

Winter 12-1-1976

## Constitutional Law

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### Recommended Citation

David C. Eckstrom, Constitutional Law, 28 S. C. L. Rev. 259 (1976).

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# CONSTITUTIONAL LAW

## I. HOME RULE: AIRPORT DISTRICTS

The home rule amendment to the South Carolina Constitution,<sup>1</sup> ratified March 7, 1973, was designed to transfer powers of local government to the counties and to relieve the counties of their continual dependence on the General Assembly for authority to act.<sup>2</sup> Its purpose, like that of similar provisions in many other state constitutions, was to allow a more effective response to local problems of urban growth than could likely be made by the central state government.<sup>3</sup> In addition, it was felt that this transfer of power would free the General Assembly to concentrate on matters of statewide concern.

The South Carolina home rule amendment was given a potentially significant limitation in the recent case of *Kleckley v. Pulliam*.<sup>4</sup> This suit challenged the authority of the state legislature to authorize a construction bond issue, in light of the home rule amendment, for the Richland-Lexington Airport District. That special purpose district encompassed all of Richland and Lexington Counties and was created by the legislature in 1962. The South Carolina Supreme Court upheld the contested special act authorizing the bond issue and, in so doing, appeared to check

1. S.C. CONST. art. 8, § 7:

The General Assembly shall provide by general law for the structure, organization, powers, duties, functions, and the responsibilities of counties, including the power to tax different areas at different rates of taxation related to the nature and level of governmental services provided. Alternate forms of government, not to exceed five, shall be established. No laws for a specific county shall be enacted and no county shall be exempted from the general law or laws applicable to the selected alternative form of government.

2. It should be noted at the outset that a state government has near plenary powers to act in all areas not given up to the federal government under the United States Constitution. Local governments on the other hand have no powers other than those granted them by the state government. These may be conferred either by special law, by general law, or by the state constitution. In construing the latter, it is a well-settled rule of interpretation that state constitutions "are not grants of power to the General Assembly but are restrictions on what would otherwise be plenary power." *Knight v. Salisbury*, 262 S.C. 568, 570, 206 S.E.2d 875, 876-77 (1974). See also *Ashmore v. Greater Greenville Sewer Dist.*, 211 S.C. 77, 44 S.E.2d 88 (1947); *Trustees of Wofford College v. City of Spartanburg*, 201 S.C. 315, 23 S.E.2d 9 (1942); *Ellerbe v. David*, 193 S.C. 332, 8 S.E.2d 518 (1938); *Park v. Greenwood County*, 174 S.C. 35, 176 S.E. 870 (1934); *Fripp v. Coburn*, 101 S.C. 312, 85 S.E. 774 (1915).

3. See *Glaubergerman, County Home Rule: An Urban Necessity*, 1 THE URBAN LAWYER 170 (1969). See also *Knight v. Salisbury*, 262 S.C. 568, 571, 206 S.E.2d 875, 877 (1974).

4. 265 S.C. 177, 217 S.E.2d 217 (1975).

the momentum which had been developing for broader implementation of local self-government.<sup>5</sup> However, the case is open to varying interpretations.

The special act authorizing the bond issue for the airport district was challenged in *Kleckley* on two grounds by a resident taxpayer of the district. First plaintiff argued that the home rule provision prohibits special legislation for any special purpose district and furthermore requires the state legislature to enact general laws committing to the counties the function of airport construction and operation.<sup>6</sup> Second, he argued that the bond authorization violated article 3, section 34 (IX) of the state constitution,<sup>7</sup> which prohibits special legislation when a general law can be made applicable.<sup>8</sup>

