

1982 WL 189208 (S.C.A.G.)

Office of the Attorney General

State of South Carolina

March 17, 1982

***1 SUBJECT: Taxation—general obligation debt incurred in anticipation of ad valorem taxes.**

General obligation debt incurred by the governing body of a political subdivision in anticipation of ad valorem taxes is included within the limitation of eight percent (8%) of the assessed value of all taxable property of that political subdivision.

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QUESTION:

Is a general obligation debt incurred in anticipation of ad valorem taxes by the governing body of a political subdivision included within the limitation of eight percent (8%) of the assessed value of all taxable property of that political subdivision?

APPLICABLE LAW:

[Article X, Section 14 of the South Carolina Constitution.](#)

DISCUSSION:

Pursuant to [Article X, Section 14 of the South Carolina Constitution](#), political subdivisions, through their governing bodies, may incur general obligation debts without referendum. If such a debt is incurred by a governing body, it is limited by the restrictions of [Article X, Section 14\(7\)](#). That section provides in part that:

‘* * * general obligation debt may also be incurred by the governing body of each political subdivision:

(a) For any of its corporate purposes in an amount not exceeding eight percent of the assessed value of all taxable property of such political subdivision; * * *’

No exception is made in [Article X, Section 14\(7\)](#) for general obligation debts incurred in anticipation of ad valorem taxes. Therefore, such debts, when incurred by the governing body of a political subdivision, would be limited to an amount not exceeding eight percent (8%) of the assessed value of all taxable property of that political subdivision.

CONCLUSION:

General obligation debt incurred by the governing body of a political subdivision in anticipation of ad valorem taxes is included within the limitation of eight percent (8%) of the assessed value of all taxable property of that political subdivision.

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