matter Stricken~~

Indicates New Matter

COMMITTEE REPORT

March 28, 2012

**S. 1167**

Introduced by Senator Lourie

S. Printed 3/28/12--S.

Read the first time February 1, 2012.

**THE COMMITTEE ON JUDICIARY**

To whom was referred a Bill (S. 1167) to amend the Code of Laws of South Carolina, 1976, by adding Section 31‑6‑85 so as to allow a municipality and one or more taxing districts to, etc., respectfully

**REPORT:**

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

PAUL G. CAMPBELL, JR. for Committee.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

$0 (No additional expenditures or savings are expected)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

$0 (No additional expenditures or savings are expected)

**EXPLANATION OF IMPACT:**

There is no fiscal impact on the General Fund of the State or on federal and/or other funds.

**LOCAL GOVERNMENT IMPACT:**

The State Budget Division surveyed municipalities in the FIST Network of local governments. Respondents indicate there is no fiscal impact on the municipalities in the state with the adoption of this bill.

*Approved By:*

Brenda Hart

Office of State Budget

**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 31‑6‑85 SO AS TO ALLOW A MUNICIPALITY AND ONE OR MORE TAXING DISTRICTS TO PROVIDE BY INTERGOVERNMENTAL AGREEMENT FOR PARTIAL OR MODIFIED PARTICIPATION IN A REDEVELOPMENT PROJECT; AND TO AMEND SECTION 31‑6‑80, SO AS TO CLARIFY AN AMENDMENT TO THE TAX INCREMENT FINANCING LAW.

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

SECTION 1. The General Assembly finds and determines that the legislative findings contained in Section 31‑6‑20 of the 1976 Code remain true and correct as of the effective date of this act. The General Assembly further finds and determines that it would further the purposes of the Tax Increment Financing Law, Sections 31‑6‑10 *et seq*. of the 1976 Code, and would be in the public interest, to explicitly confirm the ability of municipalities and one or more taxing districts to provide by intergovernmental agreement for partial or modified participation in a redevelopment project. The General Assembly further finds that such intergovernmental agreements are consistent with and permissible under existing law, and accordingly the purpose of this act is to explicitly confirm the validity and enforceability of such intergovernmental agreements, whether entered into prior or subsequent to the effective date of this act. This act may not be construed to create a negative implication that any such intergovernmental agreement entered into prior to the effective date of this act is not valid or enforceable.

SECTION 2. Chapter 6, Title 31 of the 1976 Code is amended by adding:

“Section 31‑6‑85. The municipality and one or more taxing districts may at any time provide by intergovernmental agreement that such taxing district or taxing districts will participate in a redevelopment project on a partial or modified basis. Such intergovernmental agreement shall become effective, and shall be valid and enforceable for the entire duration thereof, upon its approval by ordinance enacted by the municipality and by ordinance or resolution, whichever is applicable, enacted or approved by the affected taxing district or taxing districts.”

SECTION 3. The final two undesignated paragraphs of Section 31‑6‑80 of the 1976 Code are amended to read:

“~~Prior to the adoption of an ordinance approving a redevelopment plan pursuant to Section 31‑6‑80, changes may be made in the redevelopment plan which do not alter the exterior boundaries or do not substantially affect the general land use established in the plan or substantially change the nature of the redevelopment project, without further hearing or notice, provided that notice of the changes is given by mail to each affected taxing district and by publication in a newspaper or newspapers of general circulation within the taxing districts not less than ten days prior to the adoption of the changes by ordinance. Notice of the adoption of the ordinance must be published by the municipality in a newspaper having general circulation in the affected taxing districts. Any interested party may, within twenty days after the date of publication of the notice of adoption of the redevelopment plan, but not afterwards, challenge the validity of such adoption by action de novo in the court of common pleas in the county in which the redevelopment plan is located.~~

~~After adoption of an ordinance approving a redevelopment plan, any alteration in the exterior boundaries, general land uses established pursuant to the redevelopment plan, maximum term of maturity of obligations to be issued under the plan, the redevelopment project must be approved by resolution of each affected taxing district in accordance with the procedures provided in this chapter for the initial approval of a redevelopment project and designation of a redevelopment project area. If the redevelopment project or portion of it is to be located outside of the redevelopment project area, the municipality shall by resolution make a specific finding of benefit to the redevelopment project area and provide written notice to the affected taxing district. No further action is required of the municipality.~~

Prior to the adoption of an ordinance approving a redevelopment plan pursuant to Section 31‑6‑80, changes may be made in the redevelopment plan that do not add parcels to or expand the exterior boundaries of the redevelopment project area, do not change the proposed use of the proceeds of the obligations in relationship to the redevelopment plan, and do not extend the maximum amount or term of obligations to be issued under the redevelopment plan, without further hearing or notice, provided that notice of the changes is given by mail to each affected taxing district and by publication in a newspaper or newspapers of general circulation within the taxing districts not less than ten days prior to the adoption of the changes by ordinance. Notice of the adoption of the ordinance must be published by the municipality in a newspaper having general circulation in the affected taxing districts. Any interested party may, within twenty days after the date of publication of the notice of adoption of the redevelopment plan, but not afterwards, challenge the validity of such adoption by action de novo in the court of common pleas in the county in which the redevelopment plan is located.

Subsequent to the adoption of an ordinance approving a redevelopment plan pursuant to Section 31‑6‑80, the municipality may by ordinance make changes to the redevelopment plan that do not add parcels to or expand the exterior boundaries of the redevelopment project area, do not change the proposed use of the proceeds of the obligations in relationship to the redevelopment plan, and do not extend the maximum amount or term of obligations to be issued under the redevelopment plan, in accordance with the following procedures:

(a) The municipality must provide notice of the proposed changes by mail to each affected taxing district. The proposed changes shall become effective only with respect to affected taxing districts that consent to such proposed changes by resolution of the governing body of such taxing districts.

(b) The municipality must publish notice of the adoption of the ordinance in a newspaper having general circulation in the affected taxing districts. Any interested party may, within twenty days after the date of publication of the notice of adoption of the redevelopment plan, but not afterwards, challenge the validity of such adoption by action de novo in the court of common pleas in the county in which the redevelopment plan is located.

Subsequent to the adoption of an ordinance approving a redevelopment plan pursuant to Section 31‑6‑80, the municipality may by ordinance make changes to the redevelopment plan that add parcels to or expand the exterior boundaries of the redevelopment project area, change the proposed use of the proceeds of the obligations in relationship to the redevelopment plan, or extend the maximum amount or term of obligations to be issued under the redevelopment plan, in accordance with the procedures provided in this chapter for the initial approval of a redevelopment project and designation of a redevelopment project area.

If the redevelopment project or portion of it is to be located outside of the redevelopment project area, the municipality shall by resolution make a specific finding of benefit to the redevelopment project area and provide written notice to the affected taxing district. No further action is required of the municipality.”

SECTION 4. If any section, subsection, paragraph, subparagraph, sentence, clause, phrase, or word of this act is for any reason held to be unconstitutional or invalid, such holding shall not affect the constitutionality or validity of the remaining portions of this act, the General Assembly hereby declaring that it would have passed this act, and each and every section, subsection, paragraph, subparagraph, sentence, clause, phrase, and word thereof, irrespective of the fact that any one or more other sections, subsections, paragraphs, subparagraphs, sentences, clauses, phrases, or words hereof may be declared to be unconstitutional, invalid, or otherwise ineffective.

SECTION 5. This act takes effect upon approval by the Governor.

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