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125th Session, 2023-2024

S. 284

STATUS INFORMATION

General Bill

Sponsors: Senators Davis, Turner, Jackson, Scott, Kimpson, Senn, Campsen and Sabb

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Introduced in the Senate on January 10, 2023

Introduced in the House on April 4, 2023

Last Amended on May 10, 2023

Currently residing in the Senate

Summary: Development of Workforce Housing

HISTORY OF LEGISLATIVE ACTIONS

Date	Body	Action Description with journal page number
12/7/2022	Senate	Prefiled
12/7/2022	Senate	Referred to Committee on Finance
1/10/2023	Senate	Introduced and read first time (Senate Journal-page 178)
1/10/2023	Senate	Referred to Committee on Finance (Senate Journal-page 178)
3/22/2023		Scrivener's error corrected
3/22/2023	Senate	Committee report: Favorable Finance
3/24/2023		Scrivener's error corrected
3/28/2023	Senate	Read second time (Senate Journal-page 75)
3/30/2023	Senate	Amended (Senate Journal-page 13)
3/30/2023	Senate	Read third time and sent to House (Senate Journal-page 13)
3/30/2023	Senate	Roll call Ayes-34 Nays-6 (Senate Journal-page 13)
4/4/2023	House	Introduced and read first time (House Journal-page 9)
4/4/2023	House	Referred to Committee on Ways and Means (House Journal-page 9)
5/4/2023	House	Committee report: Favorable with amendment Ways and Means (House Journal-page 8)
5/9/2023	House	Debate adjourned (House Journal-page 27)
5/10/2023	House	Amended (House Journal-page 85)
5/10/2023	House	Read second time (House Journal-page 85)
5/10/2023	House	Roll call Yeas-80 Nays-29 (House Journal-page 88)
5/11/2023	House	Read third time and returned to Senate with amendments (House Journal-page 17)
5/11/2023	Senate	Concurred in House amendment and enrolled (Senate Journal-page 57)
5/11/2023	Senate	Roll call Ayes-41 Nays-2 (Senate Journal-page 57)

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VERSIONS OF THIS BILL

12/07/2022

03/22/2023

03/22/2023-A

03/24/2023

03/30/2023

05/05/2023

05/10/2023

1 ~~Indicates Matter Stricken~~

2 Indicates New Matter

3

4 AMENDED

5 May 10, 2023

6

S. 284

7 Introduced by Senators Davis, Turner, Jackson, Scott, Kimpson, Senn, Campsen and Sabb

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9 S. Printed 05/10/23--H.

10 Read the first time April 04, 2023

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A BILL

11 TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY AMENDING SECTION 6-1-530,
12 RELATING TO USE OF REVENUE FROM LOCAL ACCOMMODATIONS TAX, SO AS TO
13 PROVIDE THAT THE DEVELOPMENT OF WORKFORCE HOUSING IS ONE OF THE
14 PURPOSES FOR WHICH LOCAL ACCOMMODATIONS TAXES MAY BE USED; BY
15 AMENDING SECTION 6-1-730, RELATING TO USE OF REVENUE FROM LOCAL
16 HOSPITALITY TAX, SO AS TO PROVIDE THAT THE DEVELOPMENT OF WORKFORCE
17 HOUSING IS ONE OF THE PURPOSES FOR WHICH LOCAL HOSPITALITY TAXES MAY BE
18 USED; BY AMENDING SECTION 6-4-10, RELATING TO A SPECIAL FUND FOR TOURISM,
19 MANAGEMENT AND USE OF SPECIAL FUND, SO AS TO PROVIDE THAT THE
20 DEVELOPMENT OF WORKFORCE HOUSING IS ONE OF THE PURPOSES FOR WHICH THE
21 SPECIAL FUND MAY BE USED; AND BY AMENDING SECTION 6-4-15, RELATING TO USE
22 OF REVENUES TO FINANCE BONDS, SO AS TO PROVIDE THAT THE DEVELOPMENT OF
23 WORKFORCE HOUSING IS ONE OF THE PURPOSES FOR WHICH BONDS MAY BE ISSUED.
24

