RECALLED

April 30, 2014

**H. 5108**

Introduced by Reps. White and Gambrell

L. Printed 4/30/14--H.

Read the first time April 10, 2014.

**A** **BILL**

TO THE ENACT “ANDERSON COUNTY SCHOOL DISTRICTS PROPERTY TAX RELIEF ACT” SO AS TO AUTHORIZE THE IMPOSITION, FOLLOWING REFERENDUM APPROVAL, OF A SALES AND USE TAX OF ONE PERCENT IN ANDERSON COUNTY FOR NOT MORE THAN FIFTEEN YEARS WITH AT LEAST TWENTY PERCENT OF THE REVENUES USED TO PAY DEBT SERVICE ON EXISTING GENERAL OBLIGATION BONDS ISSUED FOR SCHOOL CONSTRUCTION AND RENOVATION AND THE REMAINDER USED TO PAY DEBT SERVICE ON SCHOOL DISTRICT GENERAL OBLIGATION BONDS OR FOR DIRECT PAYMENT, OR BOTH SUCH FINANCING METHODS, FOR SCHOOL CONSTRUCTION AND RENOVATION, TO INSTALL, MAINTAIN, AND IMPROVE SECURITY AND PUBLIC SAFETY MEASURES, TO PROVIDE TECHNOLOGY HARDWARE AND SOFTWARE IN THE ANDERSON COUNTY SCHOOL DISTRICTS, TO PROVIDE A CAREER AND TECHNICAL EDUCATION FACILITY FOR ANDERSON COUNTY SCHOOL DISTRICTS THREE, FOUR, AND FIVE, TO PROVIDE CAPITAL IMPROVEMENTS INCLUDING, BUT NOT LIMITED TO, ROOFS, STADIUMS, AND FIELDS IN ANDERSON COUNTY SCHOOL DISTRICTS, AND TO PROVIDE FOR THE ADMINISTRATION AND ENFORCEMENT OF THE TAX.

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

SECTION 1. This act may be cited as the “Anderson County School Districts Property Tax Relief Act”.

SECTION 2. The General Assembly finds that:

(1) All of the school districts of Anderson County have issued general obligation debt to provide for the educational capital needs of the school districts of Anderson County, which debt is secured and serviced by annual property tax levies and that using at least twenty percent of the revenues of the tax authorized by this act to pay debt service on such bonds will provide substantial property tax relief for all property taxpayers on all taxable property in Anderson County.

(2) There exists a need to provide resources for the installation, maintenance, and improvement of security and public safety infrastructure in all of the public schools of Anderson County, which security and safety infrastructure would inure to the benefit of all citizens of the county who attend programs and events held in the school facilities.

(3) There exists a need to provide adequate resources for the ongoing and constantly evolving instructional and operational technology programs of all of the school districts of Anderson County.

(4) There exists a need for state‑of‑the‑art technical educational facilities to serve the interests of Anderson County for students enrolled in Anderson County School Districts Three, Four, and Five on a basis comparable to the benefits now available to students enrolled in Anderson One and Anderson Two, which needs can most efficiently be met through a cooperative undertaking.

(5) There exists a need for capital improvements to facilities including, but not limited to, improvements to roofs, stadiums, and fields in the public schools of Anderson County.

(6) Financing of these common needs through a common source is the fairest and most efficient method of sharing the common investment of these resources.

(7) Anderson has five school districts and meeting the capital improvements and other needs of these districts present unique and difficult financing issues that can best be addressed with a countywide solution.

(8) Noting that the boundaries of one of the school districts of Anderson County extend into an adjacent county, the “Anderson County School Districts Property Tax Relief Act” is thereby a statewide matter.

SECTION 3. As used in this act:

(1) “Board” means the Anderson County Board of Education.

(2) “County” means the entire geographical area included within the boundaries of Anderson County.

(3) “County auditor” means the Anderson County Auditor.

(4) “County Election Commission” means the entity provided by law to conduct elections in Anderson County.

(5) “County treasurer” means the Anderson County Treasurer.

(6) “Department” means the South Carolina Department of Revenue.

(7) “District” or “districts” include Anderson County School Districts One, Two, Three, Four, and Five and where applicable, the boards of trustees of these districts.