In affirming the lower court's holding on the first question, the South Carolina Supreme Court interpreted the article 8 mandate to prohibit only those special laws that would alter the powers, duties, functions, and responsibilities of any county which were "set aside for counties" under the home rule provision of the constitution. This led the court logically to inquire whether airport construction and maintenance, the governmental prerogative at issue here, is a power, duty, function, or responsibility which belongs exclusively to counties vis-a-vis the state. The court took note of the constitutional provision which *permits* counties to establish and operate airports,<sup>9</sup> but also took notice of the fact that this particular airport was the largest in the state, served approximately one-third of the state's population, and drew passengers from perhaps eighteen counties in the South Carolina midlands. Because of these facts the court characterized the "nature of this airport . . . [as being] such that it subserved a governmental function greater than that of a county."<sup>10</sup> Consequently, the power of the General Assembly to authorize this

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5. See, e.g., *Knight v. Salisbury*, 262 S.C. 565, 206 S.E.2d 875 (1974).

6. 265 S.C. at 182, 217 S.E.2d at 219 (1975).

7. S.C. CONST. art. 3, § 34(IX) reads as follows:

The General Assembly of this State shall not enact local or special laws concerning any of the following subjects or for any of the following purposes. . . .

. . . .

IX. In all other cases, where a general law can be made applicable, no special law shall be enacted. . . .

8. 265 S.C. at 182, 217 S.E.2d at 219 (1975).

9. S.C. CONST. art. 10, § 6.

10. 265 S.C. at 184, 217 S.E.2d at 220-21.

particular bond issue was found not to be curtailed by article 8.

The court distinguished *Knight v. Salisbury*,<sup>11</sup> which struck down two special acts establishing and funding a special purpose recreation district inside Dorchester County. These statutes were enacted after ratification of the home rule amendment. The defective special acts creating and funding the recreation district would have deprived the Dorchester county government of the power to provide recreational facilities in that area of the county lying within the district. The power curtailed was a prerogative of county government. The *Knight* court declared that to sustain the district establishment and the bond authorization would have engendered a "frightful conflict" between the power of the county and the power of the state.<sup>12</sup> The act challenged in *Kleckley*, however, deals with a governmental power not granted exclusively to the counties. The *Kleckley* court restated its conclusion without elaboration that "the governmental purpose under the Act establishing the [Richland-Lexington Airport] District is not one peculiar to a county"<sup>13</sup> within the meaning of the home rule amendment. Instead it is "one of state concern which can be dealt with by the General Assembly."<sup>14</sup>

Plaintiff's second challenge asserted that the authorization act was a special law in violation of article 3, section 34 (IX) of the constitution.<sup>15</sup> That provision prohibits special legislation when general laws can be made applicable. Plaintiff argued that existing general laws had obviated the need for the challenged act.<sup>16</sup> The court was not persuaded, however, and affirmed the lower court's decision. It asserted, without developing an argument, that the mere existence of legislation permitting local governments to act in certain subject areas does not preclude the General Assembly from also acting in those areas.<sup>17</sup>

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11. *Knight v. Salisbury*, 262 S.C. 565, 206 S.E.2d 875 (1974); see *Constitutional Law, 1974 Survey of South Carolina Law*, 27 S.C.L. REV. 311 (1975).

12. 262 S.C. at 572, 206 S.E.2d at 878.

13. 265 S.C. at 185, 217 S.E.2d at 221.

14. *Id.* at 187, 217 S.E.2d at 222.

15. See note 7 *supra*.

16. Plaintiff cited two existing general laws that could accomplish the purpose sought by the General Assembly in the challenged special act. The first is section 13 of the home rule amendment which provides for joint administration of functions and exercise of functions by two or more counties. The second general law is Act No. 1189, [1974] S.C. Acts and Jt. Res. 2787, which allows existing special purpose districts to continue to issue bonds without further authorization by the General Assembly.

