**A** **BILL**

TO AMEND TITLE 11 OF THE 1976 CODE BY ADDING CHAPTER 55, TO CREATE THE LOCAL ECONOMIC STIMULUS GRANTS PROGRAM, TO PROVIDE THAT THE PROGRAM IS GOVERNED BY THE GRANTS REVIEW COMMITTEE AND TO PROVIDE FOR ITS MEMBERSHIP, TO PROVIDE THE GRANT APPLICATION PROCESS, TO PROVIDE WHICH ENTITIES MAY RECEIVE A GRANT AND THE TYPE OF PROJECTS THAT A GRANT MAY SUPPORT, AND TO REQUIRE GRANT RECIPIENTS TO SUBMIT REPORTS THAT ITEMIZE THE EXPENDITURE OF GRANT FUNDS AND DESCRIBE THE BENEFITS TO THE COMMUNITY; AND TO AMEND CHAPTER 7 OF TITLE 2, RELATING TO LEGISLATIVE ENACTMENTS, BY ADDING SECTION 2‑7‑74 TO PROVIDE THAT BEGINNING WITH THE ANNUAL GENERAL APPROPRIATIONS ACT FOR FISCAL YEAR 2009‑2010, NO COMPETITIVE GRANT PROGRAMS MAY BE ESTABLISHED IN THE STATE BUDGET AND CONTROL BOARD OR IN ANY OTHER AGENCY BY TEMPORARY PROVISO APPLICABLE FOR THE PARTICULAR FISCAL YEAR, AND TO PROVIDE THAT THE COMPETITIVE GRANTS PROGRAM OF THE STATE BUDGET AND CONTROL BOARD AND OTHER AGENCIES CONTAINED IN ACT 310 OF 2008 (THE 2008‑2009 GENERAL APPROPRIATIONS ACT) IS ABOLISHED ON THE EFFECTIVE DATE OF THIS ACT.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Title 11 of the 1976 Code is amended by adding:

“Chapter 55

Local Economic Stimulus Grants

Section 11‑55‑10. (A) There is created within the Budget and Control Board the Local Economic Stimulus Grants Program for the purpose of awarding grants to counties, municipalities, and non‑profit entities in South Carolina.

(B) The program shall be governed by the Local Economic Stimulus Grants Review Committee. The committee shall consist of five members with one member appointed by each of the following: the Governor, the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Chairman of the Finance Committee of the Senate, and the Chairman of the Ways and Means Committee of the House of Representatives. Members shall serve two‑year terms. Vacancies must be filled in the manner of the original appointment for the unexpired portion of the term. The committee must adopt rules of procedure and elect a chairman from the membership of the committee.

Section 11‑55‑20. Grants must be awarded in amounts determined by the review committee from funds appropriated by the General Assembly. The Budget and Control Board must provide staff for the committee.

Section 11‑55‑30. (A) A county, municipality, or non‑profit entity seeking a grant must submit an application to the review committee. The review committee shall develop guidelines and an application form to be utilized by the applicants. The guidelines must set out objective, quantifiable criteria that must be met to award a grant. Each application must be complete and must include an adequate description of the project that expresses the goals, objectives, or benefits to the local community that will be achieved with the grant funds. A non‑profit entity applying for these grant funds must also submit proof of its registration with the Secretary of State as a non‑profit entity.

(B) Within thirty days of submitting an application, the applicant must also file with the review committee:

(1) a letter from either the Governor or a legislative sponsor who represents the county, municipality, or location of the non‑profit entity applying for the grant; and

(2) a letter from the governing body of the county in which the grant would be expended and an economics expert detailing the economic benefit of the grant.

(C) Grants may only be awarded on a non‑recurring basis and only one grant may be awarded to a given project, or phase of a project.

(D) No grant may be awarded to support a community festival.

(E) No grant may be awarded to fund:

(1) administrative, consultant, or lobbyist charges not directly and inextricably related to achieving the goals of the grant as described in the application;

(2) salaries or benefits; or

(3) alcoholic beverages.

Section 11‑55‑40. (A) The review committee must review each completed application. The review committee must score each completed application, in a manner determined by the committee, to determine the applications’ benefit to the local community. Grants shall be awarded in priority order based on the score of the application.

(B) When the review committee awards a grant, the applicant and its sponsor shall be notified in writing and all grant awards must be posted on an internet website maintained by the Local Economic Stimulus Grants Program.

Section 11‑55‑50. (A) Each entity receiving a grant must submit a semi‑annual report to the review committee that itemizes all expenditures of the of grant funds. This report is due thirty days after the end of the reporting period. Also, each entity receiving a grant must undergo a complete financial audit and make its financial records available to the public.

(B) Within ninety days of all of the grant funds being expended or the conclusion of the project or program for which the grant was awarded, the recipient must submit a final report to the review committee. The final report must include a complete accounting of grant fund expenditures and any revenues derived as a result of the project undertaken by the grant. The accounting must be performed using generally accepting accounting principals. The final report must also contain a detailed description of the results achieved as a result of the grant. A recipient must retain its records regarding the grants funds for three years and must separate grant funds from other project funding. A recipient may not submit the organization’s annual financial statement in lieu of the specific reports.

(C) Any unexpended funds must be returned to the committee along with the final report.

(D) The Budget and Control Board Office of Internal Audit shall have access to all committee records as it deems appropriate.

(E) Three years after all of the grant funds were expended or upon the conclusion of the project or program, the entity must submit to the review committee a summary of the economic benefit the grant conferred upon the affected economy.

SECTION 2. Chapter 7, Title 2 of the 1976 Code is amended by adding:

“Section 2‑7‑74. Beginning with the annual general appropriations act for fiscal year 2009‑2010, no competitive grant programs may be established in the State Budget and Control Board or in any other agency by temporary proviso applicable for the particular fiscal year.”

SECTION 3. The competitive grants program of the State Budget and Control Board and other agencies contained in Act 310 of 2008 (the 2008‑2009 general appropriations act) is abolished on the effective date of this act and any funds remaining in the program as of this date shall revert to the state general fund. Grants awarded prior to this date shall be honored.

SECTION 4. This act takes effect upon approval by the Governor.

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