



State of South Carolina

Office of the Governor

NIKKI R. HALEY
GOVERNOR

1205 PENDLETON STREET
COLUMBIA 29201

May 26, 2016

The Honorable James H. Lucas
Speaker of the House of Representatives
Statehouse, Second Floor
Columbia, South Carolina 29072

Dear Speaker Lucas and Members of the House of Representatives,

Today, I am vetoing and returning without my approval R208, H.5011, **because it allows local governments to increase taxes on citizens without a public vote.**

It is my belief that local tax increases – whether they are fees, property millage, or local option taxes – should be allowed only if the citizens subject to the tax agree to it through public referendum. Past elections have yielded mixed results – some communities agree to self-impose new taxes and fees and other reject them. A bill that would afford citizens this opportunity is sitting on the House of Representatives calendar. Pass S.1122 with the current committee amendment next week, and I will sign it.

Advocates for H.5011 will claim that the local option fee is simply tax relief – such statements are misleading. While local governments are allowed to use between 4% and 20% of the tax revenue for property tax millage relief, current law requires at least 80% of this tax be used for tourism marketing and promotion.

Some of your colleagues may further claim that this is a bill with regional impact and is the concern of only a few legislative delegations. To be clear, **this is not a local bill and I urge every member to exercise their constitutional responsibility to vote on general tax increases and sustain my veto of R208, H.5011.** Sustaining this veto would mark another win in the preservation of citizen participation in local government and provide for a more accountable local tax policy. God bless.

My very best,

A handwritten signature in blue ink that reads "Nikki R. Haley".

Nikki R. Haley

NRH/jdb