



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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*This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.*

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<b>Bill Number:</b>	S. 152	Introduced on January 12, 2021
<b>Author:</b>	Davis	
<b>Subject:</b>	Green County Space Sales Tax Act	
<b>Requestor:</b>	Senate Finance	
<b>RFA Analyst(s):</b>	Gallagher	
<b>Impact Date:</b>	May 6, 2021	

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### **Fiscal Impact Summary**

This bill enacts the County Green Space Sales Tax Act, which permits coastal zone counties to impose a 1 percent local sales tax for procuring open land or green space for preservation. The tax must be administered and collected by the Department of Revenue (DOR). Any funds that cannot be attributed to a specific governmental entity will be distributed annually by the State Treasurer's Office proportionally to the coastal zone county area in which the tax is imposed based on the current fiscal year's county area revenue collections. This bill is not expected to have an expenditure impact on either agency, as these responsibilities are an extension of their current operations and can be managed with existing staff and resources.

The bill is not expected to impact county expenditures for conducting the referendum, which must be held during a general election, or implementing the tax if imposed as we expect this can be accomplished with existing staff and resources. This bill will generate additional local revenue if counties elect to adopt the Green Space Sales Tax. However, since this bill is permissive, which counties will choose to implement the local sales tax is unknown. Therefore, the resulting local revenue impact is undetermined.

### **Explanation of Fiscal Impact**

#### **Introduced on January 12, 2021**

#### **State Expenditure**

This bill enacts the County Green Space Sales Tax Act, which permits coastal zone counties to impose a 1 percent local sales and use tax on the gross proceeds of sales and use items as enumerated in Chapter 36, Title 12 for the purpose of preservation procurement. Preservation procurement is defined as procuring open land or green space for preservation. The tax must be administered and collected by DOR. Any funds that cannot be attributed to a specific governmental unit will be distributed by the State Treasurer's Office annually on a proportional basis to the coastal zone county area in which the tax is imposed proportionally based on the current fiscal year's county area revenue collections. We anticipate that DOR will be able to collect and administer funds from the new local option sales tax with existing staff and resources as DOR already administers several local option sales taxes. Further, we anticipate the State Treasurer's Office will be able to distribute unattributable funds using current appropriations as

the agency distributes funds to local governments as part of its regular duties. Therefore, this bill is not expected to have an expenditure impact on either agency.

### **State Revenue**

N/A

### **Local Expenditure**

This bill allows coastal counties to adopt the Green Space Sales Tax for preservation procurement. The tax is subject to a referendum, which must specify how the tax will be implemented and how the funds will be used. The respective county's election commission must certify the results of the referendum to the county governing body and to DOR. Expenses of the referendum must be paid proportionally by the governmental entities that will receive the proceeds of the tax.

Since this bill is permissive, the number of counties that will elect to adopt the tax is unknown. However, we anticipate that local counties will be able to absorb any additional expenses incurred from conducting a referendum within current budgets.

### **Local Revenue**

This bill enacts the County Green Space Sales Tax Act, which permits coastal zone counties to impose a 1 percent local sales and use tax for preservation procurement. As defined, preservation procurement includes acquisition of open lands or green space for the purpose of preservation. This tax is subject to a referendum held during a general election and may be implemented for up to 7 years.

This bill would permit the following coastal counties to impose the tax: Beaufort, Berkeley, Charleston, Colleton, Dorchester, Horry, Jasper, and Georgetown. Counties are permitted to issue bonds to fund preservation procurement, and revenues collected pursuant to this bill may be used to defray debt service on these bonds. In the event the tax is not re-imposed and collected revenues exceed what is needed to complete the preservation procurements for which the tax was imposed, then the remaining funds must be used for the purposes enumerated in Section 4-10-330(A)(1), which are capital project sales tax purposes.

This bill will generate additional revenue if counties elect to adopt the County Green Space Sales Tax. However, since this bill is permissive, the number of counties and which counties will choose to adopt the tax is unknown. Therefore, the resulting local revenue impact is undetermined.



Frank A. Rainwater, Executive Director