COMMITTEE REPORT

January 28, 2009

**H. 3316**

Introduced by Reps. J.R. Smith, T.R. Young, D.C. Smith, Clyburn, Stewart and Spires

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Read the first time January 27, 2009.

**THE AIKEN DELEGATION**

To whom was referred a Bill (H. 3316) to amend the Code of Laws of South Carolina, 1976, by designating Section 59‑53‑1610 as subarticle 1 and entitled “General Provisions”; and by adding subarticle 2, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass:

J. ROLAND SMITH for Committee.

**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY DESIGNATING SECTION 59‑53‑1610 AS SUBARTICLE 1 AND ENTITLED “GENERAL PROVISIONS”; AND BY ADDING SUBARTICLE 2 TO ARTICLE 19, CHAPTER 53, TITLE 59 SO AS TO PROVIDE FOR THE CREATION OF THE AIKEN TECHNICAL COLLEGE ENTERPRISE CAMPUS AUTHORITY, AND TO PROVIDE FOR ITS POWERS AND DUTIES.

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

SECTION 1. Section 59‑53‑1610, as contained in Article 19, Chapter 53, Title 59 of the 1976 Code is designated as subarticle 1 entitled “General Provisions”.

SECTION 2. Article 19, Chapter 53, Title 59 of the 1976 Code is amended by adding:

“Subarticle 2

Aiken Technical College Enterprise Campus Authority Act

Section 59‑53‑1650. This subarticle may be cited as the ‘Aiken Technical College Enterprise Campus Authority Act’.

Section 59‑53‑1655. As used in this subarticle, unless the context clearly requires otherwise:

(1) ‘Authority’ means the Aiken Technical College Enterprise Campus Authority.

(2) ‘Board’ means the governing body of the authority.

(3) ‘Commission’ means the Aiken Technical College Commission.

(4) ‘Enterprise Campus’ means the real and personal property subject to the management and control of the authority. The Enterprise Campus may consist of one or more tracts or parcels of real property and none of the tracts or parcels has to be contiguous with other properties constituting the Enterprise Campus.

Section 59‑53‑1660. (A) There is created a body politic and corporate known as the Aiken Technical College Enterprise Campus Authority. The authority is declared to be a public instrumentality of the State and the exercise by it of any power conferred in this subarticle is the performance of an essential public function. The authority is governed by a board, which consists of members of the commission. All members serve ex officio. Persons serving as chairman, vice‑chairman, treasurer, and secretary of the commission shall serve in the same capacity on the board. The members of the board shall receive per diem as provided for members of boards, commissions, and committees and actual expenses incurred in the performance of their duties.

(B) The board shall exercise the powers of the authority.

(C) The purpose of the authority is to provide for the management, development, and operation of the Enterprise Campus.

Section 59‑53‑1665. (A) In addition to the powers contained elsewhere in this subarticle, the board has power necessary, useful, or appropriate to operate and administer the authority, to effectuate the purposes of the authority, and to perform its other functions including, but not limited to, the power to:

(1) have perpetual succession;

(2) sue and be sued in its own name;

(3) adopt, promulgate, amend, and repeal bylaws, not inconsistent with provisions in this subarticle for the administration of the authority’s affairs and the implementation of its functions;

(4) have a seal and alter it at its pleasure, although the failure to affix the seal does not affect the validity of an instrument executed on behalf of the authority;

(5) make and execute contracts and all other instruments and agreements necessary or convenient for the performance of its duties and the exercise of its powers and functions;

(6) buy, purchase, or otherwise acquire real and personal property and other assets and sell, convey, mortgage, pledge, lease, exchange, transfer, and otherwise dispose of all or any part of its real and personal property and other assets, upon such terms and conditions the board determines;

(7) employ agents, advisors, consultants, engineers, architects, attorneys, accountants, construction and financial experts, land planners, superintendents, managers, and other employees and agents as necessary in the board’s judgment in connection with any aspect of the Enterprise Campus and to determine their duties and to fix their compensation;

(8) procure insurance against any loss in connection with its property, assets, or activities, including insurance against liability for its acts or the acts of its employees or agents;

(9) procure insurance, guarantees, letters of credit, and other forms of collateral or security or credit support from any public or private entities, including any department, agency, or instrumentality of the United States or the State of South Carolina, for the payment of any bonds issued by it, including the power to pay premiums or fees on any insurance, guarantees, letters of credit, and other forms of collateral or security or credit support;

(10) receive, accept, and expend from any source including any federal, state, or other public agency and any private agency, person, or other entity appropriated funds, donations, loans, grants, aid, or contributions of money, property, labor, or other things of value;

(11) invest or reinvest its funds as provided in Section 11‑9‑660;

(12) make contracts and guarantees, incur liabilities, issue its notes, bonds, and other obligations, and secure any of its obligations by mortgage or pledge of any of its property, or income in a manner determined to be in the best interest of the authority. Any guarantee or indebtedness of the authority does not create an obligation of the State or commission, nor must the guarantee or indebtedness be considered a debt against the general revenue of the State or commission;

(13) fix and revise when necessary and charge and collect rates, fees, rents, and charges for the use of, and for the services furnished by it, for all or any portion of the Enterprise Campus;

(14) determine the character of the Enterprise Campus, and acquire, develop, construct, and provide for the Enterprise Campus, and maintain, repair, operate, and enter into contracts for the management, lease, use, or operation of all or any portion of the Enterprise Campus;

(15) establish and enforce, and agree through any resolution or trust agreement authorizing or securing bonds, notes, or other obligations or indebtedness of the authority to make and enforce rules and regulations for the use of and services rendered by the authority for the Enterprise Campus;

(16) appoint and provide for advisory committees;

(17) establish not‑for‑profit corporations in accordance with applicable corporate law and with the powers as provided by the applicable corporate law; and

(18) do all other things necessary or convenient to exercise the powers granted or reasonably implied by this subarticle.

