

**AN ORDINANCE
TO PROVIDE FOR THE REIMBURSEMENT OF ALLOCATIONS OF REVENUES UNDER THE
AGREEMENT FOR DEVELOPMENT OF A JOINT COUNTY INDUSTRIAL PARK, BY AND BETWEEN
CHARLESTON COUNTY, SOUTH CAROLINA AND COLLETON COUNTY, SOUTH CAROLINA,
PROVIDING FOR THE DEVELOPMENT OF A JOINTLY OWNED AND OPERATED
INDUSTRIAL/BUSINESS PARK**

WHEREAS, Charleston County, South Carolina (the "County") and Colleton County, South Carolina (jointly the "Counties") are authorized under Article VIII, Section 13 of the South Carolina Constitution to jointly develop an industrial or business park within the geographical boundaries of one or more of the member Counties pursuant to the terms of a written instrument which is binding on the participating Counties; and

WHEREAS, in order to promote the economic welfare of the citizens of the Counties by providing employment and other benefits to the citizens of the Counties, the Counties entered into an Agreement for Development for a Joint County Industrial Park effective as of September 1, 1995 (the "Original Agreement"), to develop jointly an industrial and business park (the "Park"), as provided by Article VIII, Section 13 of the South Carolina Constitution and in accordance with Section 4-1-170 of the Code of Laws of South Carolina, 1976, as amended, (the "Act"), which Original Agreement, in compliance with the provisions of the Act, (i) specifies by percentage the revenue to be allocated to each County, and (ii) the manner in which revenue must be distributed to each of the taxing entities within each of the participating Counties; and

WHEREAS, the Original Agreement, as has been amended from time to time by the Counties, is referred to herein as the "Agreement," and

WHEREAS, in compliance with the Act, the Agreement allocates 1.75% of Revenues (the "Colleton County Allocation") derived from property located in Charleston County to Colleton County (the "Colleton County Government"); and

WHEREAS, pursuant to Charleston County Council Ordinance 1626, enacted February 2, 2010, Charleston County provided for an allocation of 7.5% (the "Charleston County Economic Development Fund Allocation") of revenues generated by the Park and distributed to Charleston County (the "Revenues") to the Charleston County Economic Development Fund (the "Charleston County Economic Development Fund"), with the remaining Revenues (the "Net Revenues") to be distributed in accordance with an Ordinance subsequently to be enacted by the County Council; and

WHEREAS, Act No. 39 ("Act No. 39") of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 2022 (codified as Section 12-37-220(B)(52)(a) of the Code of Laws of South Carolina 1976, as amended [the "State Code"]) provides for a 42.8571 percent reduction of property tax value of manufacturing property assessed for property tax pursuant to Section 12-43-220(a)(1) of the State Code; and

WHEREAS, Section 12-37-220(B)(52)(ii)(b) of the State Code provides for the reimbursement by the South Carolina Department of Revenue (the "DOR") of political subdivisions of the State for the revenue loss resulting from the Act No. 39 exemption in the maximum amount currently set at \$170,000,000; and

WHEREAS, Act No. 39 has the unintended consequence of reducing the Revenues generated and allocated (1) to the Charleston County Economic Development Fund (a component of Charleston County Government) and (2) to the Colleton County Government by the property value reduction reducing the amount of net fees-in-lieu of ad valorem taxes against which the Charleston County Economic Development Fund Allocation and the Colleton County Allocation are calculated (*i.e.*, Lost Revenue); and

WHEREAS, as a result of Act No. 39, the other political subdivisions located within Charleston County will receive revenue, through the reimbursement, over and above the intended reimbursement entitlement at the expense of the Charleston County Economic Development Fund and the Colleton County Government; and

WHEREAS, the Charleston County Council desires to provide for the allocation of Revenues generated and collected by Charleston County pursuant to the Agreement in accordance with the terms of the Agreement, the Act, and the Constitution;

NOW, THEREFORE, BE IT ORDAINED BY THE CHARLESTON COUNTY COUNCIL:

SECTION 1. Pursuant to the provisions of Section 9 of the Agreement, Charleston County hereby provides for the additional distribution of Revenues generated by the Park through the payment of fee-in-lieu of ad valorem taxes as follows:

(a) The Colleton County Government and the Charleston County Economic Development Fund may be reimbursed from the Code Section 12-37-220(B)(52)(ii)(b) reimbursement from the DOR in the respective amounts equal to the revenue lost as a result of Act No. 39, effective beginning for tax year 2023.

(b) The Charleston County Auditor shall calculate annually the amount of lost revenue to the Colleton County Government and the Charleston County Economic Development Fund by taking the difference in revenue generated prior to Act No. 39 and revenue generated after the effective date of Act No. 39.

(c) The Charleston County Auditor shall remove the Colleton County Government and the Charleston County Economic Development Fund portions of the State reimbursement from applicable manufacturing accounts located in the Park; if the remaining amount is sufficient to fully reimburse the political subdivisions, then the Charleston County Auditor will send the distribution to the Charleston County Treasurer for disbursement to the political subdivisions. If the remaining amount is not sufficient, then the Charleston County Auditor will use sufficient funds from the Colleton County Government and the Charleston County Economic Development Fund portions of the State reimbursement to fully reimburse the political subdivisions before sending the distribution to the Charleston County Treasurer for disbursement.

(d) The Charleston County Treasurer shall disburse the portions, as determined by the Charleston County Auditor, to the Colleton County Government and the Charleston County Economic Development Fund, respectively.

SECTION 3. This Ordinance shall become effective on the date of enactment of this Ordinance by the Charleston County Council, after third and final reading and public hearing.

CHARLESTON COUNTY, SOUTH CAROLINA

By: _____
Chairman, County Council of
Charleston County, South Carolina

ATTEST:

Clerk to County Council
Charleston County, South Carolina

First Reading:	July 18, 2023
Public Hearing:	September 12, 2023
Second Reading:	August 22, 2023
Third Reading:	September 12, 2023