

**South Carolina General Assembly**  
121st Session, 2015-2016

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**A270, R292, S667**

**STATUS INFORMATION**

General Bill

Sponsors: Senators Hayes, Williams, L. Martin, Alexander and Peeler

Document Path: I:\council\bill\13504sd15.docx

Companion/Similar bill(s): 4006

Introduced in the Senate on April 15, 2015

Introduced in the House on April 28, 2015

Last Amended on June 1, 2016

Passed by the General Assembly on June 2, 2016

Governor's Action: June 10, 2016, Signed

Summary: Boundary clarification between NC and SC

**HISTORY OF LEGISLATIVE ACTIONS**

Date	Body	Action Description with journal page number
4/15/2015	Senate	Introduced and read first time ( <a href="#">Senate Journal-page 3</a> )
4/15/2015	Senate	Referred to Committee on <b>Judiciary</b> ( <a href="#">Senate Journal-page 3</a> )
4/21/2015	Senate	Recalled from Committee on <b>Judiciary</b> ( <a href="#">Senate Journal-page 4</a> )
4/22/2015		Scrivener's error corrected
4/23/2015	Senate	Read second time ( <a href="#">Senate Journal-page 30</a> )
4/23/2015	Senate	Roll call Ayes-41 Nays-0 ( <a href="#">Senate Journal-page 30</a> )
4/28/2015	Senate	Read third time and sent to House ( <a href="#">Senate Journal-page 15</a> )
4/28/2015	House	Introduced and read first time ( <a href="#">House Journal-page 147</a> )
4/28/2015	House	Referred to Committee on <b>Judiciary</b> ( <a href="#">House Journal-page 147</a> )
5/26/2016	House	Recalled from Committee on <b>Judiciary</b> ( <a href="#">House Journal-page 22</a> )
5/27/2016		Scrivener's error corrected
6/1/2016	House	Amended ( <a href="#">House Journal-page 73</a> )
6/1/2016	House	Requests for debate-Rep(s). White, Hill, GR Smith, Loftis, Whitmire, Sandifer, Gagnon, Hayes, Pope, Felder, Norman ( <a href="#">House Journal-page 73</a> )
6/1/2016	House	Read second time ( <a href="#">House Journal-page 126</a> )
6/1/2016	House	Roll call Yeas-75 Nays-13 ( <a href="#">House Journal-page 131</a> )
6/2/2016	House	Read third time and returned to Senate with amendments ( <a href="#">House Journal-page 43</a> )
6/2/2016	Senate	Concurred in House amendment and enrolled ( <a href="#">Senate Journal-page 44</a> )
6/6/2016		Ratified R 292
6/10/2016		Signed By Governor

6/16/2016  
6/17/2016

Effective date 01/01/17  
Act No. 270

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## VERSIONS OF THIS BILL

[4/15/2015](#)  
[4/21/2015](#)  
[4/22/2015](#)  
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[5/27/2016](#)  
[6/1/2016](#)

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(Text matches printed bills. Document has been reformatted to meet World Wide Web specifications.)

(A270, R292, S667)

**AN ACT TO AMEND SECTION [1-1-10](#), AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE JURISDICTION AND BOUNDARIES OF THE STATE, SO AS TO CLARIFY THE BOUNDARY BETWEEN NORTH CAROLINA AND SOUTH CAROLINA ALONG HORRY, DILLON, MARLBORO, CHESTERFIELD, LANCASTER, YORK, CHEROKEE, AND SPARTANBURG COUNTIES AND TO PROVIDE ADDITIONAL INFORMATION ABOUT THE PLATS DESCRIBING THE LOCATION OF THE BOUNDARY BETWEEN NORTH CAROLINA AND SOUTH CAROLINA ALONG GREENVILLE, PICKENS, AND OCONEE COUNTIES; BY ADDING SECTION [12-2-115](#) SO AS TO PROVIDE THAT "NEW JOBS" ARE NOT CREATED IN SOUTH CAROLINA BY EMPLOYEES WHOSE WORK LOCATION IS CHANGED FROM NORTH CAROLINA TO SOUTH CAROLINA AS A RESULT OF THE BOUNDARY CLARIFICATION, NOR IS THERE ANY NEW INVESTMENT IN SOUTH CAROLINA AS A RESULT OF PROPERTY THAT CHANGES LOCATION FROM NORTH CAROLINA TO SOUTH CAROLINA AS A RESULT OF THE BOUNDARY CLARIFICATION; BY ADDING SECTION [12-2-120](#) SO AS TO PROVIDE FOR THE MANNER AND APPLICATION OF TAX ASSESSMENTS AND REFUNDS FOR THE PERIOD PRIOR TO THE BOUNDARY CLARIFICATION; BY ADDING SECTION [12-2-130](#) SO AS TO PROVIDE THAT IN THE YEAR CONTAINING THE DATE OF THE BOUNDARY CLARIFICATION, THE DEPARTMENT OF REVENUE HAS THE AUTHORITY TO COMPROMISE TAXES THAT RESULT IN TAXATION IN BOTH SOUTH CAROLINA AND NORTH CAROLINA SOLELY BECAUSE OF THE BOUNDARY CLARIFICATION; BY ADDING SECTION [12-6-5600](#) SO AS TO PROVIDE FOR THE INCOME TAX TREATMENT OF INDIVIDUALS AND BUSINESSES WHOSE STATE OF RESIDENCE OR PROPERTY LOCATION CHANGES AS A RESULT OF THE BOUNDARY CLARIFICATION; BY ADDING SECTION [12-21-820](#) SO AS TO PROVIDE FOR THE MANNER OF CIGARETTE AND TOBACCO PRODUCTS TAXATION AS A RESULT OF THE BOUNDARY CLARIFICATION; BY ADDING SECTION [12-24-160](#) SO AS TO PROVIDE THAT IF, AS A RESULT OF THE BOUNDARY CLARIFICATION, PROPERTY IS DEEMED TO HAVE CHANGED LOCATIONS FROM NORTH CAROLINA TO SOUTH CAROLINA AND IF SOLELY AS A RESULT OF THIS CHANGE, A DEED IS FILED IN SOUTH CAROLINA, NO DEED RECORDING FEES ARE DUE ON THIS FILING AND NO COUNTY FILING FEES MAY BE CHARGED; BY ADDING SECTION [12-28-350](#) SO AS TO PROVIDE THAT A RETAILER THAT SELLS MOTOR FUEL WHOSE**

