

1973 WL 26858 (S.C.A.G.)

Office of the Attorney General

State of South Carolina

August 27, 1973

\*1 The Honorable J. Verne Smith  
State Senator  
Box 528  
Greer, South Carolina 29651

Dear Senator Smith:

I am enclosing herewith a letter responding extensively to your recent inquiry and I am setting forth in more concise form the questions you have raised and my answers thereto.

1. In Section 5 of the Bill, can the Trustees issue bonds when in their reasonable judgment seat and use tax will not be adequate to pay principal and interest? A three-mill levy is anticipated.

It is my opinion that the Trustees are required to impose the seat and use charges to the limit beyond which the cost of tickets and charges for the use of the auditorium and coliseum would be prohibitive. Tax revenue must then be provided to pay the remainder necessary to retire the bonds.

2. Are the Trustees required to use the seat and use tax or can they decide to pay off bonds with millage only?

The Trustees are required, as stated above, to impose seat and use charges to the fullest extent possible, but if further seat and use charges cannot be imposed without making such costs and charges prohibitive, bonds may be issued, to be paid from tax sources only.

3. Could the Trustees sell ten million dollar bonds backed by seat and use tax and millage then when they are paid down, say three million dollars, sell three million more and put the balance back up to ten million dollars? Could they do this on their own authority?

With respect to general obligation bonds, the answer to this question is 'no'. With respect to short-term borrowing and revenue bonds, the answer is 'yes'.

4. Can they (the Trustees) exceed ten million dollars in total debt, including the three methods of raising funds?

In my opinion, the answer to this question is 'yes'.

Very truly yours,

Daniel R. McLeod  
Attorney General

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