

1976 S.C. Op. Atty. Gen. 134 (S.C.A.G.), 1976 S.C. Op. Atty. Gen. No. 4314, 1976 WL 22934

Office of the Attorney General

State of South Carolina

Opinion No. 4314

March 26, 1976

*1 Medical University of South Carolina can enter into a long term lease for a nominal sum of the McClennan-Banks Hospital with its owner Charleston County and may expend funds for the renovation of and additions to the structure to adapt it to the needs of Medical University of South Carolina.

TO: Mr. John E. Wise
Vice President
Medical University of South Carolina

QUESTION INVOLVED:

May the Medical University of South Carolina expend public funds on renovations and additions to the Charleston County owned McClennan-Banks Hospital which Medical University of South Carolina proposes to lease at a minimal annual charge for a long term lease?

AUTHORITIES INVOLVED:

[Parker v. Bates, Treasurer, et al.](#), 216 S.C. 52, 56 S.E.2d 723 (1949);

[Smith v. Robertson](#), 210 S.C. 99, 41 S.E.2d 631 (1947);

[Battle v. Wilcox](#), 128 S.C. 500, 122 S.E. 516 (1923);

[Chesterfield County v. State Highway Department](#), 191 S.C. 19, 3 S.E.2d 686 (1936);

Article X, Section 6, Constitution of South Carolina.

DISCUSSION:

Medical University of South Carolina is leasing, on a long term basis at a nominal annual rate, the McClennan-Banks Hospital, owned by Charleston County, from the Charleston County Council. In order to make the existing structure fit the needs of Medical University of South Carolina, renovations and additions costing approximately \$1,000,000.00 to \$1,500,000.00 will have to be made. This means that the State would be required to expend public funds on a building to which it does not have legal title. However, as long as the County holds title to the building, the Medical University of South Carolina is not prohibited from using public funds to renovate and add to the McClennan-Banks Hospital.

In the case of [Parker v. Bates, Treasurer, et al.](#), 216 S.C. 52, 56 S.E.2d 723 (1949), the Supreme Court of South Carolina ruled:

Counties are subdivisions of the State, subordinate and subject to legislative control, created and existing with a view to the policy of the State and serving as its agencies. Generally speaking they function as such and as instrumentalities of the State for purposes of political organization and local administration. [Parker v. Bates](#) at 59.

Since the structure on which public funds are to be expended is owned by a subdivision of the State, there is nothing to prohibit such an expenditure as long as the purpose for which the money is spent is constitutional.

Medical University of South Carolina in renovating and adding to the McClennan-Banks Hospital will be furthering the health care needs of the people of South Carolina through direct treatment and education of many of the State's future doctors. There is no question but that providing for the health needs of this State is a public purpose for which public funds may be spent. [Battle v. Wilcox, 128 S.C. 99, 41 S.E.2d 631 \(1923\)](#). Furthermore, education is clearly a public purpose. Article X, Section 6, Constitution of South Carolina.

CONCLUSION:

*2 Therefore, since Medical University of South Carolina is going to expend public funds on a county owned building and since these funds are expended for public purposes within the meaning of Article X, Section 6 of the Constitution, Medical University of South Carolina may enter into a long term lease for the McClennan-Banks Hospital and may expend funds to renovate and add to the structure.

M. Elizabeth Crum
Assistant Attorney General

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