**BUSINESS LOCATION CHANGES FROM SOUTH CAROLINA TO NORTH CAROLINA AS A RESULT OF THE BOUNDARY CLARIFICATION IS ALLOWED A REFUND OF SOUTH CAROLINA MOTOR FUEL TAXES OR USER FEES IF NORTH CAROLINA REQUIRES THAT RETAILER TO PAY THE NORTH CAROLINA MOTOR FUEL TAXES OR USER FEES ON THAT SAME FUEL; BY ADDING SECTION [12-36-2695](#) SO AS TO PROVIDE FOR THE MANNER IN WHICH SALES AND USE TAXES AND ADMISSIONS TAXES MUST BE COLLECTED AND PAID AS A RESULT OF THE BOUNDARY CLARIFICATION; BY ADDING SECTION [12-37-140](#) SO AS TO PROVIDE FOR HOW CERTAIN REAL AND PERSONAL PROPERTY IS SUBJECT TO PROPERTY TAXATION, AND FOR PROCEDURAL MATTERS RELATING TO THIS TAXATION, INCLUDING APPLICATION LIEN DATES; BY ADDING SECTION [12-37-145](#) SO AS TO FURTHER PROVIDE FOR MOTOR VEHICLE LICENSE REGISTRATION AND MOTOR VEHICLE PERSONAL PROPERTY TAXES AS A RESULT OF THE BOUNDARY CLARIFICATION; BY ADDING SECTION [12-37-150](#) SO AS TO PROVIDE THAT IF AS A RESULT OF THE BOUNDARY CLARIFICATION AN INDIVIDUAL IS REQUIRED TO REGISTER HIS PERSONAL MOTOR VEHICLE IN SOUTH CAROLINA AND IF THE PROPERTY TAXES ON THAT MOTOR VEHICLE WOULD HAVE BEEN LESS IN NORTH CAROLINA, THE INDIVIDUAL MAY RECEIVE A TAX REBATE FROM THE SOUTH CAROLINA COUNTY FOR THE DIFFERENCE BETWEEN THE TAX THE INDIVIDUAL WAS REQUIRED TO PAY IN SOUTH CAROLINA AND THE INDIVIDUAL WAS REQUIRED TO PAY IN NORTH CAROLINA ON THAT SAME VEHICLE; BY ADDING SECTION [12-37-155](#) SO AS TO PROVIDE THAT FOR 2017 ONLY, THE LIEN DATE FOR NONBUSINESS PERSONAL PROPERTY, OTHER THAN MOTOR VEHICLES, IS JANUARY 1, 2017, FOR INDIVIDUALS WHOSE STATE OF RESIDENCY CHANGES FROM NORTH CAROLINA TO SOUTH CAROLINA SOLELY AS A RESULT OF THE BOUNDARY CLARIFICATION; BY ADDING SECTION [29-3-800](#) SO AS TO PROVIDE SPECIFIED PROCEDURES IN REGARD TO THE FORECLOSURE OF MORTGAGES AND OTHER LIENS ENCUMBERING AFFECTED LANDS; BY ADDING SECTION [30-5-270](#) SO AS TO PROVIDE FOR SPECIAL RECORDING REQUIREMENTS FOR DEEDS, PLATS, MORTGAGES, AND OTHER INSTRUMENTS REGARDING REAL PROPERTY IN THE AFFECTED JURISDICTIONS, AND TO REQUIRE A NOTICE OF THE STATE BOUNDARY CLARIFICATION TO BE PROVIDED BY THE REGISTER OF DEEDS OR CLERKS OF COURT IN CERTAIN CIRCUMSTANCES; BY ADDING SECTION [44-1-315](#) SO AS TO PROVIDE A COMPLIANCE SCHEDULE FOR ENVIRONMENTAL PERMITTEES IMPACTED BY THE BOUNDARY CLARIFICATION; BY ADDING SECTION [44-6-110](#) SO AS TO PROVIDE THAT A MEDICAID PROVIDER OUTSIDE OF THE GEOGRAPHICAL BOUNDARY OF SOUTH CAROLINA BUT WITHIN THE SOUTH CAROLINA MEDICAID SERVICE AREA SHALL NOT LOSE STATUS AS A MEDICAID PROVIDER AS A RESULT OF THE CLARIFICATION OF THE SOUTH CAROLINA - NORTH CAROLINA BORDER; BY ADDING CHAPTER 2 TO TITLE 58 SO AS TO PROVIDE FOR THE MANNER IN WHICH UTILITY SERVICES MUST BE PROVIDED IN AREAS AFFECTED BY THE BOUNDARY CLARIFICATION; BY ADDING SECTION [59-63-550](#) SO AS TO FURTHER PROVIDE FOR SCHOOL ATTENDANCE PROCEDURES AND REQUIREMENTS FOR CHILDREN RESIDING IN SCHOOL DISTRICTS AFFECTED BY THE BOUNDARY CLARIFICATION; AND BY ADDING SECTION [59-112-150](#) SO AS TO FURTHER PROVIDE FOR IN-STATE TUITION RATES AND THE AWARDING OF OTHER STATE-SUPPORTED SCHOLARSHIPS AND GRANTS TO INDEPENDENT PERSONS AND THEIR DEPENDENTS AFFECTED BY THE BOUNDARY CLARIFICATION.**

Be it enacted by the General Assembly of the State of South Carolina:

## Part I

### Boundary Clarification

#### **Purpose**

SECTION 1. The provisions of Section [1-1-10](#) of the 1976 Code are amended to clarify the original location of the boundary between North and South Carolina along Horry, Dillon, Marlboro, Chesterfield, Lancaster, York, Cherokee, and Spartanburg counties and to provide additional information about the plats describing the location of the boundary between North Carolina and South Carolina along Greenville, Pickens, and Oconee counties so that the northern line will be as described by those plats.

