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To: Veldran, Katherine <KatherineVeldran@gov.sc.gov>

Date: 5/28/2014 9:41:04 AM

Subject: Governor's VETO MESSAGE: H.5024

Attachments: H.5024 Denmark Olar School District 2.PDF

Members of the House of Representatives,

Governor Haley vetoed and returned without her approval R201, H.5024, a bill that grants the board of Denmark-Olar School District 2 in Bamberg County authority to impose property tax millage in excess of established statewide millage limits on its citizens without voter approval. Please find attached the veto message from Governor Haley.

We strongly hope you will support to sustain the Governor's veto for H.5024 – Denmark Olar School District.

Please let us know if you have any questions.

Katherine

Katherine F. Veldran

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Dear Mr. Speaker and Members of the House,

I am vetoing and returning without my signature R.201, H.5024, a bill that would allow the Board of the Denmark-Olar School District No. 2 to assess a capital property tax millage without voter referendum.

I cannot support this bill for two reasons. First, taxpayers deserve the right to vote on school district tax increases. This bill creates a new tax to build schools – a process that would normally require approval by the affected voters. Instead of using the options well-established in law, H.5024 sets forth a new class of millage that exists only in Denmark-Olar School District 2 and that may be imposed without voter approval. My office contacted the bill's sponsor to ask that he support an amendment that would give voters an opportunity to vote for or against this new capital millage; unfortunately, he declined to support this request.

Second, no public body should have an unlimited ability to tax citizens. Although we believe that local governments should have some taxing authority, we also believe that the public should be protected from government inefficiency and excessive taxation. That is one of the reasons why the General Assembly put millage caps into law, allowing locals to set their priorities and assign millage accordingly.

To be clear, this bill adds millage on top of limits set forth by statute, gives all the authority to raise taxes to a school board, and places no limit on the amount of millage that can be applied. While I support innovative means to finance school infrastructure needs, our responsibility must lie squarely with taxpayers on this issue, and we need to make sure that this sort of unchecked taxing authority is not allowed a toe-hold in South Carolina.

For these reasons, I ask that every member of the General Assembly cast a vote to sustain my veto.

My very best,
Nikki R. Haley