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THE STATE OF SOUTH CAROLINA
OFFICE OF THE ATTORNEY GENERAL
COLUMBIA

OPINION NO. _____

June 1, 1987

SUBJECT: Taxation and Revenue - Disposition of tax increase under Tax Increment Financing Law.

SYLLABUS: Tax revenue collected by reason of the increase in real property values within a redevelopment area as provided in Chapter 6 of Title 31 is allocated to the municipality that designated the area and issued bonds for financing the redevelopment.

TO: Honorable Timothy F. Rogers
Member, House of Representatives

FROM: Joe L. Allen, Jr. *[Signature]*
Chief Deputy Attorney General

QUESTION: To what taxing entity is the tax revenue from the increase in value of real property within a redevelopment project area allocated under the Tax Increment Financing Act?

APPLICABLE LAW: Chapter 6 of Title 31, South Carolina Code of Laws, 1976, and Article X, Section 14(10) of the South Carolina Constitution.

DISCUSSION:

Article X, Section 14, provides authority for the state's political subdivisions to incur bond debt. Subsection (10) provides in part that:

" . . . the General Assembly may authorize by general law that indebtedness for the purpose of redevelopment within incorporated municipalities may be incurred, and that the debt service of such indebtedness be provided from the added increments of tax revenues to result from any such project. . . . "

Chapter 6 of Title 31 is the statutory authority that gives force to the constitutional grant.

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It is clear from the language of the statute that the revenue brought about because of the enhanced value of real property within the redevelopment area goes to the municipality. That revenue is to be used solely for the purpose of payment of the bond debt that brought about the value enhancement. Section 31-6-70(a) provides that:

"That portion of taxes . . . attributable to the initial equalized assessed value . . . must be allocated to and when collected must be paid . . . to the respective affected taxing districts . . ."

The initial equalized assessed value is that tax value existing when the bonds are issued, Section 31-6-100.

Section 31-6-70(b) provides that:

"That portion, if any, of taxes which is attributable to the increase in the current equalized assessed valuation . . . must be allocated to and when collected must be paid to the municipality . . ."

We find no ambiguity in the language of the statute regarding the allocation of the tax revenue. Here, effect must be given the statutory language as used without resort to other interpretational aids. (For cases so holding, see 17 S.C.D., Statutes, Key 190, et seq.)

CONCLUSION:

Tax revenue collected by reason of the increase in real property values within a redevelopment area as provided in Chapter 6 of Title 31 is allocated to the municipality that designated the area and issued bonds for financing the redevelopment.

JLAJr:wcg