



# South Carolina Association of Counties

Julie J. Armstrong, President  
*Charleston County*

Michael B. Cone  
*Executive Director*

September 7, 2016

## **REGULATIONS UPDATE**

**To:** Chief Administrative Officers

**From:** Susan Turkopuls

**Subject:** Dept. of Revenue: *Local Transportation Sales and Use Tax – Eligible Costs (Doc. No. 4660)*  
Board of Education: *School Resource Officers (Doc. No. 4659)*

Please take note of the following items of interest from the **STATE REGISTER**. **PLEASE CIRCULATE TO APPROPRIATE STAFF FOR REVIEW AND COMMENT.** To view any proposed or final regulation online, go to <http://www.scstatehouse.gov/regnsrch.php>. You can search by document number, subject or agency. If you have any questions or comments, or are interested in obtaining a copy of any regulation, please call the SCAC offices at 1-800-922-6081.

### **PROPOSED REGULATIONS**

#### **Dept. of Revenue: Transportation Sales and Use Tax – Eligible Costs (Doc. No. 4660)**

The South Carolina Department of Revenue (SCDOR) proposes to add SC Regulation 117-338. Local Transportation Sales and Use Tax – Eligible Costs to provide guidance to counties that adopt the local transportation sales and use tax under Chapter 37, Title 4, to finance the costs of highways, roads, streets, bridges, and other transportation-related projects. Under this proposal, a county imposing the local transportation sales and use tax shall adopt a reasonable standard to be applied in determining eligible costs that may be paid from the revenue derived from the tax. SCDOR has approved a safe harbor standard that defines eligible costs as those costs that would be capitalized into a transportation-related project under the principles of Section 263A of the Internal Revenue Code. This safe harbor standard, however, is modified to allow certain reasonable costs incurred for the dissemination of information to the public, community outreach, and public relations, provided that such costs are related to a specific transportation-related project and are consistent with the purpose stated in the county's imposition ordinance and Chapter 37, Title 4. In lieu of the standard incorporating the principles of Section 263A of the Internal Revenue Code, a county may request the use of an alternative standard for SCDOR approval. The alternative standard must be justifiable, reflect the public purpose of the county's imposition ordinance and be reasonable in the type and amount of eligible costs. If the SCDOR denies the county's alternative standard proposal, the county may appeal the

denial. Ineligible costs include, but are not limited to, costs incurred for training, establishment or support of programs to benefit constituents or persons that are not directly related to a specific transportation-related project, or excessive amounts not based on a competitive bidding arrangement.

Notice of Public Hearing and Opportunity for Public Comment: All comments concerning this proposal should be mailed to the following address by 5:00 p.m. on Monday, September 26, 2016: S.C. Department of Revenue, Legislative Services - Mr. Meredith Cleland, P.O. Box 125, Columbia, South Carolina 29214. SCDOR has scheduled a public hearing before the Administrative Law Court in the Edgar Brown Building (Suite 224) on the Capitol Complex (1205 Pendleton Street) in Columbia, South Carolina for Tuesday, October 25, 2016 at 10:00a.m. if the requests for a hearing meet the requirements of Code Section 1-23-110(A)(3). The public hearing, if held, will address a proposal by the SCDOR to add SC Regulation 117-338 to provide guidance to counties that adopt the local transportation sales and use tax under Chapter 37, Title 4, to finance the costs of highways, roads, streets, bridges, and other transportation-related projects. SCDOR will be asking the Administrative Law Court, in accordance with S.C. Code Ann. Section 1-23-111 (2005), to issue a report that the proposal to add the regulation is needed and reasonable.

**Board of Education: School Resource Officers (Doc. No. 4659)**

The State Board of Education proposes to create R.43-210, to establish a definition of “school resource officers,” along with expectations, roles, and procedures associated with these individuals.

Notice of Public Hearing and Opportunity for Public Comment: A public hearing will be held on October 11, 2016, at 1:00 p.m. in the Rutledge Conference Center, 1429 Senate Street, Columbia, SC 29201. The proposed new regulation will be posted on the Board of Education web site for review and comment at <http://ed.sc.gov/scdoe/assets/File/policy/state-board/Regulations/RegReviewedbySBE16-17.pdf>. Written comments should be submitted to Sabrina Moore, Director, Office of Student Intervention Services, Division of Federal, State, and Community Resources, 1429 Senate Street, Suite 805, Columbia, SC 29201 or by e-mail to [smoore@ed.sc.gov](mailto:smoore@ed.sc.gov) on or before 5:00 pm on September 26, 2016.