



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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**Bill Number:** S. 0227 Introduced on January 8, 2019  
**Author:** Gambrell  
**Subject:** Municipality Millage  
**Requestor:** Senate Finance  
**RFA Analyst(s):** Miller  
**Impact Date:** January 11, 2019

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### **Fiscal Impact Summary**

This bill would cause an undetermined increase in local property tax revenue because it is permissive in nature and does not specify the millage rate that may be initially imposed.

### **Explanation of Fiscal Impact**

#### **Introduced on January 8, 2019**

#### **State Expenditure**

N/A

#### **State Revenue**

N/A

#### **Local Expenditure**

N/A

#### **Local Revenue**

This bill would permit any municipality that is without an operating millage before January 1, 2019 or that is incorporated after January 1, 2019, to impose an operating millage. After the operating millage is imposed, it is subject to the millage rate increase limitations as defined in §6-1-320.

Currently, a municipality that does not have an operating millage is presumed to have a millage of zero and is unable to increase it due to the millage rate increase limitation. This bill would allow these municipalities to impose an initial millage thereby giving the municipalities the opportunity to bring in property tax revenue. According to the Municipal Association of South Carolina, sixty municipalities do not collect property taxes. The Association believes only two municipalities, Edgefield and Pelzer, would immediately impose a millage rate. However, Revenue and Fiscal Affairs is unable to estimate the increase to local revenue for these two municipalities as they may choose what millage rate to impose and there is no data available for their property tax base to determine the value of a mill. Therefore, this bill would cause an undetermined increase to local property taxes.

A handwritten signature in blue ink that reads "Frank A. Rainwater".

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Frank A. Rainwater, Executive Director