SECTION 4. Subject to the requirements of this act and notwithstanding any other provision of law limiting the imposition of local sales and use taxes, the board, by resolution, may impose a one percent sales and use tax for not more than fifteen years within the county to collect revenues with at least twenty percent of such revenues to be used to pay debt service on existing general obligation bonds issued by districts, to pay the costs of debt service on general obligation debt issued by districts for acquisition or construction of any of the improvements identified in the resolution providing for the imposition of the tax, or to pay directly costs of acquisition or construction of any of the improvements identified in the resolution providing for the imposition of the tax.

SECTION 5. (A)(1) The board, by a resolution approved by it after consultation with the districts, may vote to impose the tax authorized by this act, but the tax may not be imposed unless the voters approve the question presented in the referendum. The resolution must specify the:

(a) maximum time, stated in calendar years or calendar quarters, or a combination of them, not to exceed fifteen years, for which the tax may be imposed;

(b) debt service on previously issued district general obligation bonds to be paid with the revenues of the tax authorized pursuant to this act;

(c) including those uses described in subitem (d), improvements to be financed through the issuance of general obligation bonds of the districts and the maximum principal amount of general obligation bonds to be issued and repaid with proceeds of the tax;

(d) except when financed pursuant to subitem (c), amounts for:

(i) installation, maintenance, and improvement of district security and public safety measures;

(ii) district technology hardware and software needs; and

(iii) a facility for career and technical education serving Anderson County School Districts Three, Four, and Five.

(2) The resolution also must specify a distribution formula by which the revenues of the taxes are used in each district.

(3) If a referendum is required to authorize general obligation bonds of a district in connection with the tax authorized pursuant to this act, the district, subject to the applicable public notice requirements, may schedule the referendum for the date of the referendum required pursuant to this act.

(B) Upon the receipt of the resolution, the county election commission shall conduct a referendum on the question of imposing the local special sales and use tax in the county. The referendum must be held at the time of the general election. Notice of the election must be provided in the manner provided by the general election law except that the first notice may not be later than thirty‑five days before the election and the second notice must not be later than two weeks after the first notice. Incremental election expenses incurred by the county election commission in conducting the referendum must be paid by the board.

(C) The question to be voted upon in the referendum must read substantially as follows:

“Shall a special sales and use tax of one percent be imposed in Anderson County for not more than fifteen years in order to raise revenues at least twenty percent of which must be used to pay debt service on outstanding general obligation bonds issued by the five Anderson County school districts and the balance used to pay debt service on general obligation bonds issued by Anderson County school districts or to pay directly the costs of:

(1) improved security and public safety in the five Anderson County school districts;

(2) technology hardware and software needs in the five Anderson County school districts;

(3) a career and technical education facility for Anderson County School Districts Three, Four, and Five; and

(4) capital improvements to school facilities in the five Anderson County school districts including, but not limited to, roofs, stadiums, and fields?

Yes 

No ”

The ballot may, in the discretion of the board, contain an explanation of the question to be voted upon in this referendum.

(D) All qualified electors desiring to vote in favor of imposing the tax for these purposes shall vote “Yes” and all qualified electors opposed to levying the tax for these purposes shall vote “No”. Upon receipt of the returns of the referendum, the election commission shall certify the results and file the certification with the county clerk of court. The certification also must be filed with the department. The certified result of the referendum is not open to question except by a civil action instituted within twenty days of the filing of the certificate with the clerk of court. If a majority of the votes cast are in favor of imposing the tax, then the tax is imposed as provided in this act; otherwise, the tax is not imposed.

SECTION 6. (A) If the tax is approved in the referendum, the tax must be imposed beginning upon the first day of May following the filing of the declaration of results of the referendum with the department.

(B) The tax terminates on the final day of the maximum time specified for the imposition.

(C) When the sales and use tax authorized pursuant to this act is imposed for more than one purpose, the board shall determine the priority for the expenditure of the net proceeds of the tax for the purposes stated in the referendum.

SECTION 7. (A) The tax imposed pursuant to this act must be administered and collected by the department in the same manner that other sales and use taxes are collected. The department may prescribe the amounts which may be added to the sales price because of the tax.

