

1980 WL 120676 (S.C.A.G.)

Office of the Attorney General

State of South Carolina

February 15, 1980

*1 R. Ken King, Esquire
Staff Attorney
South Carolina Department of Mental Health
Post Office Box 485
Columbia, South Carolina 29202

Dear Mr. King:

In response to your request for an opinion from this Office as to whether or not Orangeburg County can issue revenue bonds to build an office building for the Orangeburg Area Mental Health Center and designate as the special fund for the repayment of those bonds a long-term lease with the Center guaranteed by federal grant monies, my opinion is that it is not so authorized.

[Article X, Section 14\(10\) of the South Carolina Constitution](#) provides in part as follows:

Indebtedness payable solely from a revenue-producing project or from a special source, which source does not involve revenues from any tax or license, may be issued upon such terms and conditions as the General Assembly may prescribe by general law; . . . [Emphasis added.]

The General Assembly has heretofore provided for the issuance of certain types of revenue bonds [[see, e.g., §§ 4-29-10 et seq., CODE OF LAWS OF SOUTH CAROLINA](#), 1976, as amended] and bonds payable from a special source [[see, e.g., §§ 48-3-10 et seq., CODE OF LAWS OF SOUTH CAROLINA](#), 1976, as amended]. It has not, however, provided for bonds payable from a special source such as Orangeburg County proposes and, in the absence of such provision, the County is without authority to issue bonds and repay them through a long-term lease guaranteed by federal grant monies. Cf., §§ 11-19-10 et seq., CODE OF LAWS OF SOUTH CAROLINA, 1976, as amended.

With kind regards,

Karen LeCraft Henderson
Senior Assistant Attorney General

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