PROVISO

SUBCOMMITTEE

RECOMMENDATIONS

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ECONOMIC DEVELOPMENT

AND

NATURAL RESOURCES
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PROVISO SUBCOMMITTEE
ECONOMIC DEVELOPMENT AND NATURAL RESOURCES
RECOMMENDATIONS FOR FY 2010-11
TO THE HOUSE WAYS AND MEANS COMMITTEE

SECTION 32 - L32-HOUSING FINANCE AND DEVELOPMENT AUTHORITY

32.1 **AMEND** (Federal Rental Assistance Administrative Fee Carry Forward) Directs that all federal rental assistance administrative fees be carried forward and used in administering the federal programs under contract with the authority. Prohibits state funds from being used to administer these programs.
PROVISO SUBCOMMITTEE RECOMMENDATION: AMEND proviso to delete the prohibition on using state funds to administer the federal programs. *No state funds are appropriated to the agency.* Fiscal Impact: No impact on the General Fund. Requested by Housing Finance and Development Authority.

32.1. (HFDA: Federal Rental Assistance Administrative Fee Carry Forward) All federal rental assistance administrative fees shall be carried forward to the current fiscal year for use by the authority in the administration of the federal programs under contract with the authority. ~~No state funds are to be used in the administration of these programs.~~

32.ic **ADD** (Allocation of Indirect Cost Recoveries) **PROVISO SUBCOMMITTEE RECOMMENDATION:** Directs the authority to deposit indirect cost recoveries for the authority's portion of the FY 2010-11 Statewide Central Services Cost Allocation Plan (SWCAP) into the general fund and to retain recoveries in excess of the amount deposited in the general fund. Fiscal Impact: No impact on the General Fund. The authority estimates that approximately $52,000 of indirect costs will be deposited into the General Fund, while retaining approximately $247,000 of recovered funds to supplement in the funding of the authority's programs.

32.ic. (HFDA: Allocation of Indirect Cost Recoveries) The authority shall deposit in the state general fund indirect cost recoveries for the authority's portion of the Fiscal Year 2010-11 Statewide Central Services Cost Allocation Plan (SWCAP). The authority shall retain recoveries in excess of the SWCAP amount to be deposited in the state general fund.

SECTION 40 - P32 - DEPARTMENT OF COMMERCE

40.3 **AMEND** (Coordinating Council Funds) Authorizes the council, from funds set-aside by Section 12-28-2910 [SOUTH CAROLINA COORDINATING COUNCIL FOR ECONOMIC DEVELOPMENT; ESTABLISHING PROJECT PRIORITIES; DISPOSITION OF PAYMENTS], to spend funds unobligated or uncommitted as of July 1 of the current fiscal year only as necessary for location or expansion of an industry or business facility in the state. Defines eligible expenditures and site preparation. Requires the Coordinating Council annually prepare a detailed report and which shall be submitted to the General Assembly by March 15th that itemizes expenditures for the preceding calendar year and includes the specific information. Directs that the General Assembly shall not appropriate funds or direct the council to extend loans or grants. Directs that the council shall not extend loans or grants from the amounts set aside by Section 12-28-2910 for any other purpose. Authorizes the council, in order to provide maximum flexibility to encourage new jobs creation and capital investments, to transfer to the Closing Fund up to $7,000,000 of economic development funds at its disposal provided the transfer is approved by a majority vote of the Coordinating Council members in a public meeting. Authorizes any unexpended balance to be carried forward and expended by the department for the same purpose.

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PROVISO SUBCOMMITTEE RECOMMENDATION: AMEND proviso to delete specific reference to $7,000,000. Fiscal Impact: No impact on the General Fund. The Coordinating Council can transfer any amount to the Closing Fund it deems appropriate.

40.3. (CMRC: Coordinating Council Funds) From the amount set aside pursuant to Section 12-28-2910 of the 1976 Code, the council is authorized to expend funds which were not obligated or committed as of July 1 of the current fiscal year only as necessary for the location or expansion of an industry or business facility in South Carolina. Eligible expenditures include water/sewer projects, road or rail construction/improvement projects, land acquisition, fiber-optic cable, relocation of new employees for technology intensive and research and development facilities as defined in South Carolina Code Section 12-6-3360, and site preparation. Site preparation is defined as surveying, environmental and geo-technical study and mitigation, clearing, filling, and grading. The Coordinating Council shall annually prepare a detailed report each year for submission to the General Assembly by March 15 of each year which itemizes the expenditures from the fund for the preceding calendar year. Such report shall include an identification of the following information: (a) company name or confidential project number; (b) location of the project; (c) amount of grant award; and (d) scope of grant award.

The General Assembly shall not appropriate funds, and shall not direct the Coordinating Council to extend loans or grants nor shall the Coordinating Council extend any loans or grants from the amount set aside pursuant to Section 12-28-2910 for any purpose other than those listed in this proviso.