(B) The tax authorized by this act is in addition to all other local sales and use taxes and applies to the gross proceeds of the sales in Anderson County which are subject to the tax imposed by Chapter 36, Title 12, and the enforcement provisions of Chapter 54, Title 12. The gross proceeds of the sale of items subject to a maximum tax in Chapter 36, Title 12, are exempt from the tax imposed by this act. The gross proceeds of the sale of unprepared food items which may lawfully be purchased with United States Department of Agriculture Supplemental Nutrition Assistance Program (SNAP) benefits are exempt from the tax imposed by this act. The tax imposed by this act also applies to tangible personal property subject to the use tax in Article 13, Chapter 36, Title 12.

(C) Taxpayers required to remit taxes under Article 13, Chapter 36, Title 12, shall identify the specific county in which the tangible personal property purchased at retail is stored, used, or consumed in this State.

(D) Utilities are required to report sales in the county in which consumption of the tangible personal property occurs.

(E) A taxpayer subject to the tax imposed by Section 12‑36‑920, who owns or manages rental units in and outside of the county, shall separately report in his sales tax return the total gross proceeds from business done in the county.

(F) The gross proceeds of sales of tangible personal property delivered after the imposition date of the tax imposed pursuant to this act in the county, either under the terms of a construction contract executed before the imposition date, or a written bid submitted before the imposition date, culminating in a construction contract entered into before or after the imposition date, are exempt from the special local sales and use tax provided in this act if a verified copy of the contract is filed with the department within six months after the imposition of the special local sales and use tax.

(G) Notwithstanding the imposition date of the special local sales and use tax authorized pursuant to this act, with respect to services that are regularly billed on a monthly basis, the special local sales and use tax is imposed beginning on the first day of the billing period beginning on or after the imposition date.

SECTION 8. (A)(1) The revenues of the tax collected in the county pursuant to this act must be remitted to the State Treasurer and credited to a fund separate and distinct from the general fund of the State. After deducting the amount of refunds made and costs to the department of administering the tax, not to exceed one percent of the revenues, the State Treasurer shall distribute the revenues quarterly to a separate account in the county treasury established by the county treasurer for the sole purpose of the receipt of these revenues. Earnings on this fund must be credited to it and the balance in the fund at the end of a fiscal year carries forward and both earnings and carried forward revenues must be used for the purposes provided in the imposition resolution. The State Treasurer may correct misallocation costs or refunds by adjusting subsequent distributions, but these adjustments must be made in the same fiscal year as the misallocation.

(2) The county treasurer, at the direction of the board, shall distribute the separate fund’s revenues in the manner provided in the imposition resolution and the minimum twenty percent allocation of the revenues required to be distributed to pay debt service on existing general obligation debt and revenues to pay debt service on subsequently issued such debt must be credited to the appropriate account maintained by the county treasurer for district debt service obligations and must be administered as provided in subsection (B) of this section.

(B) The county treasurer shall certify to the auditor of the county on July fifteenth of each calendar year as to the amount of tax revenues of the tax authorized by this act held by him for district debt service as of June thirtieth of the calendar year. The county auditor, in consultation with the district, shall reduce the next imposition of ad valorem property taxes required to pay debt service on the bonds to which the tax is applicable by the amount of tax revenues certified as collected as of June thirtieth by the county treasurer. Tax revenues collected as of June thirtieth of a calendar year in excess of the amounts required to pay debt service due in the eighteen months following June thirtieth on bonds to which the tax is applicable may be applied either to the payment or reimbursement to the district for the payment of costs of the improvements described in the resolution or, if such improvements have been completed, these tax revenues must be applied to the redemption of the bonds authorized in connection with the tax authorized by this act on the next practicable redemption date. Notwithstanding any other provisions of this act, “debt service on the bonds to which the tax is applicable” includes debt service for previously issued general obligation debt issued by the district.

(C) Before the issuance of any general obligation bonds payable from the tax authorized by this act, any revenues may be applied directly to the costs of the improvements approved in the referendum provided for in Section 5.

SECTION 9. The department shall furnish data to the State Treasurer and to the board for the purpose of calculating distributions and estimating revenues. The information that must be supplied to the board upon request includes, but is not limited to, gross receipts, net taxable sales, and tax liability by taxpayers. Information about a specific taxpayer is considered confidential and is governed by the provisions of Section 12‑54‑240 of the 1976 Code. A person violating this act is subject to the penalties provided in Section 12‑54‑240 of the 1976 Code.

SECTION 10. This act takes effect upon approval by the Governor.

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