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

26

27 SECTION 1. Section 6-1-530(A) of the S.C. Code is amended to read:

28

29 (A) The revenue generated by the local accommodations tax must be used exclusively for the
30 following purposes:

31 (1) tourism-related buildings including, but not limited to, civic centers, coliseums, and aquariums;

32 (2) tourism-related cultural, recreational, or historic facilities;

33 (3) beach access, renourishment, or other tourism-related lands and water access;

34 (4) highways, roads, streets, and bridges providing access to tourist destinations;

35 (5) advertisements and promotions related to tourism development; ~~or~~

36 (6) water and sewer infrastructure to serve tourism-related demand; or

37 (7) development of workforce housing, which must include programs to promote home ownership

38 However, a county or municipality may not expend or dedicate more than fifteen percent of its annual
39 local accommodations tax revenue for the purposes set forth in this item. The provisions of this item
40 are no longer effective after December 31, 2030.

41

42 SECTION 2. Section 6-4-10(4) of the S.C. Code is amended to read:

43

1 The funds received by a municipality or a county in county areas collecting more than fifty thousand
2 dollars from the local accommodations tax provided in Section 12-36-2630(3) must be allocated in the
3 following manner:

4 (4)(a) The remaining balance plus earned interest received by a municipality or county must be
5 allocated to a special fund and used for tourism-related expenditures. This section does not prohibit a
6 municipality or county from using accommodations tax general fund revenues for tourism-related
7 expenditures.

8 (b) The funds received by a county or municipality which has a high concentration of tourism
9 activity may be used to provide additional county and municipal services including, but not limited to,
10 law enforcement, traffic control, public facilities, and highway and street maintenance, as well as the
11 continual promotion of tourism. The funds must not be used as an additional source of revenue to
12 provide services normally provided by the county or municipality but to promote tourism and enlarge
13 its economic benefits through advertising, promotion, and providing those facilities and services which
14 enhance the ability of the county or municipality to attract and provide for tourists.

15 "Tourism-related expenditures" include:

16 (i) advertising and promotion of tourism so as to develop and increase tourist attendance through
17 the generation of publicity;

18 (ii) promotion of the arts and cultural events;

19 (iii) construction, maintenance, and operation of facilities for civic and cultural activities
20 including construction and maintenance of access and other nearby roads and utilities for the facilities;

21 (iv) the criminal justice system, law enforcement, fire protection, solid waste collection, and
22 health facilities when required to serve tourists and tourist facilities. This is based on the estimated
23 percentage of costs directly attributed to tourists;

24 (v) public facilities such as restrooms, dressing rooms, parks, and parking lots;

25 (vi) tourist shuttle transportation;

26 (vii) control and repair of waterfront erosion, including beach renourishment;

27 (viii) operating visitor information centers;

28 (ix) development of workforce housing, which must include programs to promote home
29 ownership. However, a county or municipality may not expend or dedicate more than fifteen percent
30 of its annual local accommodations tax revenue for the purposes set forth in this item (4)(b)(ix). The
31 provisions of this item (4)(b)(ix) are no longer effective after December 31, 2030.

32 (c)(i) Allocations to the special fund must be spent by the municipality or county within two years
33 of receipt. However, the time limit may be extended upon the recommendation of the local governing
34 body of the county or municipality and approval of the oversight committee established pursuant to
35 Section 6-4-35. An extension must include provisions that funds be committed for a specific project or
36 program.

1 (ii) Notwithstanding the provisions of subsubitem (i), upon a two-thirds affirmative vote of the
2 membership of the appropriate local governing body, a county or municipality may carry forward
3 unexpended allocations to the special fund beyond two years provided that the county or municipality
4 commits use of the funds exclusively to the control and repair of waterfront erosion, including beach
5 renourishment or development of workforce housing, which must include programs to promote home
6 ownership. The county or municipality annually shall notify the oversight committee, established
7 pursuant to Section 6-4-35, of the basic activity of the committed funds, including beginning balance,
8 deposits, expenditures, and ending balance.

9 (d) In the expenditure of these funds, counties and municipalities are required to promote tourism
10 and make tourism-related expenditures primarily in the geographical areas of the county or
11 municipality in which the proceeds of the tax are collected where it is practical.

