~~Indicates Matter Stricken~~

Indicates New Matter

COMMITTEE REPORT

April 18, 2012

**S. 1431**

Introduced by Senators Leatherman, Campbell, Grooms, Alexander, L. Martin, Coleman, Ford, Cleary, Hutto, McGill, Nicholson, Anderson, Williams, Pinckney, Hayes, O’Dell, Land, Malloy, Jackson, Matthews, Elliott, Setzler, Fair, Reese, Lourie and Sheheen

S. Printed 4/18/12--S.

Read the first time April 11, 2012.

**THE COMMITTEE ON FINANCE**

To whom was referred a Bill (S. 1431) to amend Act 1377 of 1968, as amended, relating to the issuance of State Capital Improvement Bonds, so as to authorize additional projects and conform the aggregate, etc., respectfully

**REPORT:**

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

Majority favorable. Minority unfavorable.

HUGH K. LEATHERMAN, SR. KEVIN L. BRYANT

For Majority. For Minority.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

See Below

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

$0 (No additional expenditures or savings are expected)

**EXPLANATION OF IMPACT:**

State Treasurer’s Office

Assuming single issuance during fiscal year ending June 30, 2013, and under prevailing rates (plus an adjustment for uncertainty) and a fifteen year term, the fiscal impact of $138.5 million on the general fund is approximately $11.2 million. However, the actual budgetary funding required to service the debt will not increase, as debt service is expected to decline significantly over the course of the next five fiscal years. Accordingly, the budgetary impact is likely to be neutral because the new debt service will be absorbed by recent refinancing savings and declining debt service; the rate of decline will just not be as rapid.

Budget & Control Board

The board indicated there is no fiscal impact on the General Fund of the State or on federal and/or other funds.

*Approved By:*

Brenda Hart

Office of State Budget

**A** **BILL**

TO AMEND ACT 1377 OF 1968, AS AMENDED, RELATING TO THE ISSUANCE OF STATE CAPITAL IMPROVEMENT BONDS, SO AS TO AUTHORIZE ADDITIONAL PROJECTS AND CONFORM THE AGGREGATE PRINCIPAL INDEBTEDNESS AMOUNT TO THE ADDITIONAL AMOUNTS AUTHORIZED BY THIS ACT.

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

SECTION 1. Item (f) of Section 3 of Act 1377 of 1968, as last amended by Act 410 of 2006, is further amended by adding at the end to read:

“( )(a) State Ports Authority

(i) Charleston Port Dredging 120,000,000

(ii) Georgetown Port Dredging 18,500,000

(b) Notwithstanding any other provision of law, state capital improvement bonds authorized in this act for the projects contained in this subitem shall be issued by the State Treasurer on a schedule determined by the board of the State Ports Authority, or as the board of the State Ports Authority determines necessary, so long as the issuance does not violate the debt service limitation. The Joint Board Review Committee shall review and comment on the issue.

(c) No bonds authorized by this subitem for the Georgetown Port dredging may be issued until the Port of Georgetown certifies that it has obtained, and has on hand, fifteen million dollars from non‑state sources to be expended for the dredging project.”

SECTION 2. Section 4 of Act 1377 of 1968, as last amended by Part II B of Act 1 of 2001, is further amended to read:

“Section 4. The aggregate principal indebtedness on account of bonds issued pursuant to this act may not exceed $~~2,583,904,475~~ 2,722,404,475. The limitation imposed by the provisions of this section does not apply to bonds issued on behalf of the Mental Health Commission as provided in Acts 1276 and 1272 of 1970 or to bonds issued on behalf of the Commission on Mental Retardation as provided in Act 1087 of 1970 or to bonds issued on behalf of the South Carolina Fire Academy. The limitation imposed by the provisions of this section is not considered to be an obligation of the contract made between the State and holders of bonds issued pursuant to this act, and the limitation imposed by the provisions of this section may be enlarged by acts amending it or reduced by the application of the Capital Reserve Fund or by amendments of this act. Within these limitations state capital improvement bonds may be issued under the conditions prescribed by this act.”

SECTION 3. This act takes effect upon approval by the Governor.

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