



HENRY McMASTER  
GOVERNOR

January 4, 2024

The Honorable Thomas Alexander  
President  
South Carolina Senate

The Honorable G. Murrell Smith, Jr.  
Speaker  
South Carolina House of Representatives

The Honorable Harvey S. Peeler, Jr.  
Chainman, Finance Committee  
South Carolina Senate

The Honorable Bruce H. Bannister  
Chairman, Ways and Means Committee  
South Carolina House of Representatives

Dear Gentlemen:

In preparation for the General Assembly's consideration of the Fiscal Year 2024-2025 General Appropriations Act, I want to bring to your attention a matter regarding the Homestead Exemption Fund established by S.C. Code Ann. § 11-11-155.

As you are aware, the original homestead exemption was designed to provide a total tax exemption from property taxes on the first \$50,000 in fair market value of the legal residence for our state's senior citizens, the permanently disabled, or legally blind.

To make up for this lost revenue, the State created a Homestead Exemption Fund to be funded by a 1% sales tax. Over the past three fiscal years, these 1% sales tax collections for the Homestead Exemption Fund have exceeded the prescribed reimbursements as set in § 12-36-1110. By proviso, this excess fund has remained unobligated. The projected fund balance at the end of FY 2023-24 will be an estimated \$622 million.

Due to our state's booming post pandemic economy, the Homestead Exemption Fund has been able to provide millions of taxpayers with property tax relief, while each year accruing and carrying forward a large surplus of unused and unclaimed tax exemptions.

If the General Assembly decides to address this matter, I recommend for your consideration, the introduction, debate, and passage of stand-alone legislation that would reallocate no less than \$500 million in surplus funds from the Homestead Exemption Fund to South Carolina Department of Transportation (SCDOT) to be used for emergency bridge replacement and repairs which will benefit all South Carolinians.

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The 2023 SCDOT Annual Accountability Report highlights the need for additional resources to repair, rehabilitate, and rebuild many of the nearly 9,000 bridges on primary and secondary roads across our state. Many of these bridges are 60, 70, and even in excess of 80 years old and are crumbling before our eyes each day. Far too many have been closed, while others are in such a state of disrepair that the required restrictions render them useless for commercial trucking, school buses, or fire trucks needed to serve our state's increasing population.

To be clear, the Homestead Exemption Fund will continue to have sufficient funds to meet its statutory obligations. But with our state's aging and crumbling bridges, time is most definitely not on our side. I have included a document provided by SCDOT that illustrates this point in dramatic detail.

By thinking big, by being bold, and by making these transformative infrastructure investments, I believe we will set our State on a course that will provide the opportunity for prosperity, success, and happiness for generations of South Carolinians.

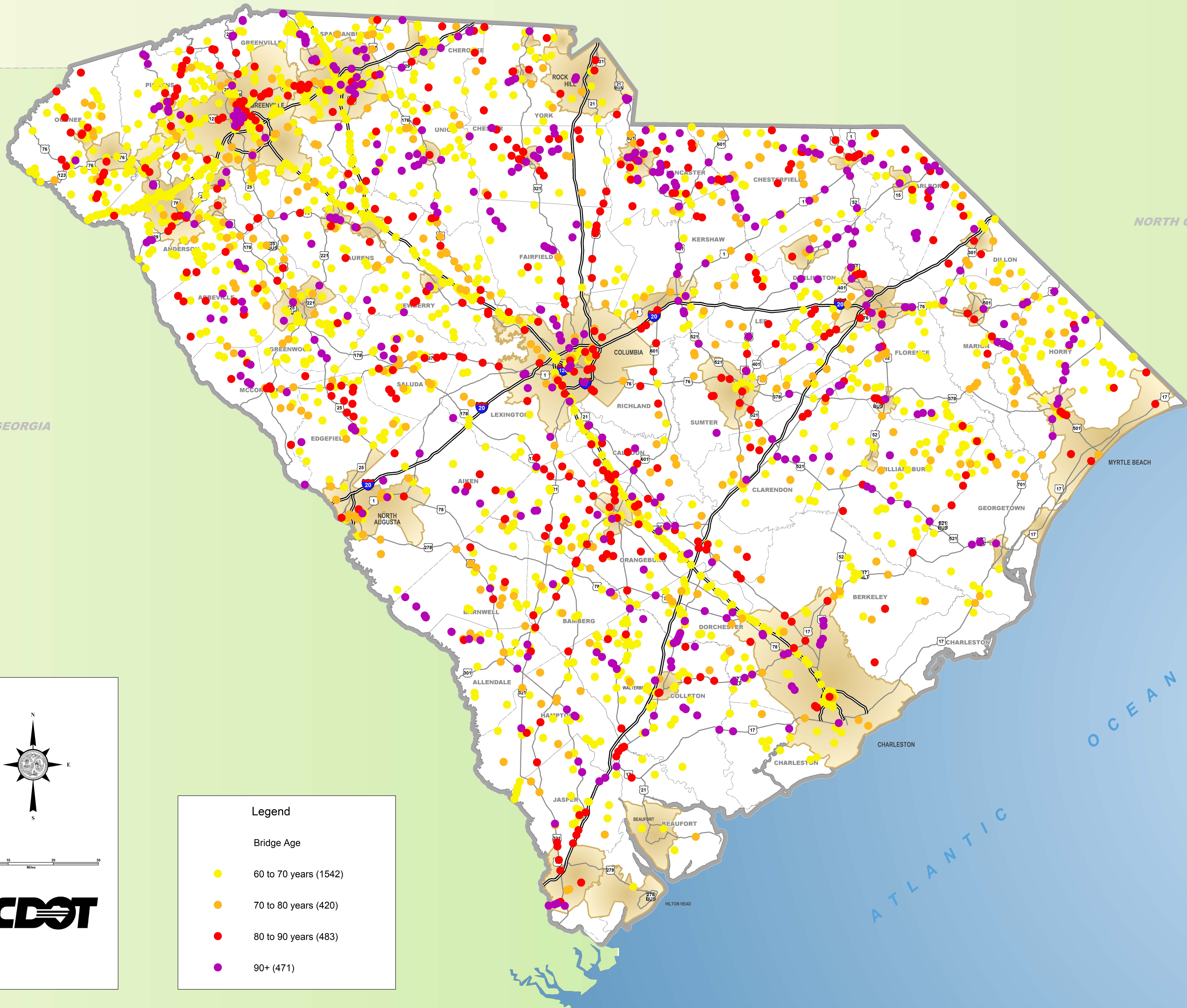
Yours very truly,



Henry McMaster

Enclosure





GEORGIA

NORTH CAROLINA

OCEAN

ATLANTIC

A north arrow is located in the bottom left corner, showing cardinal directions (N, S, E, W). Below it is a scale bar marked in miles, ranging from 0 to 30. The SCDOT logo is positioned at the bottom of this section.

Legend	
Bridge Age	
<span style="color: yellow;">●</span>	60 to 70 years (1542)
<span style="color: orange;">●</span>	70 to 80 years (420)
<span style="color: red;">●</span>	80 to 90 years (483)
<span style="color: purple;">●</span>	90+ (471)

**SCDOT**



# A Looming Bridge Crisis

