

Future of the Forest Committee Report  
Addendum 1  
Correction Statement

When the author of the report sought a legal opinion on the issue of special tax districts he was not clear enough with the question. The answer received was correct, however it was an answer applying to Special Purpose Tax Districts. This led to an incorrect conclusion that Special Tax Districts were not allowable.

The fact is that special tax districts are allowable and should be considered a viable option when consideration is given to the approach to address the issues identified by the Committee.

The author regrets and apologizes for the confusion and accepts full responsibility for the mistake.

Below are the relevant sections of the code:

5)(a) to assess property and levy ad valorem property taxes and uniform service charges, including the power to tax different areas at different rates related to the nature and level of governmental services provided and make appropriations for functions and operations of the county, including, but not limited to, appropriations for general public works, including roads, drainage, street lighting, and other public works; water treatment and distribution; sewage collection and treatment; courts and criminal justice administration; correctional institutions; public health; social services; transportation; planning; economic development; recreation; public safety, including police and fire protection, disaster preparedness, regulatory code enforcement; hospital and medical care; sanitation, including solid waste collection and disposal; elections; libraries; and to provide for the regulation and enforcement of the above. However, prior to the creation of a special tax district for the purposes enumerated in this item, one of the following procedures is required:

(i) When fifteen percent of the electors in a proposed special tax district sign and present to the county council a petition requesting the creation of a special tax district, an election must be held in which a majority of the electors in that area voting in the election shall approve the creation of the special tax district, the nature of the services to be rendered and the maximum level of taxes or user service charges, or both, authorized to be levied and collected. The petition must contain a description of the proposed special tax district, the elector's signature and address. If the county council finds that the petition has been signed by fifteen percent or more of the electors resident within the area of the proposed special tax district, it may certify that fact to the county election commission. Upon receipt of a written resolution certifying that the petition meets the

requirements of this section, the county election commission shall order an election to be held within the area of the proposed special tax district. The election ordered pursuant to this section is a special election and must be held, regulated, and conducted with the provisions prescribed by Chapters 13 and 17 of Title 7, except as otherwise provided in this section. The county election commission shall give at least thirty days' notice in a newspaper of general circulation within the proposed special tax district. The county election commission shall certify the result of the election to the county council and county council by written resolution shall publish the result of the election.

(ii) When a petition is submitted to the county council signed by seventy-five percent or more of the resident freeholders who own at least seventy-five percent of the assessed valuation of real property in the proposed special tax district, the county council upon certification of the petition may pass an ordinance establishing the special tax district. For the purposes of this item, "freeholder" has the same meaning as defined in Section 5-3-240. The petition must contain a designation of the boundaries of the proposed special tax district, the nature of the services to be rendered, and the maximum level of the taxes or user service charges, or both, authorized to be levied and collected.

(iii) When the area of the proposed special tax district consists of the entire unincorporated area of the county, county council may pass an ordinance establishing a special tax district. For the purposes of this item "unincorporated area" means the area not included within the corporate boundaries of a municipal corporation created pursuant to Chapter 1 of Title 5 or within a special purpose district created before March 7, 1973, to which has been committed the governmental service which the county council intends to provide through the proposed special taxing district unless the special purpose district has been dormant for five years or more. If, however, the same service intended to be rendered by the special taxing district is being rendered or is intended to be rendered within any portion of the territory of the special purpose district, then no such service may be rendered by the special taxing district without consent of the governing body of the special purpose district.

(b) In the ordinance establishing the special tax district, county council shall provide for the operation of the special tax district. The special tax district may be operated as an administrative division of the county, or county council may appoint a commission consisting of three to five members and provide for their terms of office.

(c) Notwithstanding any provision to the contrary, the county council shall not finance any service not being rendered by the county on March 7, 1973, by a countywide tax where the service is being provided by any municipality within that municipality or where the service has been budgeted or funds have been applied for as certified by the municipal governing body, except upon concurrence of the municipal governing body. For purposes of this subitem, "municipality" means a municipal corporation created pursuant to Chapter 1 of

## Title 5.

(d) Before the issuance of any general obligation bonds to provide a service in a special tax district and the levy of a tax to retire the bonds at rates different from those levied in the remainder of the county related to the nature and level of government services to be provided in the special tax district, the county council shall first approve the issuance of the general obligation bonds and the levy of the tax to retire the bonds by ordinance.

(e) County council may by ordinance diminish boundaries of or abolish a special tax district. It must first conduct a public hearing. Notice of the hearing must be given two weeks before it in a newspaper of general circulation in the tax district.

(f) After a special tax district is created, pursuant to the provisions of this item, the governing body of the county may, by ordinance, provide that the uniform service charge be collected on an annual, semiannual, quarterly, or monthly basis. The governing body by ordinance also may provide for monthly delinquency penalty charges by special tax notices.

(g) Any special taxing district created prior to the effective date of this act pursuant to this subsection, the creation of which would have been valid but for any inconsistency in or constitutional infirmity of this subsection as codified at the time of such creation, is hereby created and declared to be valid, and its existence is confirmed as of the date of its prior creation; provided, however, that any such special taxing district shall be subject to all provisions of this subsection as provided for in this act, including without limitation item (e).

(h) The creation of a street lighting system within a county may not disrupt the assignment of electric service rights by the Public Service Commission. The special tax district may not treat the street lighting system as one premises for the purchase of electric energy. Those lighting structures located in an area assigned by the South Carolina Public Service Commission to an electric supplier pursuant to Section 58-27-640, et seq., must be served by the designated electric supplier unless it consents to service by another supplier. Those light structures located in an unassigned area must be considered a single premises and may be served by an electric supplier pursuant to the customer choice provisions of Section 58-27-620 or by an electrical utility pursuant to the certificate of public convenience and necessity provisions of Section 58-27-1230 to serve the lighting structures planned for the unassigned areas.

After a special tax district is created pursuant to this item, the governing body of the county by ordinance may provide that the uniform service charge be collected on an annual, semiannual, quarterly, or monthly basis.