17. This conclusion misconstrued the thrust of Plaintiff's second challenge. The special act prohibition which Plaintiff invoked does not prohibit state legislation in any

For the sake of understanding this opinion an important caveat should be noted. This litigation did not challenge the existence of the airport district. That district was created some eleven years prior to passage of the home rule amendment. Plaintiff was not seeking retroactive application of the amendment to dissolve the airport district.<sup>18</sup> Rather plaintiff was challenging a bond authorization act which was passed after the home rule amendment was ratified and which had the purpose of funding *expansion* of the already existing airport facility. That is an important distinction in understanding this case. This holding is limited in that it does not address the establishment of a special purpose district, but rather addresses the funding of improvements for a district that had already been established.

The apparent rule from this opinion states that if “the governmental purpose under the act establishing the district is not one peculiar to a county, [then] the power of the General Assembly to legislate for this purpose continues, despite article 8, section 7 [the home rule amendment].”<sup>19</sup> This rule was also stated in another way by the court. If an activity is such that it “subserve[s] a governmental function greater than that of a county. . . .,” then the plenary powers of the General Assembly to legislate in that area are not curtailed by the home rule amendment.<sup>20</sup>

Application of the rule requires two steps. First one must determine why the district was established. Second one must determine whether the purpose for its establishment is a governmental purpose “peculiar to a county.” If it is not “peculiar to a county,” or if it “subserves a governmental function greater than a county”, then special legislation for that district is not prohibited by the home rule amendment.

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*subject* area whatsoever. Rather the provision requires that those subject areas which are capable of treatment by general laws should be treated exclusively by general laws, insofar as possible. The supreme court’s conclusion concentrated erroneously on the issue of subject-matter pre-emption by counties against the General Assembly when counties choose to act in a certain area. But this was not Plaintiff’s argument. In responding as it did the supreme court failed to enforce against the General Assembly the constitutional requirement that its legislative power, virtually unlimited as to subject matter, must in some instances be exercised only in the form of general laws.

18. The court has previously held that the home rule amendment should not be given general retroactive application to strike down legislation enacted prior to ratification of the amendment. *Neel v. Shealy*, 261 S.C. 266, 199 S.E.2d 542 (1973).

19. 265 S.C. at 185, 217 S.E.2d at 221.

20. *Id.* at 184, 217 S.E.2d at 220.

This element of being “peculiar to a county” is not altogether clear in its meaning. It gives rise, in fact, to several possible interpretations. The ultimate meaning given it will influence substantially the extent to which home rule will be implemented in South Carolina.

The first possible interpretation one may give the rule is that the legislature may enact laws for a special purpose district if a district, already in existence, encompasses more than one county. This would interpret the words “peculiar to a county” in a numerical sense meaning peculiar to *one* county as opposed to being peculiar to *more than one* county.<sup>21</sup> But there are difficulties with this interpretation. The case law suggests that the size of the district is less important than is the nature of the power exercised by the district. In *Knight* the court struck down an act creating a special purpose district following ratification of the amendment. That opinion placed little significance on the fact that the district was contained within the boundaries of the single affected county. Rather the act was struck down because the district’s power to act would be in “frightful conflict” with that of the county government.<sup>22</sup> Increasing the size of the district would seem only to aggravate that problem if the powers of the county and the powers of the district were in conflict. By establishing a district with a larger tax base and an arguably larger “public interest” than that of the county the powers of the county government could be even more effectively frustrated by the district in that respect.<sup>23</sup> It would seem that if the purpose sought to be achieved by the special act would frustrate or restrict the rightful exercise of powers and prerogatives by a county government, then it should make little difference that the boundaries of the offending district lay inside or outside the county thereby restrained. Therefore a mere “geographical size” interpretation of the rule is inconsistent with *Knight* and seems excessively simplistic.

A variation on this first interpretation suggests that if the

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21. The court seemed to allude to this possibility when it indicated that the home rule amendment applied to counties but not to local governmental units that were not counties. *Id.* at 183, 217 S.E.2d at 220.

22. 262 S.C. at 572, 206 S.E.2d at 878.