In order to provide maximum flexibility to encourage the creation of new jobs and capital investment, the Coordinating Council for Economic Development has the authority to transfer ~~up to $7,000,000 of~~ economic development funds at its disposal to the Closing Fund, provided the transfer is approved by a majority vote of the Coordinating Council members in a public meeting. Any unexpended balance on June 30, of the prior fiscal year may be carried forward and expended in the current fiscal year by the Department of Commerce for the same purpose.

40.10 **DELETE** (Reimbursement of Expenditures) Directs that ICAR project reimbursements of expenditures in prior fiscal years shall be retained for repayment of funds previously used for the ICAR project.
PROVISO SUBCOMMITTEE RECOMMENDATION: DELETE proviso. *The proviso was established for a particular project and is no longer needed.* Fiscal Impact: No impact on the General Fund. Requested by Department of Commerce.

40.10. (CMRC: Reimbursement of Expenditures) ~~Any reimbursements of expenditures in prior fiscal years related to infrastructure costs for the ICAR project shall be retained by the department for repayment of funds previously used for the ICAR project.~~

40.11 **DELETE** (Job Development Credits) Allows any company that was approved for Job Development Credits in January 2005 to have the option of using the prior year's county classification for purposes of obtaining the Job Development Credits.
PROVISO SUBCOMMITTEE RECOMMENDATION: DELETE proviso. *The proviso timeliness has expired and is no longer needed.* Fiscal Impact: No impact on the General Fund. Requested by Department of Commerce.

40.11. (CMRC: Job Development Credits) ~~Any company that received approval for Job Development Credits in January 2005 shall have the option of using the prior year's county classification for purposes of obtaining the Job Development Credits.~~

40.17 **DELETE** (Public Railways) Directs the Division of Public Railways to create a statewide rail plan on or before March 31, 2009 that is in compliance with applicable federal laws, rules, and regulations. Directs the division to consult with and seek input from DOT, State Ports Authority, B&C Board Aeronautics Division, PRT, PSC, ORS, and DHEC throughout the planning process. Directs the division to seek advice and input from the Councils of Governments, CSX, Norfolk Southern, Amtrack, short-line railroads, and any other associations that may be affected by developing the statewide rail plan. Directs the Department of Commerce to make $100,000 of their funds available for the creation of the statewide rail plan.
SUMBCOMMITTEE RECOMMENDATION: DELETE proviso. *The statewide rail plan has been created.* Fiscal Impact: No impact on the General Fund. Requested by Department of Commerce.

40.17. (CMRC: Public Railways) ~~The Division of Public Railways is directed to create a statewide rail plan on or before March 31, 2009, in compliance with applicable federal laws, rules, and regulations.~~

~~Throughout the planning of the statewide rail plan, the division shall consult with and seek input from: the Department of Transportation, the State Ports Authority, the Aeronautics Division of the Budget and Control Board, the Department of Parks, Recreation and Tourism, the South Carolina Public Service Commission, the Office of Regulatory Staff, and the Department of Health and Environmental Control.~~

~~The division shall further seek the advice and input of the Councils of Governments, CSX, Norfolk Southern, Amtrak, short-line railroads, and any other associations that may be affected by the development of the statewide rail plan.~~

~~Of the funds appropriated to the Department of Commerce, $100,000 shall be made available for the creation of a statewide rail plan.~~

40.19 **DELETE** (Repayment of Energy Loan) Directs that $1,929,000 of Department of Commerce appropriated, authorized, or carried forward funds be used to repay the State Energy Office energy loan that was made to the Donaldson Center Industrial Air Park.
PROVISO SUBCOMMITTEE RECOMMENDATION: DELETE proviso. *Loan was repaid in FY 2009.* Fiscal Impact: No impact on the General Fund. Requested by Department of Commerce.

40.19. (CMRC: Repayment of Energy Loan) ~~From the funds appropriated, authorized, and/or carried forward by the Department of Commerce, $1,929,000 shall be utilized to repay the energy loan that was made to the Donaldson Center Industrial Air Park from the State Energy Office.~~

40.20 **DELETE** (Water Litigation) Requires the department to transfer $500,000 from the State Rural Infrastructure program to the Attorney General's Office for water litigation.
PROVISO SUBCOMMITTEE RECOMMENDATION: DELETE proviso. *Deletion will ensure that more funds are available for recruiting jobs and investments to the state.* Fiscal Impact: No impact to the General Fund. $500,000 of State Rural Infrastructure Program funds will be available for their intended purpose. Requested by Department of Commerce.

40.20. (CMRC: Water Litigation) ~~During the current fiscal year, the department must transfer $500,000 from the State Rural Infrastructure program to the State Attorney General's Office for water litigation.~~

40.21 **DELETE** (Port Credit) Directs that $450,000 of general fund revenue set-aside by Section 12-6-3375 [TAX CREDIT FOR PORT CARGO VOLUME INCREASE; APPLICATION TO COUNCIL; DEFINITIONS] and managed by the Department of Commerce, be allocated to any entity whose port cargo volume increased over its base year and who did not receive an allocation from the Coordinating Council in 2008.
PROVISO SUBCOMMITTEE RECOMMENDATION: DELETE proviso. *The proviso was established for 2008 only and is no longer needed.* Fiscal Impact: No impact on the General Fund. The $450,000 will be used by the department for its intended purpose. Requested by Department of Commerce.

