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HOUSE AMENDMENTS AMENDED

June 7, 2012

**S. 1167**

Introduced by Senator Lourie

S. Printed 6/7/12--S.

Read the first time February 1, 2012.

**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; AND TO AMEND SECTION 4‑10‑310, AS AMENDED, RELATING TO THE IMPOSITION OF THE CAPITAL PROJECTS SALES TAX ACT, SO AS TO PROVIDE THAT THE LIMITATION APPLICABLE TO THE NUMBER OF CERTAIN LOCAL SALES AND USE TAXES THAT MAY BE IMPOSED IN A COUNTY AREA DOES NOT APPLY IN A COUNTY AREA IN WHICH, AS OF JULY 1, 2012, THERE WAS IMPOSED PURSUANT TO A LOCAL ACT OF THE GENERAL ASSEMBLY A LOCAL SALES AND USE TAX, THE REVENUES OF WHICH MUST BE USED TO OFFSET THE COSTS OF SCHOOL CONSTRUCTION, OTHER SCHOOL PURPOSES, OR OTHER GOVERNMENTAL EXPENSES, OR ANY COMBINATION OF THESE USES.

Amend Title To Conform

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. Section 31‑6‑80 of the 1976 Code, as last amended by Act 109 of 2005, is further amended to read:

“Section 31‑6‑80. (A) Prior to the issuance of any obligations under this chapter, the municipality shall set forth by way of ordinance the following:

~~(a)~~(1) a copy of the redevelopment plan containing a statement of the objectives of a municipality with regard to the plan;

~~(b)~~(2) a statement indicating the need for and proposed use of the proceeds of the obligations in relationship to the redevelopment plan;

~~(c)~~(3) a statement containing the cost estimates of the redevelopment plan and redevelopment project and the projected sources of revenue to be used to meet the costs including estimates of tax increments and the total amount of indebtedness to be incurred;

~~(d)~~(4) a list of all real property in the redevelopment project area;

~~(e)~~(5) the duration of the redevelopment plan;

~~(f)~~(6) a statement of the estimated impact of the redevelopment plan upon the revenues of all taxing districts in which a redevelopment project area is located;

~~(g)~~(7) findings that:

~~(i)~~(a) the redevelopment project area is an agricultural, blighted, or conservation area and that private initiatives are unlikely to alleviate these conditions without substantial public assistance;

~~(ii)~~(b) property values in the area would remain static or decline without public intervention; and

~~(iii)~~(c) redevelopment is in the interest of the health, safety, and general welfare of the citizens of the municipality.

(B) Before approving any redevelopment plan under this chapter, the governing body of the municipality must hold a public hearing on the redevelopment plan after published notice in a newspaper of general circulation in the county in which the municipality and any taxing district affected by the redevelopment plan is located not less than fifteen days and not more than thirty days prior to the hearing. The notice shall include:

(1) the time and place of the public hearing;

(2) the boundaries of the proposed redevelopment project area;

(3) a notification that all interested persons will be given an opportunity to be heard at the public hearing;

(4) a description of the redevelopment plan and redevelopment project; and

(5) the maximum estimated term of obligations to be issued under the redevelopment plan.

(C) Not less than forty‑five days prior to the date set for the public hearing, the municipality shall give notice to all taxing districts of which taxable property is included in the redevelopment project area, and in addition to the other requirements of the notice set forth in the section, the notice shall request each taxing district to submit comments to the municipality concerning the subject matter of the hearing prior to the date of the public hearing.

(D) If a taxing district does not file an objection to the redevelopment plan at or prior to the date of the public hearing, the taxing district is considered to have consented to the redevelopment plan and the issuance of obligations under this chapter to finance the redevelopment project, provided that the actual term of obligations issued is equal to or less than the term stated in the notice of public hearing. The municipality may issue obligations to finance the redevelopment project to the extent that each affected taxing district consents to the redevelopment plan. The tax increment for a taxing district that does not consent to the redevelopment plan must not be included in the special tax allocation fund.

(E) 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,~~ that do not add parcels to or expand the exterior boundaries of the redevelopment project area, change general land uses established pursuant to the redevelopment plan or 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, 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.~~

(F)(1) 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, change general land uses established pursuant to the redevelopment plan, 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 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 the proposed changes by resolution of the governing body of the 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 the adoption by action de novo in the court of common pleas in the county in which the redevelopment plan is located.

(2) 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 adds parcels to or expands the exterior boundaries of the redevelopment project area, to general land uses established pursuant to the redevelopment plan, to the proposed use of the proceeds of the obligations in relationship to the redevelopment plan, or to 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.

(3) 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. Section 4‑10‑310 of the 1976 Code, as last amended by Act 49 of 2009, is further amended to read:

“Section 4‑10‑310. Subject to the requirements of this article, the county governing body may impose a one percent sales and use tax by ordinance, subject to a referendum, within the county area for a specific purpose or purposes and for a limited amount of time. The revenues collected pursuant to this article may be used to defray debt service on bonds issued to pay for projects authorized in this article. However, at no time may any portion of the county area be subject to more than one percent sales tax levied pursuant to this article, pursuant to Chapter 37, Title 4, or pursuant to any local law enacted by the General Assembly. This limitation does not apply in a county area in which, as of July 1, 2012, a local sales and use tax WAs imposed pursuant to a local act of the General Assembly, the revenues of which are used to offset the costs of school construction, or other school purposes, or other government expenses, or for any combination of these uses.”

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

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