23. Plaintiff argued in his brief that if a district were to encompass more than one county its noxious effect would be greater than that seen in *Knight* because the powers of more than one county would be frustrated thereby. Brief for Appellant at 3. The court did not treat that argument however.

district serves an area larger than a single county, then the General Assembly may continue to maintain the district with special legislation even under home rule. The court did give considerable weight to the fact that this airport served a substantial part of the state's population.<sup>24</sup> But counties frequently serve larger areas in their performance of such functions as the building of recreational facilities, hospitals, and county road systems. Further, the *Knight* rationale still maintains that size *per se* is not a critical issue. Rather the critical issue concerns the restriction of powers and functions belonging to the county. If the function of the district conflicts with the rightful prerogatives of the county government, then any special legislation in furtherance of that conflict is inconsistent with the home rule amendment.<sup>25</sup>

The second major interpretation of this rule is that the legislature may maintain a special purpose district through special legislation if the district performs a local function which the particular county is unable or unwilling to perform. This proposition finds some support in earlier case law.<sup>26</sup> However, such an interpretation does not follow from either the language of this opinion or the facts of this case. The court did not suggest even the possibility that the operation of this airport was beyond the capability of the two counties involved. It found that the airport performed

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24. 265 S.C. at 180-81, 217 S.E.2d at 218-19.

25. The *Knight* court stated that if districts were established and "given the power to perform a function intended to have been vested in the county government . . . [then] home rule . . . would be frustrated in whole or in part since . . . the governing body in each county . . . would have little or no power left." 262 S.C. at 572-73, 206 S.E.2d at 878. This, of course, assumes that there are not extenuating circumstances such as physical or legal inability to perform the function which require the state to perform it instead.

26. In *Berry v. Milliken*, 234 S.C. 518, 109 S.E.2d 354 (1959) a pre-home rule case, the court sustained the establishment of a special purpose airport district encompassing Greenville and Spartanburg Counties. The court found that "it would *not be feasible* for the airport under consideration to be operated jointly by Spartanburg and Greenville Counties and that it would be necessary to create an airport district embracing this area *with powers more comprehensive* than those contained in the general act." *Id.* at 523, 109 S.E.2d at 356 (emphasis added).

In *Mills Mill v. Hawkins*, 232 S.C. 515, 103 S.E.2d 14 (1957) also a pre-home rule case, the court upheld an act creating a water and sewer district in Spartanburg County. The act was sustained since the legislature had found the public health and welfare in that part of the county endangered due to water contamination from untreated sewage. Furthermore, local residents had refused to establish the needed water and sewage district under a general law which would have permitted them to do so. Therefore the act creating the special purpose district was sustained because public health was threatened by local inaction. It should be noted that the *Kleckly* court declared in dictum that the special act upheld in *Mills Mill* would now be prohibited under S.C. Constr. art. 8, § 7; 265 S.C. at 188, 217 S.E.2d at 222.

an important function, but the court nowhere found that Richland or Lexington Counties were either unwilling or unable to maintain it. Consequently, this second interpretation, while valid perhaps as a proposition of law, nonetheless must not be imposed as an interpretation of this opinion.

A third possible interpretation holds that if a district has been established to perform a function not permitted to the counties, then the General Assembly may continue to enact special legislation for the maintenance of that district. But this interpretation does not follow from the facts of this case. Here the court acknowledged that counties were in fact granted the power to establish and maintain airports under the Uniform Airports Act.<sup>27</sup> Consequently, this rule may not be interpreted to allow special legislation for a special purpose district performing a function not permitted to the counties. While such legislation might in fact be constitutional, authority for the proposition would not come from this case.

