

# TAXING AND BORROWING

Code **DC** Issued **5/16**

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Purpose: To establish the basic structure for the board's authority to levy taxes~~tax~~ and borrow funds for the maintenance and operation of Charleston County School District.

## Annual Tax Levy

Each school district's taxing authority is established by state law. ~~In Charleston County School District, that authority is vested in the board within statutory limitations.~~

## Borrowing

The board is permitted, by law, to borrow money in anticipation of collection of taxes. The purpose of such borrowing is to secure funds for district operations. The board must approve the issuance of tax anticipation notes.

## Sale of Bonds

In order to obtain funds for capital improvements, the board may, from time to time, issue bonds. The board may also issue bond anticipation notes that will be paid by the proceeds from a subsequent bond sale. The limit of district bonded indebtedness is subject to the provisions of Article X of the South Carolina Constitution.

In order for Charleston County School District to sell bonds in excess of the limitation, the community must vote in favor of a referendum allowing such sale.

Adopted 12/13/82; Revised 9/28/87, 8/8/05, 5/23/16

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### Legal references:

#### A. S. C. Constitution:

1. Article X, Section 15(6) - Provides for maximum debt limit of eight percent.
2. Article X, Section 15(7) - Provides for borrowing in anticipation of collection of ad valorem taxes.

#### B. S. C. Code, 1976, as amended:

1. Sections 11-27-10 through 11-27-100 - Effect of Article X of S.C. Constitution (see above) on statutes prior to its ratification. See especially Section 11-27-50 regarding the effect of Article X on school district bonds.
2. Sections 59-71-10 through 59-71-190 - (The School Bond Act) - Statutes regulating the issuance of general obligation bonds by school districts. In effect prior to the ratification of Article X of S. C. Constitution.
3. Section 59-13-70 - Superintendent will keep record of school district bonds.

#### C. Acts and Joint Resolutions:

1. 1967 Act 340, Section 10 - Budget and tax levy; Section 12 - tax levy for general operating purposes.
2. 1969 Act 139 - Amends 1967 Act 340, Section 10 - Tax levy not to exceed 80 mills.
3. 1972 Act 1602 - Further amends 1967 Act 340, as last amended by 1969 Act 139, Section 10 - Tax levy not to exceed 90 mills.

#### D. S.C. Cases:

## Charleston County School District

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1. *Charleston County Parents for Public Schools, Inc. v. Peggy Moseley* - 343 S.C. 509, 541 S.E. 2d 533, (S. Ct. 2001).