#### **Boundary clarified**

SECTION 2. Section [1-1-10](#) of the 1976 Code, as last amended by Act 264 of 2008, is further amended to read:

"Section [1-1-10](#). The sovereignty and jurisdiction of this State extends to all places within its bounds, which are declared to be as follows:

The northern line beginning at a point at the low-water mark of the Atlantic Ocean on the eastern shore of Bird Island and then following the line as recorded by a set of 51 signed plats as follows:

Section between Horry County, SC and Brunswick/Columbus counties, NC: 1 plat sheet, signed by Sidney C. Miller 9/29/14 and Gary W. Thompson 2/24/15; Section between Dillon County, SC and Robeson County, NC: 2 plat sheets, signed by Sidney C. Miller and Gary W. Thompson 10/7/13; Section between Marlboro, Chesterfield and Lancaster counties, SC and Scotland, Richmond, Anson and Union counties, NC: 5 plat sheets, signed by Sidney C. Miller and Gary W. Thompson 10/7/13; Section between Lancaster and York counties, SC and Union and Mecklenberg counties, NC: 3 plat sheets, signed by Sidney C. Miller and Gary W. Thompson 10/7/13; Section of Lake Wylie: 1 plat sheet, signed by Sidney C. Miller and Gary W. Thompson 3/23/12; Section between York, Cherokee and Spartanburg counties, SC and Gaston, Cleveland, Rutherford and Polk counties, NC: 4 plat sheets, signed by Sidney C. Miller and Gary W. Thompson 10/7/13 (Section between Greenville and Pickens counties, SC and Polk, Henderson and Transylvania counties, NC: 34 plat sheets, signed by Sidney C. Miller and Gary W. Thompson dated 12/20/2005; Section between Pickens and Oconee counties, SC and Transylvania and Jackson counties, NC: 1 plat sheet, prepared by Concord Engineering & Surveying, Inc. dated May 2005 to the most westward point on those plats marked by the '+' in the inscription 'LAT 35, AD 1813, NC + SC' chiseled on Commissioners' Rock on the east bank of the Chattooga River; thence following a geodetic line with a geodetic azimuth of 270 degrees to the centerline of the Chattooga River. (Plats on file with the South Carolina Department of Archives and History, the South Carolina Geodetic Survey and filed for record as applicable in the respective county offices where deeds are recorded in Horry, Dillon, Marlboro, Chesterfield, Lancaster, York, Cherokee, Spartanburg, Greenville, Pickens and Oconee counties).

The lateral seaward boundary between North Carolina and South Carolina from the low-water mark of the Atlantic Ocean shall be and is hereby designated as a continuation of the North Carolina-South Carolina boundary line as described by monuments located at latitude 33° 51' 50.7214" N., longitude

78° 33' 22.9448" W., at latitude 33° 51' 36.4626" N., longitude 78° 33' 06.1937" W., and at latitude 33° 51' 07.8792" N., longitude 78° 32' 32.6210" W., (coordinates based on North American Datum 1927), in a straight line projection of said line to the seaward limits of the states' territorial jurisdiction, such line to be extended on the same bearing insofar as a need for further delimitation may arise.

From the state of Georgia, this State is divided by the Savannah River, at the point where the northern edge of the navigable channel of the Savannah River intersects the seaward limit of the state's territorial jurisdiction; thence generally along the northern edge of the navigable channel up the Savannah River; thence along the northern edge of the sediment basin to the Tidegate; thence to the confluence of the Tugaloo and Seneca Rivers; thence up the Tugaloo River to the confluence of the Tallulah and the Chattooga Rivers; thence up the Chattooga River to the 35th parallel of north latitude, which is the boundary of North Carolina, the line being midway between the banks of said respective rivers when the water is at ordinary stage, except in the lower reaches of the Savannah River, as hereinafter described. And when the rivers are broken by islands of natural formation which, under the Treaty of Beaufort, are reserved to the state of Georgia, the line is midway between the island banks and the South Carolina banks when the water is at ordinary stage, except in the lower reaches of the Savannah River, as hereinafter described.

The boundary between Georgia and South Carolina along the lower reaches of the Savannah River, and the lateral seaward boundary, is more particularly described as follows and depicted in 'Georgia--South Carolina Boundary Project, Lower Savannah River Segment, Portfolio of Maps' prepared by the United States Department of Commerce, National Oceanic and Atmospheric Administration, National Ocean Service, National Geodetic Survey, Remote Sensing Division--2001 (copies on file at the South Carolina Department of Archives and History and the South Carolina Geodetic Survey):

Beginning at a point where the thread of the northernmost branch of the Savannah River equidistant between its banks intersects latitude 32° 07' 00" N., (North American Datum 1983-86), located in the Savannah River, and proceeding in a southeasterly direction down the thread of the Savannah River equidistant between the banks of the Savannah River on Hutchinson Island and on the mainland of South Carolina including the small downstream island southeast of the aforesaid point, at ordinary stage, until reaching the vicinity of Pennyworth Island;

Proceeding thence easterly down the thread of the northernmost channel of the Savannah River known as the Back River as it flows north of Pennyworth Island, making the transition to the said northernmost channel using the equidistant method between Pennyworth Island, the Georgia bank on Hutchinson Island, and the South Carolina mainland bank, thence to the thread of the said northernmost channel equidistant from the South Carolina mainland bank and Pennyworth Island at ordinary stage, around Pennyworth Island;

Proceeding thence southeasterly to the thread of the northern channel of the Savannah River equidistant from the Georgia bank on Hutchinson Island and the South Carolina mainland bank, making the transition utilizing the equidistant method between Pennyworth Island, the Georgia bank on Hutchinson Island, and the South Carolina mainland bank;

Proceeding thence southeasterly down the thread of the Savannah River equidistant from the Hutchinson Island and South Carolina mainland banks of the river at ordinary stage, through the tide gates, until reaching the northwestern (farthest upstream) boundary of the 'Back River Sediment Basin', as defined in the 'Annual Survey-1992, Savannah Harbor, Georgia, U. S. Coastal Highway, No. 17 to the Sea', U. S. Army Corps of Engineers, Savannah District as amended by the Examination

Survey-1992 charts for the Savannah Harbor Deepening Project, Drawings No. DSH 1 12/107, (hereinafter the 'Channel Chart');