A fourth interpretation that could be given to the phrase "peculiar to a county" seems plausible at first glance. It recognizes a category of "powers, duties, functions, and responsibilities" which may be performed either by the state or by the counties. It would hold that the state legislature may exercise its plenary power and choose to perform a function in this category, thereby taking that function away from the county affected. In this case the General Assembly continued to maintain an airport for Richland and Lexington Counties under its plenary power even though in other counties that function would be performed by the county government. The difficulty with this interpretation of the rule is that it fails to give sufficient scope to the implementation of home rule. The constitution expressly requires that the counties, and not the General Assembly, are to perform the functions of local government.<sup>28</sup> The General Assembly has already permitted airport establishment and maintenance to be carried on as a function of local government. Furthermore, the constitution requires the home rule article to be construed liberally in favor of the counties.<sup>29</sup> Therefore, it is not clear from the opinion why the state, through the special purpose district, should

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27. S.C. CODE ANN. § 2-101 to -120 (1962 & Cum. Supp. 1975).

28. "No laws for a specific county shall be enacted and no county shall be exempted from the general laws . . ." S.C. CONST. art. 8, § 7.

29. *Id.* at art. 8, § 17.



preempt this function from these two counties.<sup>30</sup> Consequently, the fourth interpretation is not fully satisfactory due to its apparent inconsistency with clear constitutional provisions.

The final interpretation which might be given this rule recognizes the unique circumstances of this case. It holds that the bond authorization was upheld because the General Assembly had already created the airport district and that the airport thus established served a public function to the state that was unique. It was the largest airport in the state, and it served the seat of state government.<sup>31</sup> To have done other than uphold the bond authorization would have jeopardized the proper functioning of this airport which was already established and was performing an important function for a major part of the state. The weakness of this interpretation is that the court did not state explicitly that this was the basis of its decision. However, the facts which were set out in the opinion clearly allow that conclusion.

To limit this case to its facts, by regarding the Richland-Lexington Airport as unique with respect to its public function, presents the fewest problems of interpretation. Furthermore, this explanation allows the fullest scope to be given the constitutional mandate for county home rule. The ultimate interpretation however will be determined by subsequent supreme court decisions.<sup>31.1</sup>

## II. REVENUE BONDS

In *Anderson v. Baehr*<sup>32</sup> the South Carolina Supreme Court struck down a revenue bond authorization enacted by the General Assembly in 1974. The statute,<sup>33</sup> if it had been upheld, would have allowed municipalities to issue revenue bonds to finance commercial redevelopment of slums and other urban property for private developers.<sup>34</sup> Specifically the property acquired and de-

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30. Joint undertakings are permitted by S.C. CONST. art. 8, § 13.

31. 265 S.C. 180-81, 217 S.E.2d 218-19.

31.1. As this survey was being prepared for printing the court decided a case applying *Kleckley*. In *Torgerson v. Craver*, No. 20312 (November 17, 1976) the supreme court stated that the Richland-Lexington Airport bond authorization was upheld because that airport was a matter with which only the General Assembly could deal. "The bond legislation was not for a specific county; it was for a region." *Id.* at 14. This holding suggests elements of each of the first three interpretations above.

32. 265 S.C. 153, 217 S.E.2d 43 (1975).

33. No. 1097, [1974] S.C. Acts & Jt. Res. 2337.

34. 265 S.C. 153 at 157, 217 S.E.2d 43 at 44.

veloped with these monies would have been leased to a private developer by the municipality. The developer would have made lease payments to the municipality issuing the bonds, allowing the bonds to be retired exclusively by the lease payments. Once the bonds were fully repaid the municipality could have then sold the property to the developer for a nominal sum. This would have allowed a private developer in effect to have borrowed mortgage and construction money at a lesser rate of interest than he might have obtained commercially because of the tax-exempt feature of the bonds. In the process, however, urban property would have been redeveloped.

The bond act was challenged by a resident taxpayer of Spartanburg County who sought to enjoin the City of Spartanburg from issuing bonds pursuant to the act for developing certain property unnamed in the record. Plaintiff maintained that the act was in violation of article 10, section 6 of the state constitution<sup>35</sup> which prohibits the use of public funds for a private purpose.<sup>36</sup> The lower court found the act to be constitutional. The supreme court reversed.

