Fiscal Impact Summary

This bill would cause an undetermined increase in local property tax revenue because it is permissive in nature and does not specify the millage rate that may be initially imposed.

Explanation of Fiscal Impact

Introduced on January 8, 2019

State Expenditure
N/A

State Revenue
N/A

Local Expenditure
N/A

Local Revenue
This bill would permit any municipality that is without an operating millage before January 1, 2019 or that is incorporated after January 1, 2019, to impose an operating millage. After the operating millage is imposed, it is subject to the millage rate increase limitations as defined in §6-1-320.

Currently, a municipality that does not have an operating millage is presumed to have a millage of zero and is unable to increase it due to the millage rate increase limitation. This bill would allow these municipalities to impose an initial millage thereby giving the municipalities the opportunity to bring in property tax revenue. According to the Municipal Association of South Carolina, sixty municipalities do not collect property taxes. The Association believes only two municipalities, Edgefield and Pelzer, would immediately impose a millage rate. However, Revenue and Fiscal Affairs is unable to estimate the increase to local revenue for these two municipalities as they may choose what millage rate to impose and there is no data available for their property tax base to determine the value of a mill. Therefore, this bill would cause an undetermined increase to local property taxes.

Frank A. Rainwater, Executive Director