

# CHAPTER 68

## South Carolina Jobs—Economic Development Authority

(Statutory Authority: 1976 Code § 41-43-90 (1983 Supp))

### Editor's Note

Regulations 68-10 through 68-65 were adopted June 22, 1984.

### **68–10. Loan Eligibility Requirements.**

A. The South Carolina Jobs-Economic Development Authority will make Community Development Block Grant loans, economic development bond loans, on either a tax-exempt or taxable basis, and loans from any other program funds which become available, to manufacturing, industrial, research, service, commercial and other businesses which:

- (1) Are located in South Carolina; and
- (2) Create or maintain jobs in South Carolina.

B. Repealed.

**HISTORY:** Amended by State Register Vol. 25, Issue 5, effective April 27, 2001.

### **68–15. Use of Loan Proceeds.**

A. Proceeds from loans made by the Jobs-Economic Development Authority may be used only for those purposes prescribed in Section 17, Act 145, 1983 Acts and Joint Resolutions.

B. Loan proceeds may not be used for the relocation of a business within South Carolina; unless there has been a clear showing that such relocation is necessary for the creation or maintenance of a significant number of jobs in South Carolina.

### **68–20. Terms of Loan Agreements.**

A. The terms of Community Development Block Grant loans made by the Jobs-Economic Development Authority will vary according to individual project needs but will not exceed 15 years in length. Loans financed with economic development bonds, shall have a maximum term of forty years.

B. All loan documents pursuant to which the Jobs-Economic Development Authority makes loans may contain such terms and conditions as are customary for transactions of such character and as the officers signing such documents deemed reasonable or prudent and as may be required by the Board of Directors in any resolution authorizing such loan.

### **68–25. Loan Application Requirements.**

A. All applicants under the Community Development Block Grant program will submit in their loan application to the Jobs—Economic Development Authority:

- (1) Three years' prior financial statements for existing businesses; and
- (2) Pro forma statements for the three succeeding years; and
- (3) A non-refundable fee of \$350.00.

B. Each application for assistance under the economic development bond program shall be accompanied by a \$500.00 non-refundable application fee, which shall be credited toward the fee payable at closing. Prior to approval by the South Carolina Budget and Control Board of the issuance of bonds at public or private sale, the applicant shall have submitted the following:

(1) An investment letter from a financial institution in form acceptable to the Director of the Jobs-Economic Development Authority; or

(2) Evidence of a commitment from a financial institution or insurance company of a commitment to provide a letter of credit or bond insurance or other form of credit enhancement in form acceptable to the Director of the Jobs-Economic Development Authority; or

(3) Three years' prior financial statements for existing businesses or three years' pro formas and a feasibility study for new businesses, all in form acceptable to the Director of the Jobs-Economic Development Authority.

### **68-30. Costs and Fees.**

All fees, including but not limited to accountant's fees, attorney's fees, feasibility studies, appraisals, and other costs will be expenses of the applicant, and, with respect to the Community Development Block Grant loans, such fees and expenses will not be considered a part of the project cost. On the date the bonds are issued, there shall be due and payable a closing fee, in an amount equal to the following schedule:

\$1,000,000 or less	\$2,000
Over \$1,000,000 through \$25,000,000	\$3,000
Over \$25,000,000 through \$50,000,000	\$4,000
Over \$50,000,000	\$5,000

### **68-35. Designation of Economically Distressed Areas.**

A. Prior to December 31, of each year, the Jobs-Economic Development Authority using the most current data from the U.S. Department of Commerce and the Employment Security Commission, and compiled by the Division of Research and Statistical Services of the Budget and Control Board, will designate counties as economically distressed areas if the sum of the number of the ranking of the per capita income, lowest to highest, and the ranking of the rate of unemployment compared to the state's average, highest to lowest is twenty-five or less. This designation must be made considering only the most recent thirty-six month period.

B. In extraordinary circumstances, the Jobs-Economic Development Authority may designate portions of counties as economically distressed areas.

### **68-45. Community Block Grant Loans.**

A. Businesses located throughout the State of South Carolina are eligible to apply for Community Block Grant loans except those located in areas prohibited by Title I of the Housing and Community Development Act of 1974, as amended. As of January 1, 1984, the prohibited areas are as follows:

- (1) Greenville County and municipalities within Greenville County;
- (2) City of Anderson
- (3) City of Charleston
- (4) City of North Charleston
- (5) City of Columbia
- (6) City of Florence
- (7) City of Rock Hill
- (8) City of Spartanburg

B. An applicant for a Community Block Grant loan must be a municipality or county as prescribed by Title I of the Housing and Community Development Act of 1974, as amended.

C. Funds obtained through Community Block Grant loans cannot be used for repayment of bridge loans.

### **68-55. Bond Issues.**

A. The Authority may issue economic development bonds upon receipt of the following:

- (1) A certified resolution by the county or incorporated municipality in which the project is or will be located, containing a finding that the project is anticipated to benefit the general public welfare of

the locality by providing services, employment, recreation or other public benefits not otherwise provided locally.

(2) Evidence of a public hearing held in the incorporated municipality or county in which the project is to be located not less than fifteen days after publication of notice in a newspaper of general circulation in the incorporated municipality or county in which the project is or will be located.

B. The Authority may combine for the purposes of a single offering bonds to finance more than one project.

C. Bonds issued by the Authority may bear interest at such rate or rates, whether fixed or variable, as the Authority may determine.

### **68-65. Loans to Export Businesses.**

A. The Authority will develop programs to encourage the export of goods, services, commodities, machinery, equipment or other personal property to which value is added within the State. The Authority may use any of its program funds to provide loans to eligible exporters as defined in Section 20 of Act 145, 1983 Acts and Joint Resolutions, including exporters of goods, services, commodities, machinery, equipment or other personal property which have had value added to them in South Carolina.

B. Prior to an exporter obtaining a loan, he must be able to demonstrate to the satisfaction of the Authority that the transaction complies with the applicable laws of this State, the United States, and the county of destination.