CHAPTER 27

State Aid to Subdivisions Act

**SECTION 6‑27‑10.** Short title.

This chapter may be cited as the "State Aid to Subdivisions Act".

HISTORY: 1991 Act No. 171, Part II, Section 22A; 2019 Act No. 84 (H.3137), Section 1, eff May 24, 2019.

Editor's Note

2019 Act No. 84, Section 2, provides as follows:

"SECTION 2. This act takes effect upon approval by the Governor and first applies to the annual general appropriations bill process for Fiscal Year 2020‑2021."

Effect of Amendment

2019 Act No. 84, Section 1, inserted quotations marks around "State Aid to Subdivisions Act".

**SECTION 6‑27‑20.** Local Government Fund.

There is created the Local Government Fund administered by the State Treasurer. This fund is part of the general fund of the State. The Local Government Fund must be financed as provided in this chapter.

HISTORY: 1991 Act No. 171, Part II, Section 22A; 2019 Act No. 84 (H.3137), Section 1, eff May 24, 2019.

Code Commissioner's Note

At the direction of the Code Commissioner, references in this section to the offices of the former State Budget and Control Board, Office of the Governor, or other agencies, were changed to reflect the transfer of them to the Department of Administration or other entities, pursuant to the directive of the South Carolina Restructuring Act, 2014 Act No. 121, Section 5(D)(1), effective July 1, 2015.

Editor's Note

2019 Act No. 84, Section 2, provides as follows:

"SECTION 2. This act takes effect upon approval by the Governor and first applies to the annual general appropriations bill process for Fiscal Year 2020‑2021."

Effect of Amendment

2019 Act No. 84, Section 1, deleted the third, fourth, and fifth sentences, which exempted the fund from mid‑year cuts, with an exception.

**SECTION 6‑27‑30.** Funding of Local Government Fund; adjustments based on general fund revenues; definitions.

(A) In the annual general appropriations act, the General Assembly must appropriate funds to the Local Government Fund.

(B)(1) In any fiscal year in which general fund revenues are projected to increase or decrease, the appropriation to the Local Government Fund for the upcoming fiscal year must be adjusted by the same projected percentage change, but not to exceed five percent, when compared to the appropriation in the current fiscal year. For purposes of this subsection, beginning with the initial forecast required pursuant to Section 11‑9‑1130, the percentage adjustment in general fund revenues must be determined by the Revenue and Fiscal Affairs Office by comparing the current fiscal year's recurring general fund expenditure base with the Board of Economic Advisors' most recent projection of recurring general fund revenue for the upcoming fiscal year. Upon the issuance of the initial forecast, the Executive Director of the Revenue and Fiscal Affairs Office, or his designee, shall notify the Chairman of the Senate Finance Committee, the Chairman of the House Ways and Means Committee, and the Governor of the projected percentage adjustment. The executive director, or his designee, shall provide similar notice if subsequent modifications to the forecast change the projected percentage adjustment. However, the forecast in effect on February fifteenth of the current fiscal year is the final forecast for which the percentage adjustment is determined, and no subsequent forecast modifications shall have any effect on that determination.

(2) The Governor shall include the appropriation required by this chapter to the Local Government Fund in the Executive Budget.

(3) The Revenue and Fiscal Affairs Office shall determine the current fiscal year's recurring general fund expenditure base, and determine any projected adjustment in general fund revenues. If a change is projected, the appropriation for the upcoming fiscal year must be adjusted accordingly.

(C) For purposes of this section:

(1) "Recurring general fund revenue" means the forecast of recurring general fund revenues pursuant to Section 11‑9‑1130 after the amount apportioned to the Trust Fund for Tax Relief, as required in Section 11‑11‑150, is deducted.

(2) "Recurring general fund expenditure base" means the total recurring general fund appropriations authorized in the current general appropriations act less any reduced appropriations mandated by the General Assembly or the Executive Budget Office pursuant to Section 11‑9‑1140(B).

HISTORY: 1991 Act No. 171, Part II, Section 22A; 2019 Act No. 84 (H.3137), Section 1, eff May 24, 2019.

Editor's Note

2017 Act No. 97, Pt 1B, Section 113.5 provides:

"113.5. (AS‑TREAS: LGF) For Fiscal Year 2017‑18, the provisions of Section 6‑27‑30 and Section 6‑27‑50 of the 1976 Code are suspended."

2019 Act No. 84, Section 2, provides as follows:

"SECTION 2. This act takes effect upon approval by the Governor and first applies to the annual general appropriations bill process for Fiscal Year 2020‑2021."

Effect of Amendment

2019 Act No. 84, Section 1, rewrote the section, providing that the appropriation to the Local Government Fund must be adjusted by the same percentage that general fund revenues are projected to increase or decrease.

**SECTION 6‑27‑40.** Distribution of monies appropriated to Local Government Fund; use of funds distributed.

(A) No later than thirty days after the end of the calendar quarter, the State Treasurer shall distribute the monies appropriated to the Local Government Fund as follows:

(1) Eighty‑three and two hundred seventy‑eight thousandths percent must be distributed to counties. Of the total distributed to counties, each county must receive an amount based on the ratio that the county's population is of the whole population of this State according to the most recent United States Census.

(2) Sixteen and seven hundred twenty‑two thousandths percent must be distributed to municipalities. Of the total distributed to municipalities, each municipality must receive an amount based on the ratio that the municipality's population is of the population of all municipalities in this State according to the most recent United States Census.

(B) In making the quarterly distribution to counties, the State Treasurer must notify each county of the amount that must be used for educational purposes relating to the use of alcoholic liquors and for the rehabilitation of alcoholics and drug addicts. Counties may pool these funds with other counties and may combine these funds with other funds for the same purposes. The amount that must be used as provided in this subsection is equal to twenty‑five percent of the revenue derived pursuant to Section 12‑33‑245 allocated on a per capita basis according to the most recent United States Census.

HISTORY: 1991 Act No. 171, Part II, Section 22A; 1996 Act No. 415, Section 2; 2019 Act No. 84 (H.3137), Section 1, eff May 24, 2019.

Editor's Note

2019 Act No. 84, Section 2, provides as follows:

"SECTION 2. This act takes effect upon approval by the Governor and first applies to the annual general appropriations bill process for Fiscal Year 2020‑2021."

Effect of Amendment

2019 Act No. 84, Section 1, in (A), made a nonsubstantive change.

**SECTION 6‑27‑50.** Omitted.

HISTORY: Former Section, titled Restrictions on amendment or repeal of chapter, had the following history: 1991 Act No. 171, Part II, Section 22A. Omitted by 2019 Act No. 84, Section 1, eff May 24, 2019.

**SECTION 6‑27‑55.** Funding for county offices.

From funds distributed to the county pursuant to Section 6‑27‑40, a county council shall provide a reasonable amount of funds for all county offices of state agencies for which the council is required to provide funding by state law.

HISTORY: 1996 Act No. 458, Part II, Section 105; 2019 Act No. 84 (H.3137), Section 1, eff May 24, 2019.

Editor's Note

2019 Act No. 84, Section 2, provides as follows:

"SECTION 2. This act takes effect upon approval by the Governor and first applies to the annual general appropriations bill process for Fiscal Year 2020‑2021."

Effect of Amendment

2019 Act No. 84, Section 1, reenacted the section with no apparent change.