



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: S. 0668
Author: Alexander
Subject: SC Commercial-Property Assessed Clean Energy Act
Requestor: Senate Labor, Commerce, and Industry
RFA Analyst(s): Wren
Impact Date: April 4, 2016 - Updated for revised analysis and fiscal impact

Estimate of Fiscal Impact

	FY 2016-17	FY 2017-18
State Expenditure		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Full-Time Equivalent Position(s)	0.00	0.00
State Revenue		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Local Expenditure	Undetermined	\$0
Local Revenue	Undetermined	\$0

Fiscal Impact Summary

Due to the permissive nature of this bill, the expenditure and revenue impact on local governments is undetermined. This fiscal impact statement has been updated to revise our analysis of the proposed finance methods for the clean energy improvements.

Explanation of Fiscal Impact

State Expenditure

N/A

State Revenue

N/A

Local Expenditure and Local Revenue

This bill adds Chapter 39 to Title 6, which allows a governing body to establish a district by ordinance for the purpose of promoting, encouraging, and facilitating clean energy improvements within its geographic boundaries. The clean energy improvements must be for use at a qualifying real property, which is defined as a commercial property including industrial, agricultural, and nonprofit owned buildings and multifamily dwellings consisting of five or more units. The governing body has the authority to impose an assessment on the qualifying real property whose owners have voluntarily executed a written agreement consenting to the inclusion of their property within the district and a written financing agreement for the purpose of financing the clean energy improvements. The assessment must include, but not be limited to, an amount up to one hundred percent of a project's unpaid costs. The assessments must be levied, collected, and administered in the same manner as the property taxes are levied, collected,

and administered by the participating governing body on real property. The clean energy improvements may be financed with revenue bonds, with funds provided directly by a bank or other financial institution or lender, or with any other legally available funds. The revenue bonds can be issued by the participating governing body or any other qualified issuer of municipal revenue bonds, provided that such revenue bonds must be secured solely by the assessments collected from properties whose owners have voluntarily entered into assessment contracts.

Due to the permissive nature of this bill, the expenditure and revenue impact on local governments will depend upon the number of districts established by ordinance and the number of property owners who decide to volunteer their properties for the clean energy improvements. The expenditure and revenue impact on local governments is therefore undetermined.



Frank A. Rainwater, Executive Director