The South Carolina Supreme Court has upheld other revenue bond authorizations on previous occasions even though the proceeds of the bond sales also were intended for the immediate use of a private party.<sup>37</sup> Those authorizations were upheld, however, because the supreme court found them to serve some clearly defined and proper public purpose.<sup>38</sup> In *Elliot v. McNair*<sup>39</sup> an industrial revenue bond authorization was upheld even though

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35. S.C. CONST. art. 10, § 6 provides in pertinent part:

The credit of the state shall not be pledged or loaned for the benefit of any individual, company, association or corporation . . . . The General Assembly shall not have the power to authorize any county or township to levy a tax or issue bonds for any purpose except for educational purposes, to build and repair public roads, buildings and bridges, to maintain and support prisoners, pay jurors, County officers, and for litigation, quarantine and court expenses and for ordinary county purposes, to support paupers, and pay past indebtedness. . . .

36. 265 S.C. at 160, 217 S.E.2d at 46.

37. In *Harper v. Schooler*, 258 S.C. 486, 189 S.E.2d 284 (1972), the court upheld the Pollution Control Facilities Revenue Bond Act, No. 156 [1971] S.C. Acts & Jt. Res. 214. In *Elliott v. McNair*, 250 S.C. 75, 156 S.E.2d 421 (1967), the court upheld the Industrial Revenue Bond Act, No. 103 [1967] S.C. Acts & Jt. Res. 103.

38. See *Harper v. Schooler*, 258 S.C. 486, 496-97, 189 S.E.2d 286, 289 (1972); *Elliott v. McNair*, 250 S.C. 75, 89, 156 S.E.2d 421, 428 (1967). This writer is grateful to Jean L. Perrin, a fellow student, for her valuable insights into the potential uses of revenue bond financing.

39. 250 S.C. 75, 156 S.E.2d 421 (1967).

the proceeds from the bond sale were to be used to finance the acquisition of property and the construction of industrial plants for private corporations. However, the potential influx of new industries attracted to the state by this financial assistance was viewed as a means of providing employment opportunities to residents of the state and of developing a market for agricultural products and natural resources from the state. The court found these factors to satisfy the public purpose requirement of article 10, section 6.<sup>40</sup>

Similarly, in *Harper v. Schooler*<sup>41</sup> the supreme court upheld a state revenue bond authorization to finance the acquisition of pollution control facilities for private industry. The immediate beneficiaries of the bond sales were private industries who were thereby assisted in meeting air and water pollution abatement requirements. The legislature also had found, however, that the public health and welfare would be served by the mitigation of air and water pollution.<sup>42</sup> Furthermore, the establishment of new industry in the state would be encouraged by this financial assistance, thus serving purposes similar to those served by the industrial revenue bonds upheld in *Elliot*. The *Harper* court therefore found that this act satisfied the public purpose requirement of article 10, section 6.<sup>43</sup>

In the instant case, however, the court found the necessary public purpose to be absent.<sup>44</sup> Instead, it regarded the private developer to be the primary beneficiary of the bond issue.<sup>45</sup> Although the stated purpose of the bond authorization was to finance private efforts in “any slum clearance or redevelopment work,” and although some public benefit might conceivably flow from the development of such property, that benefit may not be public in the sense that legislation or bond issues are permitted to accomplish it.<sup>46</sup> The General Assembly set out no facts in the statute to show what public benefit was intended, nor any safeguards to insure that a public benefit would be accomplished by this revenue bond act. Undoubtedly the legislature intended to promote slum clearance. Nevertheless that undertaking, standing

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40. *Id.* at 89, 156 S.E.2d at 428.

41. *Harper v. Schooler*, 258 S.C. 486, 189 S.E.2d 284 (1972).

42. *Id.* at 496-97, 189 S.E.2d at 289.

43. *Id.* at 496, 189 S.E.2d at 289.

44. 265 S.C. at 163, 217 S.E.2d at 48.

