

# Statement of Estimated Local Revenue Impact

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Bill Number: S. 295

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Committee Requesting Impact: Senate Judiciary Committee

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## Bill Summary

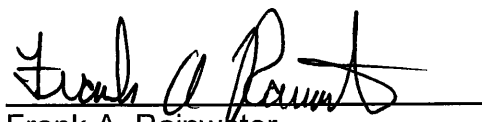
A bill to amend the Code of Laws of South Carolina, 1976, by adding Section 6-11-2028 so as to allow the governing body of a special purpose district created by act of the General Assembly, which provides recreational services and has as its boundary the same as the county in which it is located, to voluntarily dissolve itself and transfer its assets and liabilities to a county if accepted by resolution of its governing body; to require a public hearing to be conducted before taking a supermajority vote of its governing body and the governing body of the county; to require the governing body of the county to comply with the provisions of Section 6-11-2140; to provide for calculating the millage limitation for a county when a special purpose district transfers its assets and liabilities to a county; and to provide that this section does not apply to a special purpose district that provides both recreational and aging services.

## REVENUE IMPACT <sup>1/</sup>

This bill is not expected to impact State revenues. Local property tax revenue is expected to remain the same in total since the millage previously imposed by the special purpose district to be imposed by the county and the boundaries of the district are required to be the same as those of the county.

## Explanation

This bill allows a special purpose district that provides recreational services only and has the same borders as the county in which it is located to be dissolved and transferred to the county upon a vote by the governing bodies of the district and the county. The provisions of the bill expire two years after the effective date. Based upon our research, there are currently five special purpose districts that provide only recreation services that would potentially qualify for this provision in the following counties: Charleston, Cherokee, Colleton, Greenville and Richland. The bill allows that the millage imposed by the district is absorbed into the allowable total millage for the county with respect to the calculation of the millage rate increase limitation in Section 6-1-320. Given that the special purpose district must encompass the same area as the county to qualify for this provision, local property tax revenue in total is expected to remain the same if the millage previously imposed by the special purpose district is then imposed by the county.



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<sup>1/</sup> This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, or Section 2-7-76 for a local revenue impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.