(B) The powers contained in this subarticle include the power to enter into contracts and other agreements with public or private entities for the lease of authority property, the construction, occupancy, use, and ownership by the public or private entity of buildings or other facilities on authority property, and the conveyance of the public or private entity’s property to the authority at the end of any applicable contract or agreement.

Section 59‑53‑1670. (A) The authority must comply with the provisions of Chapter 47 of Title 2; provided, however, only the State Budget and Control Board approval is required for leases and lease purchase agreements, including ground lease agreements, the terms and conditions thereof, and the consideration involved, for the construction or use of facilities on the Enterprise Campus. Upon the expiration of the lease purchase agreements, including ground lease agreements, the private entity shall surrender unto the authority such premises with the existing buildings, other structures, and improvements constructed and located on the Enterprise Campus, in the same condition as when the construction of the buildings, other structures, and improvements were completed, only natural and normal wear and tear excepted. The approval of the State Budget and Control Board required herein for leases and lease purchase agreements, including ground lease agreements, is in lieu of or a substitute for any other approval required by any other provision of law or regulation. The full faith and credit of the State toward the lease obligations must not be pledged, and any statement to the contrary is deemed null and void as a matter of public policy.

The authority shall adhere to fire, life, and safety codes as required by the Office of State Engineer. In the leasing of property and the granting of easements and rights‑of‑way by the authority, the authority is exempt from the provisions of Sections 1‑11‑55, 1‑11‑56, and 10‑1‑130.

(B) For all matters associated with the Enterprise Campus, the authority is exempt from the South Carolina Consolidated Procurement Code, however, the authority shall adopt a procurement policy requiring competitive solicitations, and the policy must be filed with and approved by the State Budget and Control Board. The policy must include provisions for audit and recertification.

(C) The authority is exempt from all regulations and general laws governing disposal of surplus government property.

Section 59‑53‑1675. (A) The authority may issue bonds in the same manner and for the same purposes, including the purposes of the authority, pursuant to the provisions of the Higher Education Revenue Bond Act, as provided in Chapter 147, Title 59.

(B) The issuance by the authority of any bonds, notes, or other obligations or indebtedness is subject to the approval of them by resolution of the State Budget and Control Board.

(C) Bonds, notes, or other obligations or indebtedness of the authority do not constitute a debt or a pledge of the faith and credit of the State of South Carolina, the commission, or any of the state’s political subdivisions other than the authority, but are payable only from the revenue, money, or property of the authority as provided in this subarticle. The bonds, notes, or other obligations or indebtedness of the authority do not constitute an indebtedness of the State within the meaning of any state constitutional or statutory limitation. A member of the board or a person executing bonds, notes, or other obligations or indebtedness of the authority is not liable personally on the bonds, notes, or other obligations or indebtedness by reason of their issuance or execution. Each bond, note, or other obligation or indebtedness must contain on its face a statement to the effect that:

(1) neither the State, the commission, nor any of the state’s political subdivisions, nor the authority is obligated to pay the principal of or interest on the bond or other costs incident to the bond except from the revenue, money, or property of the authority pledged;

(2) neither the full faith and credit, nor the taxing power of the State, nor any of its political subdivisions, is pledged to the payment of the principal of or interest on the bond, note, or other obligation or indebtedness; and

(3) the authority does not have taxing power.

Section 59‑53‑1680. The authority shall submit an annual report on the development and use of the Enterprise Campus to the State Board for Technical and Comprehensive Education, the Governor, the State Budget and Control Board, the Chairman of the Ways and Means Committee of the House of Representatives, and the Chairman of the Finance Committee of the Senate. The report must be submitted not later than six months after the end of each fiscal year.

Section 59‑53‑1685. The authority in performing an essential governmental function in the exercise of the powers conferred upon it is not required to pay any taxes or assessments upon any property or upon any of its activities or operations or the income from them, or any taxes or assessments upon any property acquired or used by the authority or upon the income from them. Any bonds, notes, or other obligations or indebtedness issued by the authority and the income from them is free from taxation and assessment of every kind by the State and by the local governments and other political subdivisions of the State.”

SECTION 3. If any section, subsection, paragraph, subparagraph, sentence, clause, phrase, or word of this act is for any reason held to be unconstitutional or invalid, such holding shall not affect the constitutionality or validity of the remaining portions of this act, the General Assembly hereby declaring that it would have passed this act, and each and every section, subsection, paragraph, subparagraph, sentence, clause, phrase, and word thereof, irrespective of the fact that any one or more other sections, subsections, paragraphs, subparagraphs, sentences, clauses, phrases, or words hereof may be declared to be unconstitutional, invalid, or otherwise ineffective.

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

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