12
13 SECTION 3. Section 6-4-15 of the S.C. Code is amended to read:

14
15 Section 6-4-15. A municipality or county may issue bonds, enter into other financial obligations, or
16 create reserves to secure obligations to finance all or a portion of the cost of constructing facilities, all
17 of which must fulfill the purpose of this chapter, for civic activities, the arts, ~~and~~ cultural events, or
18 workforce housing that includes programs to promote home ownership. ~~which fulfill the purpose of~~
19 ~~this chapter~~. The annual debt service of indebtedness incurred to finance the facilities or lease payments
20 for the use of the facilities may be provided from the funds received by a municipality or county from
21 the accommodations tax in an amount not to exceed the amount received by the municipality or county
22 after deduction of the accommodations tax funds dedicated to the general fund and the advertising and
23 promotion fund. However, none of the revenue received by a municipality or county from the
24 accommodations tax may be used to retire outstanding bonded indebtedness unless accommodations
25 tax revenue was obligated for that purpose when the debt was incurred.

26
27 SECTION 4. Chapter 4, Title 6 of the S.C. Code is amended by adding:

28
29 Section 6-4-12. (A) If a local government intends to use the funds for the development of workforce
30 housing, then the local government shall prepare a housing impact analysis prior to giving second
31 reading to the ordinance.

32 (B) The analysis required by subsection (A) must include:

33 (1) information about the effect of the ordinance on housing, including the effect of the ordinance
34 on each of the following:

35 (a) the cost of developing, construction, rehabilitating, improving, maintaining, or owning
36 single family or multifamily dwellings;

1 (b) the purchase price of new homes or the fair market value of existing homes;

2 (c) the cost and availability of financing to purchase or develop housing;

3 (d) housing costs; and

4 (e) the density, location, setback, size, or height development on a lot, parcel, land division, or
5 subdivision; and

6 (2) an analysis of the relative impact of the ordinance on low- and moderate-income households.

7 (C) The following applies to information on housing costs required to be included in the analysis
8 conducted pursuant to subsection (B)(1)(d):

9 (1) the analysis must include reasonable estimates of the effect of the ordinance on housing costs,
10 expressed in dollar amounts. The local government shall include a brief summary of, or worksheet
11 demonstrating, the computations used in determining the dollar amounts. However, if the local
12 government determines that it is not possible to make an estimate expressed in dollar amounts, then the
13 analysis must include a statement setting forth the reasons for the local government's determination;
14 and

15 (2) the analysis must include descriptions of both the immediate effect and, to the extent
16 ascertainable, the long-term effect of the ordinance on housing costs.

17 (D) Except as otherwise provided in this section, a housing impact analysis required pursuant to this
18 section must be based on costs associated with the development, construction, financing, purchasing,
19 sale, ownership, or availability of a median-priced single-family residence. However, the analysis may
20 include estimates for larger developments as part of an analysis of the long-term effects of the
21 ordinance.

22 (E) A local government may request information from any state agencies, local units of government,
23 universities or colleges, organizations, or individuals as necessary to prepare a housing impact analysis
24 pursuant to this section.

25 (F) The local government shall provide the housing impact analysis for an ordinance to the members
26 of the legislative body of the local government, the Department of Revenue, and the Tourism
27 Expenditure Revenue Committee before the ordinance is considered by the legislative body. The
28 Department of Revenue may not disburse any accommodations taxes to the local government for
29 purposes of development of workforce housing unless and until the local government has provided the
30 housing impact analysis to the parties required pursuant to this subsection.

31
32 SECTION 5. Section 6-4-5 of the S.C. Code is amended to read:

33
34 Section 6-4-5. As used in this chapter:

35 (1) "County area" means a county and municipalities within the geographical boundaries of the
36 county.

1 (2) “Cultural”, as it applies to members of advisory committees in Section 6-4-25, means persons
2 actively involved and familiar with the cultural community of the area including, but not limited to, the
3 arts, historical preservation, museums, and festivals.