45. *Id.*

46. *Id.*

alone, does not translate into an express public benefit that may be accomplished by government. The court was shown no public purpose served either by the "clearance" of the urban property or by the subsequent "development" of that property. Yet all were to have been financed by the revenue bonds. For such financing to be constitutional, the precise benefit to the public must be clear and substantial.<sup>47</sup> The court, however, was unable to determine from the statute before it that such a benefit was certain to accrue.

There was, on the other hand, a clear benefit which would have accrued from the revenue bond act to the private developer. By availing himself of a revenue bond issue he could have obtained low-cost financing for his commercial undertaking simply by locating his development in an urban or slum area.<sup>48</sup> Furthermore he would have been given an unfair advantage over other developers by this assistance from the municipality since he would have been able "to compete in free enterprise with other businesses which do not have the advantage which the Act would [have] give[n]."<sup>49</sup> By so doing, the private developer clearly could have increased his profits.

In determining the constitutionality of this revenue bond act, the court applied the public purpose test for bond authorizations derived from article 10, section 6.<sup>50</sup> That test requires a comparison of the benefits to be derived by the private party to the benefits to be realized by the public from a revenue bond issue. Upon applying this analysis, the court held:

We think it a fair conclusion to say that the benefit to the developer or entrepreneur would be substantial and the benefit to the public would be negligible and speculative. . . .

. . . .  
. . . It is not sufficient that an undertaking bring about a remote or indirect public benefit to categorize it as a project within the sphere of "public purpose."<sup>51</sup>

The public purpose test applied in this opinion is simple to state yet difficult to apply. Unfortunately, precise guidelines for

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47. *Id.* at 161, 217 S.E.2d at 46.

48. *Id.* at 163, 217 S.E.2d at 47; *accord*, *Elliot v. McNair*, 250 S.C. 75, 92, 156 S.E.2d 421, 430 (1967).

49. 265 S.C. at 163, 217 S.E.2d at 47.

50. *Id.* at 160, 217 S.E.2d at 46.

51. *Id.* at 163, 217 S.E.2d at 47-48.

comparing the respective benefits were left largely unarticulated by the court. Certain requirements of the public purpose test are apparent from this opinion, however. First, the public purpose to be served by a revenue bond authorization should be set forth clearly by the legislature.<sup>52</sup> These findings will assist the court in its own determination of public benefit as it applies the test. Second, the private benefit from a bond authorization must not be “substantial” when the public benefit is, at the same time, negligible and speculative.<sup>53</sup> This means at a minimum that the private benefit must not be greater than the public benefit.

This opinion should not be interpreted as a general prohibition against revenue bonds for slum clearance and urban redevelopment. It is instead a holding that this particular statute as written was unconstitutional because it had insufficient safeguards to insure a proper public benefit. Future bond authorizations to accomplish similar ends may avoid the constitutional defects of this statute entirely. According to *Baehr*, such statutes should clearly set out the precise public purpose to be accomplished by the bond authorization. Such a purpose must be one permitted to the state government<sup>54</sup> and must not be overshadowed by the private purpose. If these requirements are met, the state may indeed continue to offer this form of low-cost financing for certain public undertakings.<sup>55</sup> The constitution requires, however, careful legislative drafting of a revenue bond authorization to insure that it does in fact serve a public purpose. This case provides guidance to that end.

*David C. Eckstrom*

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52. *Id.* at 160-61, 217 S.E.2d at 46. The court stated that although such findings of public benefit by the legislature are not conclusive, they are nonetheless entitled to weight. However, “[s]uch findings are absent here.”

53. *Id.* at 163, 217 S.E.2d at 48.

54. *Id.*

55. This paper has dealt with public purpose restrictions on revenue bonds. For an analysis of public purpose restrictions on general obligation bonds see Sinkler, *Constitutional Limitations on Public Finance in South Carolina*, 3 S.C.L. REV. 303-23 (1951).