Proceeding thence along the said northwestern boundary to its intersection with the northern boundary of the Back River Sediment Basin; thence southeasterly until said northern boundary intersects the northern boundary of the main navigational channel as depicted on the Channel Chart at the point designated as SR-34 (latitude 32° 05' 01.440" N., longitude 081° 02' 17.252" W., North American Datum (NAD 1983-86));

Proceeding thence toward the mouth of the Savannah River along the northern boundary of the main navigational channel at the new channel limit as depicted on the Channel Chart, via Oglethorpe Range through point SR-33 (latitude 32° 05' 17.168" N., longitude 081° 01' 34.665" W., NAD 1983-86), Fort Jackson Range through point SR-32 (latitude 32° 05' 30.133" N., longitude 081° 01' 17.750" W., NAD 1983-86), the Bight Channel through points SR-31 (latitude 32° 05' 55.631" N., longitude 081° 01' 02.480" W., NAD 1983-86), SR-30 (latitude 32° 06' 06.272" N., longitude 081° 00' 44.802" W., NAD 1983-86), SR-29 (latitude 32° 06' 09.053" N., longitude 081° 00' 31.887" W., NAD 1983-86), SR-28 (latitude 32° 06' 08.521" N., longitude 081° 00' 15.498" W., NAD 1983-86), and SR-27 (latitude 32° 06' 01.565" N., longitude 080° 59' 58.406" W., NAD 1983-86), Upper Flats Range through points SR-26 (latitude 32° 05' 41.698" N., longitude 080° 59' 31.968" W., NAD 1983-86) and SR-25 (latitude 32° 05' 02.819" N., longitude 080° 59' 12.644" W., NAD 1983-86), Lower Flats Range through points SR-24 (latitude 32° 04' 46.375" N., longitude 080° 59' 00.631" W., NAD 1983-86), SR-23 (latitude 32° 04' 40.209" N., longitude 080° 58' 49.947" W., NAD 1983-86), SR-22 (latitude 32° 04' 28.679" N., longitude 080° 58' 18.895" W., NAD 1983-86), and SR-21 (latitude 32° 04' 22.274" N., longitude 080° 57' 34.449" W., NAD 1983-86), Long Island Crossing Range through points SR-20 (latitude 32° 04' 13.042" N., longitude 080° 57' 14.511" W., NAD 1983-86), and SR-19 (latitude 32° 02' 30.984" N., longitude 080° 55' 30.308" W., NAD 1983-86) and New Channel Range following the northern boundary of the Rehandling Basin and the northern boundary of the Oyster Bed Island Turning Basin back to the northern edge of the main navigational channel, thence through points SR-17 (latitude 32° 02' 07.661" N., longitude 080° 53' 39.379" W., NAD 1983-86) and SR-16 (latitude 32° 02' 07.533" N., longitude 080° 53' 31.663" W., NAD 1983-86), to a point at latitude 32° 02' 08" N., longitude 080° 53' 25" W., NAD 1983-86 (now marked by Navigational Buoy '24') near the eastern end of Oyster Bed Island;

Proceeding thence from a point at latitude 32° 02' 08" N., longitude 080° 53' 25" W., NAD 1983-86 (now marked by Navigational Buoy R '24') on a true azimuth of 0° 0' 0" (true north) to the mean low low-water line of Oyster Bed Island; thence easterly along the said mean low low-water line of Oyster Bed Island to the point at which the said mean low low-water line of Oyster Bed Island intersects the Oyster Bed Island Training Wall;

Proceeding thence easterly along the mean low low-water line of the southern edge of the Oyster Bed Island Training Wall to its eastern end; thence continuing the same straight line to its intersection with the Jones Island Range line;

Proceeding thence southeasterly along the Jones Island Range line until reaching the northern boundary of the main navigational channel as depicted on the Channel Chart;

Proceeding thence southeasterly along the northern boundary of the main navigational channel as depicted on the Channel Chart, via Jones Island Range and Bloody Point Range, to a point at latitude 31° 59' 16.700" N., longitude 080° 46' 02.500" W., NAD 1983-86 (now marked by Navigational Buoy '6'); and finally,

Proceeding from a point at latitude 31° 59' 16.700" N., longitude 080° 46' 02.500" W., NAD 1983-86 (now marked by Navigational Buoy '6') extending southeasterly to the federal-state boundary on a true azimuth of 104 degrees (bearing of S76°E), which describes the line being at right angles to the baseline from the southernmost point of Hilton Head Island and the northernmost point of Tybee Island, drawn by the Baseline Committee in 1970.

Should the need for further delimitation arise, the boundary shall further extend southeasterly on above-described true azimuth of 104 degrees (bearing of S76°E).

Provided, further, that nothing in this section in any way shall be considered to govern or affect in any way the division between the states of the remaining assimilative capacity that is, the capacity to receive wastewater and other discharges without violating water quality standards, of the portion of the Savannah River described in this section."

## Part II

### Revenue and Taxation

#### **Intent**

SECTION 3. This part defines the legislative intent and purpose of the amendments and additions in this act to Title 12 of the 1976 Code.

The General Assembly recognizes that the state of a business's location, or portion of it, may change as a result of the boundary clarification and this change can have tax and licensing consequences.

It is the intent of the General Assembly that when, as a result of the boundary clarification, an individual's residence or a business location is determined to be located in South Carolina rather than North Carolina where the residence or business had previously been taxed, the individual or business should not be liable for back taxes to South Carolina solely as a result of the clarification. The intention of this act is only to address the effects on persons whose residences and businesses who are determined to be located in South Carolina rather than North Carolina as a result of the boundary clarification. This act does not apply to persons whose residences and businesses are not affected by the boundary clarification.

#### **New jobs or investments not created**

SECTION 4. Chapter 2, Title 12 of the 1976 Code is amended by adding:

"Section [12-2-115](#). For purposes of all South Carolina tax credits or other tax incentives, 'new jobs' are not created in South Carolina by employees whose work location is changed from North Carolina to South Carolina as a result of the boundary clarification, as contained in the amendments in Section [1-1-10](#), effective January 1, 2017, nor is there any new investment in South Carolina as a result of property that changes location from North Carolina to South Carolina as a result of the boundary clarification."