4 (3) “Hospitality”, as it applies to members of the committees in item (2), means persons directly
5 involved in the service segment of the travel and tourism industry including, but not limited to,
6 businesses that primarily serve visitors such as lodging facilities, restaurants, attractions, recreational
7 amenities, transportation facilities and services, and travel information and promotion entities.

8 (4) “Travel” and “tourism” mean the action and activities of people taking trips outside their home
9 communities for any purpose, except daily commuting to and from work.

10 (5) “Housing costs” for housing occupied by the owner means:

11 (a) the principal and interest on a mortgage loan that finances the purchase of the housing;

12 (b) the closing costs and other costs associated with a mortgage loan;

13 (c) mortgage insurance;

14 (d) property insurance;

15 (e) utility-related costs;

16 (f) property taxes; and

17 (g) if the housing is owned and occupied by members of a cooperative or an unincorporated
18 cooperative association, fees paid to a person for managing the housing.

19 (6) “Housing costs” for rented housing means:

20 (a) rent; and

21 (b) utility-related costs, if not included in the rent.

22 (7) “Ordinance” means an ordinance adopted pursuant to Section 6-29-530.

23 (8) “Utility-related costs” means costs related to power, heat, gas, light, water, and sewage.

24 (9) “Workforce housing” means residential housing for rent or sale that is appropriately priced for
25 rent or sale to a person or family whose income falls within thirty percent and one hundred twenty
26 percent of the median income for the local area, with adjustments for household size, according to the
27 latest figures available from the United States Department of Housing and Urban Development (HUD).

28
29 SECTION 6. Section 6-1-510 of the S.C. Code is amended by adding:

30
31 (4) “Workforce housing” means residential housing for rent or sale that is reasonably and
32 appropriately priced for rent or sale to a person or family whose income falls within thirty percent and
33 one hundred twenty percent of the median income for the local area, with adjustments for household
34 size, according to the latest figures available from the United States Department of Housing and Urban
35 Development (HUD).

1 SECTION 7. Section 6-29-510(D)(6) of the S.C. Code is amended to read:

2
3 (6) a housing element which considers location, types, age, and condition of housing, owner and
4 renter occupancy, and affordability of housing. This element includes an analysis to ascertain
5 nonessential housing regulatory requirements, as defined in this chapter, that add to the cost of
6 developing affordable housing but are not necessary to protect the public health, safety, or welfare and
7 an analysis of market-based incentives that may be made available to encourage development of
8 affordable housing, which incentives may include density bonuses, design flexibility, and streamlined
9 permitting processes. The planning commission must solicit input for this analysis from homebuilders,
10 developers, contractors, and housing finance experts when developing this element;

11
12 SECTION 8. (A) There is created the Land Development Study Committee to examine current and
13 prospective methods to plan for and manage land development in South Carolina.

14 (B) The study committee must be comprised of three members of the Senate appointed by the
15 President of the Senate and three members of the House of Representatives appointed by the Speaker
16 of the House. Staff from the Senate and House of Representatives shall assist the study committee.

17 (C) The members of the study committee shall seek assistance from governmental agencies including
18 the South Carolina Building Codes Council, the South Carolina Housing Authority, and the South
19 Carolina Department of Agriculture, and from members of the private sector including, but not limited
20 to, the Homebuilders Association of South Carolina, Habitat for Humanity South Carolina, the Realtors
21 Association of South Carolina, the Municipal Association of South Carolina, the South Carolina
22 Association of Counties, South Carolina Land Trust, Conservation Voters of South Carolina, the South
23 Carolina Chapter of the American Planning Association, and the Manufactured Housing Institute of
24 South Carolina.

25 (D) The study committee shall provide a report to the General Assembly by December 31, 2023, at
26 which time the study committee shall dissolve.

27
28 SECTION 9. Before the beginning of the 2030 legislative session, the Director of the Department of
29 Parks, Recreation and Tourism, in consultation with the Secretary of Commerce and the Commission
30 of Agriculture, shall issue a report to the General Assembly detailing the effects on tourism and
31 workforce housing resulting from the codified provisions of this act.

32
33 SECTION 2. This act takes effect upon approval by the Governor.

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