**A** **BILL**

TO AMEND SECTION 11‑11‑410, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO STATE APPROPRIATIONS IN ANY FISCAL YEAR BEING SUBJECT TO A SPECIFIED SPENDING LIMITATION, SO AS TO PROVIDE THAT BEGINNING JULY 1, 2010, STATE GENERAL FUND APPROPRIATIONS AS CONTAINED IN THE ANNUAL GENERAL APPROPRIATIONS ACT COMBINED WITH ANY OTHER GENERAL FUND APPROPRIATIONS IN SUPPLEMENTAL OR OTHER APPROPRIATIONS ACTS FOR THE FISCAL YEAR MAY NOT EXCEED IN THE AGGREGATE THE STATE GENERAL FUND REVENUE COLLECTIONS FROM THE PREVIOUS FISCAL YEAR.

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

SECTION 1. Section 11‑11‑410 of the 1976 Code is amended to read:

“Section 11‑11‑410. (A) State appropriations in any fiscal year may not exceed appropriations authorized by the spending limitation prescribed in this section. State appropriations subject to the spending limitation are those appropriations authorized annually in the state general appropriation act and acts supplemental thereto which fund general, school, and highway purposes. A statement of total ‘General, School, and Highway Revenues’ must be included in each annual general appropriation act. As used in this section the appropriations so limited as defined above must be those funded by ‘General, School, and Highway Revenues’ ~~that must be defined as such in the 1985‑86 General Appropriation Act;~~ it being the intent of this section that all additional nonfederal and nonuser fee revenue items must be included in that category as they may be created by act of the General Assembly.

(B) The limitation on state appropriations prescribed in subsection (A) is an amount equal to either those state appropriations authorized by the spending limit for the previous fiscal year increased by the average percentage rate of growth in state personal income for the previous three completed calendar years or nine and one‑half percent of the total personal income of the State for the calendar year ending before the fiscal year under consideration, whichever is greater. As used in this section, ‘state personal income’ means total personal income for a calendar year as determined by the Budget and Control Board or its successor based on the most recent data of the United States Department of Commerce or its successors. ~~During the initial year this spending limit is in effect, the actual state appropriations for general, school, and highway purposes for the fiscal year 1985‑1986 must be used as the base figure for computation of the spending limitation if the average rate of growth method is used.~~

(C) Beginning with fiscal year 2010 notwithstanding the above provisions of this section, state general fund appropriations as contained in the annual general appropriations act combined with any other general fund appropriations in supplemental or other appropriations acts for the fiscal year may not exceed in the aggregate the state general fund revenue collections from the previous fiscal year.

~~(C)~~(D) The Comptroller General, or any other authorized agency, commission, or officer, may not approve or issue warrants which would allow disbursements above the amount appropriated for general fund purposes unless and until the General Assembly authorizes expenditures in excess of the limitation through procedures provided for in this article. This subsection may not apply to funds transferred from the reserve fund to the general fund.

~~(D)~~(E) The Division of Research and Statistical Services of the Budget and Control Board shall annually compute and certify to the General Assembly a current figure to limit appropriations as provided in subsection (B) or (C) of this section prior to the Budget and Control Board’s submission of its recommended budget to the House Ways and Means Committee.

~~(E)~~(F) Notwithstanding the provisions of subsection (A) of this section, the General Assembly may declare a financial emergency and suspend the spending limitation for any one fiscal year for a specific amount by a special vote as provided in this subsection by enactment of legislation which relates only to that matter. The authorized state appropriations for the fiscal year following the suspension must be determined as if the suspension had not occurred and, for purposes of determining subsequent limits, must be presumed to have been the maximum limit which could have been authorized if such limitation had not been suspended.

The special vote referred to in this subsection means an affirmative vote in each branch of the General Assembly by two‑thirds of the members present and voting but not less than three‑fifths of the total membership in each branch.

~~(F)~~(G) In any year when surplus funds are collected, such revenue surplus may be appropriated by the General Assembly to match funds for public education, public welfare, public health, road and highway construction, rehabilitation, replacement, or maintenance financed in part with federal participation funding or federal grants or tolls, or to accelerate the retirement of bonded indebtedness or transferred to the general fund reserve, or tax relief or for avoiding the issuance of bonds for projects that are authorized but not issued or any combination of these purposes without regard to the spending limitation. For the purposes of this section, surplus funds mean that portion of revenues, as defined in subsection (A) of this section, over and above revenues authorized for appropriation in subsection (B) or (C).”

SECTION 2. This act takes effect July 1, 2010, and the spending limitation of Section 11‑11‑410 of the 1976 Code, as amended by this act, first applies with respect to the general appropriations act for fiscal year 2010‑2011.

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