#### **Tax liability or refunds**

SECTION 5. Chapter 2, Title 12 of the 1976 Code is amended by adding:



"Section [12-2-120](#). (A) Individuals whose residency or taxpayers whose property or business location is considered to have changed from North Carolina to South Carolina solely as a result of the boundary clarification, as contained in the amendments to Section [1-1-10](#), effective January 1, 2017, is not liable for any taxes for periods prior to the boundary clarification date based solely on a claim that the individual was a resident or the taxpayer's property or business location was located in South Carolina in the prior year.

(B) Individuals whose residency or taxpayers whose property or business location is considered to have changed from South Carolina to North Carolina solely as a result of the boundary clarification are not entitled to a refund of any state, county, or local taxes or license fees for periods prior to the boundary clarification date based solely on a claim that the individual was not a resident of South Carolina or the taxpayer's property or business location was not in South Carolina in prior years.

(C) Taxpayers who have sold products or services subject to South Carolina taxes to persons whose residence or location is considered to have changed from South Carolina to North Carolina solely as a result of the boundary clarification are not allowed a refund for any taxes paid prior to the boundary clarification as a result of these sales."

### **Authority to compromise taxes**

SECTION 6. Chapter 2, Title 12 of the 1976 Code is amended by adding:

"Section [12-2-130](#). In the year containing the date of the boundary clarification, as contained in the amendments to Section [1-1-10](#), effective January 1, 2017, the Department of Revenue has the authority to compromise taxes that result in taxation in both South Carolina and North Carolina solely because of the boundary clarification."

### **Residency of individuals and businesses**

SECTION 7. Article 41, Chapter 6, Title 12 of the 1976 Code is amended by adding:

"Section [12-6-5600](#). For South Carolina income tax purposes:

(A) An individual whose state of residency changes as a result of the boundary clarification from North Carolina to South Carolina or from South Carolina to North Carolina, as contained in the amendments to Section [1-1-10](#), effective January 1, 2017, must be treated as though the individual moved to or from South Carolina on January 1, 2017.

(B) For businesses whose property location changes from North Carolina to South Carolina or from South Carolina to North Carolina as a result of boundary clarification, for income tax purposes, the property is treated as though the property moved into or out of South Carolina on January 1, 2017."

### **Tax on cigarettes and tobacco products**

SECTION 8. Article 5, Chapter 21, Title 12 of the 1976 Code is amended by adding:

"Section [12-21-820](#). (A) If the location of a retailer that sells cigarettes and tobacco products changes from South Carolina to North Carolina as a result of the boundary clarification, as contained in the amendments to Section [1-1-10](#), effective January 1, 2017, and the retailer has South Carolina tax-paid cigarettes and tobacco products in inventory on the date of the boundary change, then the retailer is entitled to a refund of South Carolina cigarette and tobacco taxes paid on those cigarette and



tobacco products if North Carolina imposes a tax on those cigarette and tobacco products. This refund may be issued to the retailer notwithstanding that the South Carolina tax was paid by the wholesaler from whom the retailer purchased the cigarettes and tobacco products. The retailer must provide proof that the North Carolina cigarette taxes were paid on the same cigarettes and tobacco that was previously taxed by South Carolina.

(B) If North Carolina does not impose a tax on the cigarette and tobacco products in inventory as a result of the boundary clarification, South Carolina shall refund the South Carolina cigarette and tobacco taxes to the extent the South Carolina tax exceeds the North Carolina tax. The refund amount is calculated based on the inventory information required by North Carolina as a result of the boundary clarification.

(C) Any wholesaler who sold South Carolina tax-paid cigarettes to a retail business is not entitled to a refund of these taxes because of a change in the retailer's location from South Carolina to North Carolina as a result of the boundary clarification."

### **Recording and filing fees**

SECTION 9. Chapter 24, Title 12 of the 1976 Code is amended by adding:

"Section [12-24-160](#). If as a result of the boundary clarification, as contained in the amendments to Section [1-1-10](#), effective January 1, 2017, property is considered to have changed locations from North Carolina to South Carolina and if solely as a result of this change a deed is filed in South Carolina, no deed recording fees are due on this filing and no county filing fees may be charged."

### **Motor fuel taxes or user fees**

SECTION 10. Article 3, Chapter 28, Title 12 of the 1976 Code is amended by adding:

"Section [12-28-350](#). A retailer that sells motor fuel whose business location changes from South Carolina to North Carolina as a result of the boundary clarification, as contained in the amendments to Section [1-1-10](#), effective January 1, 2017, is allowed a refund of South Carolina motor fuel taxes or user fees if North Carolina requires the retailer to pay the North Carolina motor fuel taxes or user fees on that same fuel."

### **Sales taxes or admission taxes**

SECTION 11. Article 25, Chapter 36, Title 12 of the 1976 Code is amended by adding:

"Section [12-36-2695](#). Any business that is required to collect or pay sales and use taxes or admissions taxes whose business location changes from North Carolina to South Carolina as a result of the boundary clarification, as contained in the amendments to Section [1-1-10](#), effective January 1, 2017, is required to obtain a South Carolina retail license or admissions tax license for that location before January 1, 2017, and begin collecting and paying South Carolina sales and use taxes or admissions taxes on January 1, 2017. The retailer must apply for a retail or admissions tax license prior to January 1, 2017, and indicate on the license application the date the taxpayer anticipates beginning to collect sales, use, or admissions taxes is January 1, 2017."

### **Real property taxation and violation**

SECTION 12. Article 1, Chapter 37, Title 12 of the 1976 Code is amended by adding:

"Section [12-37-140](#). (A) On January 1, 2017, any real property which was not on the South Carolina real property tax rolls solely because prior to the boundary clarification, as contained in the amendments in Section [1-1-10](#), effective January 1, 2017, it was considered located in North Carolina, must be placed on the South Carolina property tax rolls. The real property must be valued based on the latest reassessment date for similar types of property in that location. The fifteen percent cap in Section [12-37-3140](#) is not applicable to this property in the year that the property is first placed on the tax rolls.

(B) For 2017 only, real property and personal property with a statutory lien date of December thirty-first whose location is considered to have changed from North Carolina to South Carolina as a result of boundary clarification shall have a lien date of January 1, 2017, rather than December thirty-first of the preceding year. For all subsequent property tax years the lien date shall return to December thirty-first of the preceding year.

