



Legislative Update | June 2025

The SC Association of Counties had another successful legislative session. SCAC was able to get some policy positions passed, move bills that address policy positions, and amend pending legislation that is more favorable to counties. This is the first of a two-year session and bills that were not adopted have an opportunity to pass in 2026. Below is a brief overview of some key new laws and updates on issues SCAC will follow and advocate for in 2026.

Key Issues

Local Government Fund (Act No. 69, R. 97, H. 4025)

The FY 2025-2026 Appropriations Act increased funding to the Local Government Fund (LGF) by \$14,566,488 statewide. **This is an SCAC policy position.** It also includes \$12 million for the Rural Stabilization Fund, the same amount that was allocated last year.

Waste Tire Disposal (Act No. 33, R. 51, S. 171)

After several years of negotiations with stakeholders including tire manufacturers and retailers, as well as senators, SCAC was able to get waste tire legislation adopted to address the growing problem of waste tire disposal. Act No. 33 increases to \$400 per ton from the \$150-per-ton cap on tipping fees that a county may charge for recycling and disposal of undocumented waste tires. **This is an SCAC policy position.**

Boat Property Tax Reduction (H. 3858)

As introduced, H. 3858 would have given boat owners a 50% property tax reduction on boats registered and titled in South Carolina and eliminated the titling and taxing of all outboard motors with no way for county auditors to track the transfer of outboard motors. **This would have resulted in a property tax reduction of**

more than \$59 million dollars! The House adopted two amendments during floor debate. The first amendment lowers the property tax reduction from 50% to 42.8571% statewide, except for houseboats. The second amendment directs that the property tax reduction must be phased in over three equal installments and will be applicable for property tax years beginning after 2026. The amendment also states that this legislation will not apply to counties that have already lowered the assessment ratio on boats to 6%. Any local ordinances would then be repealed after Jan. 1, 2030, once the legislation is fully phased in.

Status: Passed the House and has been referred to the Senate Finance Committee.

Law Enforcement/Judicial Personal Privacy Protection Act (Act No. 4, R. 11, S. 126)

This legislation is a cleanup to Act 56 of 2023. Among other things, this Act requires law enforcement officers or judges who make a request to have their personal contact information restricted from public records to specify the document that contains their personal information. The restriction is limited to online documents only. **This is an SCAC policy position.**

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Manufacturing Property Tax Reimbursement (S. 439)

This bill would increase the reimbursement cap for the 42.8571% manufacturing property tax exemption from \$170 million to \$300 million. This bill is in response to the Office of Revenue and Fiscal Affairs projecting that the current cap would be exceeded by more than \$30 million in FY 2025-26. The reimbursements will continue to come from the Trust Fund for Tax Relief, and the increase in reimbursements will come from the General Fund.

Status: Passed the Senate and has been referred to the House Ways and Means Committee.

DJJ: Capital Expenditure Charge (Proviso 67.17)

This proviso, adopted in this year's budget, requires local governments using the juvenile detention services provided by the Department of Juvenile Justice (DJJ) to pay a capital expenditure charge of \$125 per day per child, not to exceed 25 days, to DJJ to cover capital expenditures and investments in the facilities that house such juveniles. This charge is in addition to the per diem charge of \$50 that offsets operating expenses. If full funding is not received from the local governments, the remainder of the funds due shall be transferred to DJJ from the Local Government Fund on behalf of local governments. The transfer to DJJ on behalf of the local government shall be deemed to have been distributed to the local government.

This is more than three times the amount counties currently pay!

Low-Income Housing Reporting Requirements (S. 125)

There is currently nothing in statute that requires property owners receiving a low-income housing property tax exemption to report that they continue to meet the qualifications in the years following the

initial exemption. This creates a loophole where some property owners may not be paying property taxes on properties that have a high tax value. S. 125 limits the property tax exemption for certain property of a nonprofit housing corporation to only the percentage of property equal to the corporation's ownership interest in the property, if that interest is at least 50%. It also requires the nonprofit housing corporation to apply to the Department of Revenue (DOR) for the initial exemption, to certify their ownership percentage, and to provide a rent roll or other suitable documentation proving compliance with the requirements of Revenue Procedure 96-32. Finally, the bill requires annual recertification in subsequent years and notification by DOR to the chief administrative officer of any county with jurisdiction over the property, **an SCAC policy position.**

Status: Passed the Senate and has been referred to the House Ways and Means Committee



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