



# State of South Carolina

## Office of the Governor

MARK SANFORD  
GOVERNOR

POST OFFICE BOX 12267  
COLUMBIA 29211

June 11, 2008

The Honorable Robert W. Harrell, Jr.  
Speaker of the House of Representatives  
Post Office Box 11867  
Columbia, South Carolina 29211

Dear Mr. Speaker and Members of the House:

I am hereby vetoing and returning without my signature H. 4743, R-386.

H. 4743 contains two separate and unrelated provisions. The first provision expands the definition of redevelopment projects that can be funded through tax increment financing (TIF) to include affordable housing projects. The second provision allows rural water districts to provide sewer service within their respective boundaries.

We view this bill in the same way we view the underlying law, as an encroachment on property rights. The Founding Fathers believed that at the core government should protect life and liberty – and that one of the foremost keys to protecting liberty rested in protecting the physical manifestation of one's accumulated efforts as a free man – property. We believe that condemnation rights are one of the most awesome powers of any government and should be used sparingly, if at all. As a result of the TIF law passed three years ago, there have been efforts to erode property rights in Aiken County. Therefore, accordingly, we veto this bill on several grounds, all tied to the larger theme of individual property rights – and its close association to the freedoms that make the American system special.

First, we are vetoing H. 4743 because we believe that the TIF portion of the bill threatens individual property rights. On June 1, 2005, we vetoed S. 97, a bill that amended the TIF Law by expanding the types of "blighted" property that could be subject to redevelopment through TIF. Our veto was based on the concern that S. 97 would empower local governments to use their powers of eminent domain to condemn private property that could be used for infrastructure to encourage private redevelopment. Unfortunately, the General Assembly overrode that veto and enacted legislation that, in our view, diminishes property rights.

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H. 4743 continues the degradation of property rights by expanding the purposes for which local governments can undertake redevelopment projects using TIF. Expanding the type of projects that can be funded through TIF will only encourage local governments to undertake more redevelopment projects. In many cases, this may require local governments to condemn and take property that is needed for the redevelopment, despite the interests and rights of property owners. While we believe that providing affordable housing is often a laudable goal for government, we do not think that government should be subverting individual property rights to accomplish this goal.

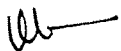
Second, we are vetoing H. 4743 because it perpetuates and expands the domain of special purpose districts. Last year, we vetoed H. 3115, which allowed special purpose districts to finance the construction of lateral sewer collection lines, because the advent of home rule and the growth of county and municipal governments have rendered special purpose districts unnecessary. As we explained in that letter, special purposes districts create multiple layers of government that increase costs and reduce accountability.

H. 4743 further multiplies the inefficiency of government and reduces accountability by providing one more governmental entity the power to provide sewer services. If this legislation is enacted, then four governmental entities – counties, municipalities, special purpose districts, and rural water districts – could provide sewer services. This level of duplication is completely unnecessary because counties are very well equipped to provide sewer services to the areas served by rural water districts. At a time when South Carolinians spend roughly 130 percent of the national average on government, we should be looking for ways to increase government efficiency rather than duplicating government services as this bill does.

Third, we are vetoing this bill because the provisions of H. 4743 dealing with rural water districts are unrelated to the TIF provisions in the bill and were only added on the floor of the Senate just days before this bill was ratified. As we explained last year in our veto message regarding the Nursing Initiative Act, the South Carolina Constitution requires that legislation pertain to one subject and not include unrelated items. This bill is a classic example of unconstitutional bobtailing because the unrelated rural water district provisions of this bill were added as an 11<sup>th</sup> hour attempt to circumvent the legislative process at the end of the legislative session. This legislation is unconstitutional and will surely invite a legal challenge, thereby further increasing the costs of government by forcing the state to incur legal bills.

For these reasons, we are vetoing H. 4743, R-386.

Sincerely,



Mark Sanford