(C) The lien date for property taxes is the date on which the property tax becomes a fixed liability of the taxpayer.

(D) Any agricultural-use property whose location is considered to have changed from South Carolina to North Carolina as a result of the boundary clarification is not subject to rollback of taxes under Section [12-43-220](#)(d) because of the deemed location change.

(E) Taxpayers affected by the boundary clarification must apply for all property tax exemptions, special valuations, and special assessment ratios in accordance with and by the dates specified in South Carolina law.

(F) If as a result of the differing lien dates for North Carolina and South Carolina, property is subject to property taxes in both states, the taxpayer is liable for property taxes only in the state where the property is deemed located after the boundary clarification."

### **Motor vehicle registration**

SECTION 13. Article 1, Chapter 37, Title 12 of the 1976 Code is amended by adding:

"Section [12-37-145](#). (A) An individual whose state of residency changes from North Carolina to South Carolina solely as a result of the boundary clarification, as contained in the amendments in Section [1-1-10](#), effective January 1, 2017, must register his motor vehicle as a new resident of South Carolina in accordance with Section [56-3-210](#), and pay property taxes in accordance with Chapter 37, Article 21, Title 12. For purposes of this section, an individual's residency must be determined on the date of the boundary clarification, which is January 1, 2017.

(B) A business with motor vehicles whose business location changes from North Carolina to South Carolina solely as a result of the boundary clarification is considered to have moved into South Carolina on January 1, 2017, and must register its motor vehicles in accordance with South Carolina law for moving business property into South Carolina based on the date of the boundary clarification, which is January 1, 2017, and personal property taxes for motor vehicles must be paid in accordance with Article 21, Chapter 37, Title 12.

(C) Refunds for motor vehicle personal property taxes for persons whose residency or business location is changed from South Carolina to North Carolina as a result of the boundary clarification, must be provided, if applicable, on a prorated basis in accordance with Section [12-37-2620](#)."

## Tax rebate

SECTION 14. Article 1, Chapter 37, Title 12 of the 1976 Code is amended by adding:

"Section [12-37-150](#). If as a result of the boundary clarification, as contained in the amendments in Section [1-1-10](#), effective January 1, 2017, an individual is required to register his personal motor vehicle in South Carolina and, if the property taxes on that motor vehicle would have been less in North Carolina, the individual may receive a tax rebate from the applicable South Carolina county for the difference between the tax the individual was required to pay in South Carolina and the individual was required to pay in North Carolina on that same vehicle based on the latest North Carolina assessment for the motor vehicle. In order to receive this rebate the individual must provide the county with a copy of the last North Carolina county property tax assessment for the same motor vehicle. The individual is entitled to this rebate for two years, including any partial year."

## Lien date

SECTION 15. Article 1, Chapter 37, Title 12 of the 1976 Code is amended by adding:

"Section [12-37-155](#). For 2017 only, the lien date for nonbusiness personal property, other than motor vehicles, is January 1, 2017, for individuals whose state of residency changes from North Carolina to South Carolina solely as a result of the boundary clarification, as contained in the amendments to Section [1-1-10](#), effective January 1, 2017. For all subsequent years, the lien date shall return to December thirty-first of the preceding tax year."

## Part III

### Foreclosure

## Foreclosure of liens

SECTION 16. Article 7, Chapter 3, Title 29 of the 1976 Code is amended by adding:

"Section [29-3-800](#). (A) For the counties of this State bordering North Carolina, Oconee, Pickens, Greenville, Spartanburg, Cherokee, York, Lancaster, Chesterfield, Marlboro, Dillon, and Horry, hereinafter referred to as the 'affected counties', the following provisions apply to the foreclosure of liens encumbering affected lands, as further defined and set forth in Section [30-5-270](#).

(B)(1) In the event a real estate foreclosure proceeding is instituted pursuant to Title 29, Chapter 3 to recover the payment of money secured by mortgages and other liens purporting to encumber property being identified as affected lands, the purported mortgagee, through its attorney of record, shall file with the court a copy of the recorded Notice of Boundary Clarification, along with the attorney's certification that title to the subject real property has been searched in the affected counties and the affected jurisdiction, as further defined and set forth in Section [30-5-270\(B\)\(2\)](#) and (3) respectively, and that all parties having an interest in the subject real property pursuant to the muniments of title, as further defined and set forth in Section [30-5-270\(B\)\(9\)](#), have been served with notice of the proceeding pursuant to the applicable procedure below. All proceedings in the foreclosure action must be stayed until the attorney's certification is filed with the court.

(2) In all mortgage foreclosure actions pending on the effective date of the boundary clarification legislation, as further defined and set forth in Section [30-5-270\(B\)\(6\)](#), before any merits hearing in the case or if an order of foreclosure has been entered before any foreclosure sale, the mortgagee shall,

through its attorney of record, serve a copy of the Notice of Boundary Clarification and filed pleadings upon any party identified on the Notice of Boundary Clarification or known to have an interest in the subject affected lands, not already a party to the action, by mailing the notice via certified mail or overnight delivery to the property addresses of the subject affected lands and to all known addresses of the parties; provided, that the notice also shall state that the party has thirty days from the date of mailing of the Notice of Boundary Clarification to file and serve an answer or other response to the mortgagee's summons and complaint.

(3) In all mortgage foreclosure actions filed after the effective date of the boundary clarification legislation, the mortgagee, through its attorney of record, shall serve along with the summons and complaint a copy of the recorded Notice of Boundary Clarification upon the mortgagor and all parties identified on the Notice of Boundary Clarification or known to have an interest in the subject affected lands.

(C) If within thirty days after having been served with Notice of Boundary Clarification as set forth in subsection (B)(1), any party served has failed, refused, or voluntarily elected not to file a response in the foreclosure proceeding, the mortgagee, through its attorney, shall certify that fact to the court, and the foreclosure action may proceed with the parties being bound as any other party in the action by the judgment and order of the court having jurisdiction over the foreclosure action; provided, however, that all parties shall receive actual notice of any hearings and sales in the foreclosure.

(D) The court having jurisdiction over the foreclosure action shall hear and determine any dispute concerning any party's right, title, or interest in the subject affected lands."

