**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 59‑17‑180 SO AS TO PROVIDE THAT IF A SCHOOL DISTRICT HAS IN ITS UNASSIGNED FUND BALANCE MORE THAN TWENTY‑FIVE PERCENT OF ITS OPERATING BUDGET, THEN THE COUNTY AUDITOR MUST GRANT EACH TAXPAYER PAYING SCHOOL OPERATING TAXES A NONREFUNDABLE SCHOOL PROPERTY TAX CREDIT EQUAL TO THE TAXPAYER’S PRO RATA SHARE OF THE EXCESS.

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

SECTION 1. Chapter 17, Title 59 of the 1976 Code is amended by adding:

“Section 59‑17‑180. (A) Upon closing the books on a fiscal year, if a school district has in its unassigned fund balance more than twenty‑five percent of its operating budget, the school district must notify the appropriate county auditor of the amount in its unassigned fund balance in excess of twenty‑five percent of its operating budget by September first. In preparing property tax notices that are due without penalty by the next January fifteenth, the county auditor must grant each taxpayer paying school operating taxes a nonrefundable school property tax credit. The amount of the credit must be granted on a pro rata basis based on the amount the taxpayer otherwise owes in school operating taxes when compared to the total amount owed in school operating taxes in the school district. The tax bill must show the credit separately from any other credit.

(B) For purposes of this section:

(1) ‘Operating budget’ means the amounts dedicated for all school operations, except amounts dedicated to the repayment of debt, in the current fiscal year of the school district’s budget.

(2) ‘Unassigned fund balance’ means all unreserved accounts which are not designated for any specific purpose.”

SECTION 2. This act takes effect upon approval by the Governor and first applies to the closing of Fiscal Year 2013‑2014.

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