**South Carolina General Assembly**

126th Session, 2025-2026

**H. 3738**

**STATUS INFORMATION**

General Bill

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Introduced in the House on January 15, 2025

Currently residing in the House Committee on **Ways and Means**

Summary: South Carolina Housing Development Revenue Enhancement Act

**HISTORY OF LEGISLATIVE ACTIONS**

 Date Body Action Description with journal page number

 1/15/2025 House Introduced and read first time (House Journal‑page 52)

 1/15/2025 House Referred to Committee on **Ways and Means** (House Journal‑page 52)

View the latest  [legislative information](https://www.scstatehouse.gov/billsearch.php?billnumbers=3738&session=126&summary=B)  at the website

**VERSIONS OF THIS BILL**

[01/15/2025](https://www.scstatehouse.gov/sess126_2025-2026/prever/3738_20250115.docx)

A bill

TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY ENACTING THE “SOUTH CAROLINA HOUSING DEVELOPMENT REVENUE ENHANCEMENT ACT” BY ADDING SECTION 31‑3‑1700 SO AS TO ENABLE HOUSING AUTHORITIES TO UTILIZE TAX INCREMENT FINANCING (TIF) AND OTHER REVENUE MECHANISMS TO SUPPORT THE DEVELOPMENT AND FINANCING OF AFFORDABLE HOUSING, ENCOURAGE PUBLIC‑PRIVATE PARTNERSHIPS, AND INCLUDE PROJECT‑GENERATED REVENUES AS A SECONDARY SOURCE OF REPAYMENT FOR BONDS ISSUED.

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

SECTION 1. This act may be cited as the “South Carolina Housing Development Revenue Enhancement Act.”

SECTION 2. The General Assembly finds that:

 (1) Affordable housing is essential for economic development, workforce stability, and community well‑being.

 (2) Current funding mechanisms limit the ability of housing authorities to address the growing demand for affordable housing.

 (3) Expanding revenue streams, including Tax Increment Financing (TIF), project‑generated revenues, and public‑private partnerships, will empower local communities to finance affordable housing while maintaining fiscal responsibility.

 (4) This act establishes tools for housing authorities to support housing development, encourage private sector investment, and ensure economic growth in underserved areas.

SECTION 3. Article 13, Chapter 3, Title 31 of the S.C. Code is amended by adding:

 Section 31‑3‑1700. (A)(1) Housing authorities, in collaboration with municipal or county governments, are authorized to establish Tax Increment Financing (TIF) districts, as authorized pursuant to Chapter 6, Title 31, for the purpose of financing affordable housing projects.

 (2) Incremental tax revenues generated within a designated TIF district may be allocated to:

 (a) construction, renovation, or expansion of affordable housing projects;

 (b) infrastructure improvements necessary for housing development, including roads, utilities, and public services; and

 (c) acquisition of land for affordable housing development or land banking for future projects.

 (B) Housing authorities may enter into agreements with municipal or county governments to allocate portions of local sales tax revenues or property tax revenues specifically for affordable housing projects.

 (C)(1) Housing authorities may impose impact fees on new commercial and residential developments within a designated TIF district to support affordable housing development.

 (2) Fees must be reasonably related to the housing needs generated by the development and approved by the governing body of the municipality or county.

 (D) Housing authorities may establish local housing trust funds, financed by TIF revenues, impact fees, voluntary contributions, or grants, to provide ongoing support for affordable housing development and maintenance.

 (E)(1) In addition to incremental tax revenues collected from the TIF district, housing authorities may use project‑generated revenues as a secondary source of repayment for bonds or loans issued under this section.

 (2) Eligible project‑generated revenues may include:

 (a) rental income from housing units within the development;

 (b) lease payments from retail or commercial tenants; and

 (c) fees or service charges collected from residents or users of the property.

 (3) Secondary repayment sources only may be utilized if incremental tax revenues are insufficient to meet repayment obligations.

 (F)(1) Housing authorities are encouraged to form public‑private partnerships to leverage private investment and expertise for affordable housing projects.

 (2) Housing authorities may:

 (a) enter joint ventures with private developers to create mixed‑income and mixed‑use developments;

 (b) establish build‑to‑lease agreements with private firms; and

 (c) offer tax incentives or other benefits to private entities contributing to affordable housing development within TIF districts.

 (G) Any TIF district or revenue‑sharing agreement created under this section must:

 (1) be approved by the governing body of the municipality or county in which the housing authority operates;

 (2) include a detailed financial plan outlining the use of funds, projected revenues, and expected outcomes; and

 (3) require annual reporting to the State Fiscal Accountability Authority on the use of funds and the progress of housing projects.

 (H) The provisions of this section expire on January 1, 2035, unless reauthorized by the General Assembly.

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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