#### Part IV

#### Recording

#### **Real property recordings and filings**

SECTION 17. Chapter 5, Title 30 of the 1976 Code is amended by adding:

"Section 30-5-270. (A) For the following counties of this State bordering North Carolina, Oconee, Pickens, Greenville, Spartanburg, Cherokee, York, Lancaster, Chesterfield, Marlboro, Dillon, and Horry, hereinafter referred to as the 'affected counties', the following provisions apply to a deed, plat, mortgage, security instrument, right of way, utility right of way, or other instrument affecting real property in the affected jurisdiction previously believed to be located in whole or in part in North Carolina and which is determined to be located in whole or in part in South Carolina as a result of the boundary clarification legislation.

(B) Unless specifically provided otherwise or the context otherwise requires, and in this chapter:

(1) 'Abutter' means an owner whose property abuts or adjoins the property of another person with no intervening land in between owned by a third party.

(2) 'Affected counties' means any South Carolina county that abuts or adjoins the boundary with an affected jurisdiction.

(3) 'Affected jurisdiction' means a sovereign state whose common boundary with South Carolina has been clarified resulting in a change in the perceived location of the boundary to be that of the actual boundary.

- (4) 'Affected lands' means real property of an owner whose perceived location has been clarified pursuant to the boundary clarification legislation.
- (5) 'Boundary', as used in this chapter, has the meaning as established in Section [1-1-10](#) and in accordance with the constitution of this State.
- (6) 'Boundary clarification legislation' means the amendments to Section [1-1-10](#), effective January 1, 2017.
- (7) 'Clarification' means the official recognition of the original boundary as confirmed and agreed between an affected jurisdiction and the State of South Carolina pursuant to the boundary clarification legislation.
- (8) 'Clarified line' means the officially recognized boundary between an affected jurisdiction and the State of South Carolina pursuant to the boundary clarification legislation.
- (9) 'Muniments of title', where the term is used in this chapter, constitutes documents of record setting forth a legal or equitable real property interest or incorporeal hereditament in affected lands of an owner in the respective affected counties or an affected jurisdiction, or both.
- (10) 'Notice of State Boundary Clarification', where the term is used in this chapter, constitutes the statutory form of notice to be recorded in South Carolina in the particular affected counties where affected lands now or previously lie.
- (11) 'Owner' as used in this chapter means any person or entity owning of record a legal or equitable real property interest or incorporeal hereditament in affected lands as an abutter.
- (12) 'Preclarification title' means muniments of title of record in an affected jurisdiction or the affected counties, or both, of an owner prior to the effective date of the boundary clarification legislation.

(C) Notice of State Boundary Clarification:

- (1) On the effective date of this section, with respect to preclarification title as defined in this chapter where the instruments disclosing the muniments of title for that land were recorded in the public land records of an affected jurisdiction or the affected counties, or both, prior to the effective date of the clarification, the registers of deeds in the affected counties or the clerks of court in those counties not having registers where the affected lands are now or previously were perceived to be located, shall file the Notice of State Boundary Clarification, as specified in this section, in the record for all affected lands. The purpose of this notice is to alert anyone checking the title to real property that the real property constitutes affected lands that may be affected by the boundary clarification legislation and muniments of title for this land also may be recorded in the public land records of an affected jurisdiction. The notice must be properly indexed, including the correct order of indexing, in the same manner as any instrument conveying or encumbering real property.
- (2) On or before the effective date of this section, the registers of deeds or clerks referenced above must inform attorneys and others using their offices of the requirements of this section. The information may be provided by clerks and registers by those means that they would normally utilize to provide general notices to users of their services such as postings on their web pages. This information shall include a copy of or a link to the notice of state boundary clarification form.

(3) The notice form must be substantially in the following format:

'STATE OF SOUTH CAROLINA )

) Notice of South Carolina - North Carolina

COUNTY OF ) State Boundary Clarification

The undersigned Register of Deeds/Clerk of Court of the County and State set forth above, does hereby certify, under the penalty of perjury, the following:

(1) The following described tracts or parcels constitute affected lands as defined in Section [30-5-270\(B\)\(4\)](#), which may be affected by the boundary clarification legislation effective January 1, 2017.

[Legal description, derivation (if available) and TMS#]

(2) The parties set forth below are an Owner, as defined in Section [30-5-270\(B\)\(11\)](#).

[List the name and address of all owners of record]

(3) The muniments of title, as defined in Section [30-5-270\(B\)\(9\)](#), providing the basis for this claim of ownership, recorded in the public records of the aforesaid County and State, are as follows:

[List the specific instrument name and recording information]

(4) Muniments of title of those claiming an interest in this land also may be recorded in the public land records of an affected jurisdiction, as defined in Section [30-5-270\(B\)\(3\)](#).

Date:

Signature of Register of Deeds / Clerk of Court

Printed Name: \_\_\_\_\_'

(D) Policies of Title and Casualty Insurance issued prior to the effective date of the boundary clarification legislation are enforceable according to their terms and shall remain in effect regardless of whether the insured property has been determined to be in another state.

(E) Clarification of the boundary does not alter, change, or affect in any manner the sovereignty rights of federally recognized Native American tribes over tribal lands on either side of a confirmed boundary line. Tribal sovereignty rights continue to be established and defined by controlling state and federal law."

#### Part V

#### Environmental Permittees

#### **Environmental permits and permittees**

SECTION 18. Chapter 1, Title 44 of the 1976 Code is amended by adding:



"Section [44-1-315](#). (A) For purposes of the section, 'impacted location' means any facility issued or otherwise subject to a permit, license, or approval from the North Carolina Department of Environment and Natural Resources that has now been determined to be located within the jurisdiction of the South Carolina Department of Health and Environmental Control as a result of the amendments to Section [1-1-10](#), effective January 1, 2017.

(B) Notwithstanding any other provision of law, the South Carolina Department of Health and Environmental Control, in issuing any environmental permit, license, or approval to an impacted location shall provide a schedule of compliance that allows the permittee a reasonable period of time to be no greater than five years to come into compliance with any South Carolina environmental rule, regulation, or standard established by the department or by law that has no corresponding rule, regulation, or standard under North Carolina law or regulation, or is more stringent than the corresponding rule, regulation, or standard established under North Carolina law or regulation. The department may include increments of progress applicable in each year of the schedule established under this subsection, and may shorten the period of compliance as necessary to prevent an imminent threat to the public health and environment. The department may extend a permittee's compliance schedule under this section beyond five years upon written application by the permittee only if the department determines that circumstances reasonably require such an extension, and the extension of time would pose no threat to public health or the environment."