40.21. (CMRC: Port Credit) ~~Of the funds set aside from general fund revenue for Fiscal Year 2009-10 pursuant to Section 12-6-3375 of the 1976 Code, and managed by the Department of Commerce, $450,000 shall be allocated to any entity whose port cargo volume increased over its base year and did not receive an allocation from the Coordinating Council for Economic Development in year 2008.~~

40.22 **DELETE** (Aeronautics Assets and Funds) Prohibits the Department of Commerce, in accordance with Section 13-1-1010 [COMMISSION CREATED; PURPOSE; PURCHASE AND SALE OF AERONAUTICS ASSETS], from selling or transferring any Division of Aeronautics assets including, but not limited to leasehold improvements and all rights inuring to the benefit of the division under real estate leases in effect as of 1/1/09, and the ability to sublease same, without Aeronautics Commission and Secretary of Commerce approval. Prohibits the Division of Aeronautics from being relocated from the SC Division of Aeronautics Building at the Columbia Metropolitan Airport without approval by the Aeronautics Commission and the Secretary of Commerce. Requires Aeronautics Commission and Secretary of Commerce approval for funds appropriated to or authorized for the Division of Aeronautics to be transferred to or expended for any other program. Directs that if state funds are reduced, Division of Aeronautics general funds may not be reduced greater than the percentage stipulated by the B&C Board or General Assembly for the agency as a whole.
PROVISO SUBCOMMITTEE RECOMMENDATION: DELETE proviso. *The Aeronautics Commission has been transferred to the B&C Board.* Fiscal Impact: No impact on the General Fund. Requested by Department of Commerce

40.22. (CMRC: Aeronautics Assets and Funds) ~~In accordance with Section 13-1-1010 of the 1976 Code, the Department of Commerce is prohibited from selling or transferring any Division of Aeronautics assets, including but not limited to, leasehold improvements and all rights inuring to the benefit of the Division of Aeronautics under real estate leases in effect as of January 1, 2009, and the ability to sublease same, without the approval of the South Carolina Aeronautics Commission and the Secretary of Commerce. In addition, any relocation of the Division of Aeronautics from the property known as the South Carolina Division of Aeronautics Building at the Columbia Metropolitan Airport must be approved by the Aeronautics Commission and the Secretary of Commerce and funds appropriated to or authorized for the Division of Aeronautics may not be transferred to or expended for any other program without the approval of the Aeronautics Commission and the Secretary of Commerce. In the event state appropriations are reduced, Division of Aeronautics general funds may not be~~

~~reduced in an amount greater than the percentage stipulated by the Budget and Control Board or the General Assembly for the agency as a whole.~~

40.23 **DELETE** (Civil Air Patrol Transfer) Directs the department to transfer $50,000 of the funds appropriated to or authorized for the department to the Adjutant General's Office for the Civil Air Patrol.
PROVISO SUBCOMMITTEE RECOMMENDATION: DELETE proviso. *Deletion will ensure that more funds are available for recruiting jobs and investments to the state.* Fiscal Impact: No impact to the General Fund. $50,000 of agency funds will be available for job recruitment and investment purposes. Requested by Department of Commerce.

40.23. (CMRC: Civil Air Patrol Transfer) ~~Of the funds appropriated to or authorized for the Department of Commerce, the department shall transfer $50,000 to the Adjutant's General Office for the Civil Air Patrol.~~

SECTION 69 - Y14 - STATE PORTS AUTHORITY

69.1 **AMEND** (Charleston Cooper River Bridge Project) Directs the State Ports Authority to pay the State Transportation Infrastructure Bank $1,000,000 before 6/30/10 from other general fund or operating fund surplus and any funds appropriated to the authority in prior fiscal years that are unspent as of 7/1/09, to continue the Charleston Cooper River Bridge Project.
PROVISO SUBCOMMITTEE RECOMMENDATION: AMEND proviso to change "2009" to "2010" and "2010" to "2011." *Meets the obligations of the State Ports Authority and the State Infrastructure Bank's financial agreement.* Fiscal Impact: No impact on the General Fund. The funds used to pay the Transportation Infrastructure Bank are operating funds of the Ports Authority, none of which are state appropriated funds. Generates $1,000,000 for the State Transportation Infrastructure Bank. Per the Ports Authority, the commitment of the agency is to provide $1,000,000 per year for 25 years, until 2027.

69.1. (SPA: Charleston Cooper River Bridge Project) The State Ports Authority shall, from other general fund or operating fund surplus available and any funds appropriated to the authority in prior fiscal years and left unexpended as of July 1, ~~2009~~ *2010*, pay to the State Transportation Infrastructure Bank one million dollars before June 30, ~~2010~~ *2011*, to continue the Charleston Cooper River Bridge Project.