

1977 S.C. Op. Atty. Gen. 197 (S.C.A.G.), 1977 S.C. Op. Atty. Gen. No. 77-264, 1977 WL 24605

Office of the Attorney General

State of South Carolina

Opinion No. 77-264

August 19, 1977

*1 Mr. Russell B. Shetterly
South Carolina Association of Counties
1227 Main Street
Columbia, South Carolina 29201

Dear Mr. Shetterly:

You have requested an opinion from this Office as to whether or not a county is authorized to engage in long-term borrowing in general and to effect a thirty-year loan from the Farmers Home Administration in particular. In my opinion, it is not so authorized unless it acts pursuant to the provisions of Sections 4-15-10 et seq., CODE OF LAWS OF SOUTH CAROLINA, 1976 the County Bond Act.

The provisions of Act No. 283 of 1975 [59 STAT. 692 (1975)], the 'home rule' legislation, do not expressly or impliedly empower a county council to enter into long-term borrowing agreements; moreover, the provisions of new Article X of the South Carolina Constitution of 1895, as amended, which will become effective after November 30, 1977, authorize a county to incur indebtedness only through the 'bonded debt' route or through a revenue-producing project or a special source. 60 STAT. _____, Act No. 71, § 14(2)(a) and (b)(1977). A special source cannot involve revenues from any tax or license, Id., § 14(10). Perhaps a county's revenue-sharing funds could be pledged in repayment of a long-term loan if a lender were willing to accept such a inconstant source of repayment. Be that as it may, the County Bond Act represents the intended vehicle by which counties are to incur long-term debt.

With kind regards,

Karen LeCraft Henderson
Assistant Attorney General

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