#### Part VI

#### Medicaid Providers

#### **Medicaid providers**

SECTION 19. Article 1, Chapter 6, Title 44 of the 1976 Code is amended by adding:

"Section [44-6-110](#). A Medicaid provider, outside of the geographical boundary of South Carolina but within the South Carolina Medicaid Service Area, as defined by R. 126-300(B) of the Code of State Regulations, prior to the effective date of the amendments to Section [1-1-10](#), which are effective January 1, 2017, shall not lose status as a Medicaid provider as a result of the clarification of the South Carolina - North Carolina border."

#### Part VII

#### Utilities

#### **Utility service**

SECTION 20. Title 58 of the 1976 Code is amended by adding:

#### "CHAPTER 2

#### Utility Service Where State Boundaries Clarified

Section [58-2-100](#). Upon the effective date of the amendments to Section [1-1-10](#), which are effective January 1, 2017, the clarified North Carolina - South Carolina boundary property located in whole or in part in North Carolina immediately prior to that date and receiving utility service from a North Carolina utility as defined under North Carolina law, may continue to receive utility service from that utility or its successors although the property is determined to be located in whole or in part in South

Carolina as a result of the boundary clarification. The owners of that property have the option of requesting utility service by a similar South Carolina utility if the property is located within that utility's service area, regardless of whether the property is inside or outside a municipality. For purposes of this section only, the term 'utility' shall encompass the same utilities that are covered by one or more of the various definitions for utilities and utility providers used elsewhere in the general law of this State including, but not limited to, systems owned or operated by or on behalf of a municipality or county; municipal systems as authorized in Chapter 31, Title 5; 'public utility' as defined in Section [58-3-5](#); 'telephone cooperative' as defined in Section [33-46-20](#); 'cooperative' as used in Chapter 36, Title 33; 'corporations not for profit' as used in Chapter 49, Title 33; 'special purpose' and 'public service districts' as authorized in Chapter 11, Title 6; 'rural community water districts' as authorized in Chapter 13, Title 6; 'joint municipal water systems' as authorized in Chapter 25, Title 6; 'joint agency' as authorized in Chapter 24, Title 6; 'natural gas authorities' created by act of the General Assembly, or are otherwise similar to utilities defined under North Carolina law."

## Part VIII

### School Attendance and Tuition

#### **School attendance**

SECTION 21. Article 5, Chapter 63, Title 59 of the 1976 Code is amended by adding:

"Section [59-63-550](#). (A) Upon the effective date of the amendments to Section [1-1-10](#) which are effective January 1, 2017, enacting the clarified North Carolina - South Carolina boundary, persons residing on property which is determined to be located in North Carolina as a result of the boundary clarification, may enroll their children residing with them in the South Carolina district in which that property was previously believed to be located or in the statewide public charter school district, without charge, as long as the family maintains residence on that same property. For the purpose of this section regarding the boundary clarification, the word 'children' includes those children who are residing with their legal guardians whose property is determined to be located in North Carolina as a result of the boundary clarification.

(B) This section only applies to those persons residing on the property as of January 1, 2017, and their children who reside with them. Once those persons move from the property or no longer have children at home who are attending or will attend schools in the South Carolina K-12 public education system, then this provision no longer applies to that property. A district may draw down South Carolina state and federal funding for students enrolled under this section.

(C) This section does not require a former South Carolina resident to continue enrollment of their children in school in South Carolina."

#### **School tuition**

SECTION 22. Chapter 112, Title 59 of the 1976 Code is amended by adding:

"Section [59-112-150](#). (A) Notwithstanding any other provision of law, independent persons and their dependents formerly domiciled in South Carolina counties who are residing in North Carolina counties as a result of the clarified North Carolina - South Carolina boundary as contained in the amendments in Section [1-1-10](#), effective January 1, 2017, may be considered eligible for in-state tuition rates for a period of up to ten years from January 1, 2017. To be eligible for in-state tuition

rates, these persons must have been domiciled and reside on property in South Carolina in accordance with this chapter immediately prior to January 1, 2017, and must maintain residence and domicile on that same property within North Carolina.

(B) Notwithstanding any other provision of law, independent persons and their dependents previously domiciled on property in North Carolina which is located in South Carolina as a result of the North Carolina - South Carolina boundary clarification, for a period of two years from January 1, 2017, are eligible for in-state tuition rates without the requirement of residency and domicile for twelve months in this State provided these independent persons have evidenced the intent to establish domicile in South Carolina in accordance with this chapter. To be eligible under this section, these persons must reside on the same property that was in North Carolina immediately prior to January 1, 2017. To maintain eligibility for in-state tuition rates longer than the two years permitted under this section, the independent persons and their dependents must satisfy the requirements of Section [59-112-20](#).

(C) The provisions established under subsections (A) and (B) are not transferable to persons other than those independent persons and their dependents falling within the scope of those provisions.

(D) Should the domicile and residence of independent persons and their dependents change from the property affected by the boundary clarification, maintenance of eligibility for in-state tuition rates must be determined as provided in Section [59-112-20](#).

(E) Persons eligible for in-state tuition rates pursuant to this section may be eligible for state-supported scholarships and grants provided all other eligibility requirements are met."

## Part IX

### Severability and Time Effective

#### **Severability**

SECTION 23. If any section, subsection, paragraph, subparagraph, sentence, clause, phrase, or word of this act is for any reason held to be unconstitutional or invalid, such holding shall not affect the constitutionality or validity of the remaining portions of this act, the General Assembly hereby declaring that it would have passed this , and each and every section, subsection, paragraph, subparagraph, sentence, clause, phrase, and word thereof, irrespective of the fact that any one or more other sections, subsections, paragraphs, subparagraphs, sentences, clauses, phrases, or words hereof may be declared to be unconstitutional, invalid, or otherwise ineffective.

#### **Time effective**

SECTION 24. This act takes effect January 1, 2017.

Ratified the 6th day of June, 2016.

Approved the 10th day of June, 2016.

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