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Summary: House Rules, Appropriations Bills and Fiscal Impact Requirements

**HISTORY OF LEGISLATIVE ACTIONS**

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**VERSIONS OF THIS BILL**

[01/18/2023](https://www.scstatehouse.gov/sess125_2023-2024/prever/3717_20230118.docx)

A house RESOLUTION

TO AMEND RULE 5.3 OF THE RULES OF THE HOUSE OF REPRESENTATIVES, RELATING TO PROVISIONS REGARDING the GENERAL APPROPRIATIONS BILL AND SUPPLMENTAL APPROPRIATIONS BILL, SO AS TO REDEFINE “EARMARK PROJECT OR PROGRAM” and make a technical change; AND TO AMEND RULE 5.13, RELATING TO FISCAL IMPACT STATEMENT REQUIREMENTS, SO AS TO INCLUDE in the PURVIEW OF THE RULE BILLS AND AMENDMENTS DIRECTLY AFFECTING STATE REVENUES.

Be it resolved by the House of Representatives:

That Rule 5.3 of the Rules of the House of Representatives is amended to read:

  **5.3** General Appropriations Bill and Supplemental Appropriations Bill

 A. Certificate: Every General Appropriations Bill and Supplemental Appropriations Bill for the ordinary expenses of State Government before presentation shall have attached thereto a certificate from the Revenue and Fiscal Affairs Office stating that the total of the appropriations therein provided for is not in excess of the estimated total revenue of the State for such purposes, including that revenue which may be provided for in the bill, or in any other bill previously passed by the House for the fiscal year to which the bill is applicable, and an Appropriations Bill without such certificate shall not be read the first time in the House, but shall be returned to the Committee on Ways and Means by the Speaker. After passage on second reading and before its consideration on third reading, every General Appropriations Bill, and every Supplemental Appropriations Bill shall have attached thereto a certificate from the Revenue and Fiscal Affairs Office that the total of the appropriations therein provided is not in excess of the estimated total revenue of the State for such purposes, including that revenue which may be provided in the bill, or in any other bill previously passed by the House for the fiscal year to which the bill is applicable, and if the Revenue and Fiscal Affairs Office cannot give such certificate, the Speaker shall order the bill recommitted to the Ways and Means Committee.

B. Germaneness and Amendments: The General Appropriations Bill and Supplemental Appropriations Bills may include both temporary and permanent provisions of law.

 1. The principal effect of all temporary provisions of law and amendments thereto must be directly germane to the appropriation of funds, affecting revenue, or be rules, regulations, directives, or procedures relative to the appropriation of funds or affecting revenue for the fiscal year referred to in the bill.

 2. The principal effect of all permanent provisions of law and amendments thereto must be directly related to and expressly germane to the purpose of an appropriation being made or revenue provided and require a vote of three fifths of the House members present and voting.

 3. An amendment which has the effect of appropriating or reducing funds in excess of one million dollars during the fiscal year stated within the bill shall include within the amendment the corresponding appropriation reduction(s) and/or revenue increase(s) within the same section that shall fully fund the amendment’s proposed appropriation(s) or revenue reductions(s) or have attached to it in writing an explanation of the specific appropriation reduction(s) and/or revenue increase(s) from the different section(s) that shall fully fund the amendment’s proposed appropriation(s) or revenue reductions. Provided, if an amendment identifies unspent projected revenue or balance as the funding source, the Speaker must consult with the Office of Revenue and Fiscal Affairs and confirm the existence of sufficient unspent revenue or balance before the House may consider the amendment.

 4. No amendments thereto may temporarily or permanently add, amend, repeal, or alter a portion of the general permanent tax laws of South Carolina.

 5. Any part, section, or division of a a conference report concerning the General Appropriations Bill or Supplemental Appropriations Bills must comply with the germaness requirements of this rule. Provided, futher, any part, section, or division of a conference report concerning the Generl Apprpriations Bill or Supplemental Appropriations Bills which amends, adds, or repeals a portion of the general permanent laws of South Carolina may only be included in any conference report or concurred in as a Senate amendment by a vote of three-fifths of the House members present and voting.

 6. Nothing in this paragraph prohibits the temporary suspension of any permanent law.

 The provisions of this paragraph shall be narrowly and strictly construed with regard to all provisions of and amendments to the General Appropriations Bill and Supplemental Appropriations Bills.

 C. Report of Conference of Committee:

1. The following requirement applies to the report of the Conference Committee on the Annual Appropriations Bill: Any provision offered for inclusion in the Annual Appropriations Bill which increases or decreases the most recent official projection of general fund revenues of the Board of Economic Advisors may not be included in the bill or recommendation unless the revenue impact is certified by the Board of Economic Advisors. Changes to the official general fund revenue estimate as a result of such provisions may not exceed amounts certified by the Board of Economic Advisors. This requirement is in addition to other provisions of law regarding fiscal impact statements.

 2. Any part, section, or division of a conference report concerning the General Appropriations Bill or Supplemental Appropriations Bills must comply with the germaneness requirements of this rule. Provided, further, any part, section, or division of a conference report concerning the General Appropriations Bill or Supplemental Appropriations Bills which amends, adds, or repeals a portion of the general permanent laws of South Carolina may only be included in any conference report or concurred in as a Senate amendment by a vote of three-fifths of the House members present and voting.

 D. Format of Appropriations Bill: All State Appropriations Bills must be printed at the following stages in their passage so that:

 1. The House Ways and Means Committee version of the Appropriations Bill must include the amounts recommended by the Ways and Means Committee.

 2. The House version of the Appropriations Bill must include the amounts recommended by the Ways and Means Committee and the amounts passed by the House.

 3. The Report of Conference or Free Conference Committee must include the amounts passed by the House, the amounts passed by the Senate, and the amounts agreed upon by the Conference Committee.

 4. The Appropriations Act must include total funds approved for the next fiscal year and a listing of appropriations from the General Fund.

 5. Provided, further, that:

 a. the full salary of the principal officer of each department, agency, or institution shall be set forth as an item distinct and apart;

 b. minor budget classifications or other descriptive terminology may be used when necessary to better express the purpose of the appropriation;

 c. where the major portion of the operating funds to any department, institution, or principal operational division thereof is derived from Federal or other nonappropriated funds, the total appropriation for each major budget classification may be shown, and the relative contributions of State and nonappropriated funds therefor shall be shown as completely as possible; and

 d. the appropriations must be in conformity with the program budget format as adopted by the Ways and Means Committee.

 E. Any bill or resolution considered by the House of Representatives, upon second reading, that raises revenue must conform to the provisions of Article III, Section 15 of the South Carolina Constitution.

 F. Earmark Projects and Programs: For purposes of this section:

 1. ‘Appropriations bill’ means the annual general appropriations bill, a supplemental appropriations bill, the joint resolution appropriating revenues of the capital reserve fund, a bill appropriating contingency reserve fund revenues, bond bills, or any other bill appropriating state revenues while under consideration by the House Ways and Means Committee or Senate Finance Committee or any subcommittee of it and any free conference committee on an appropriations bill. For purposes of this definition, a bill includes a joint resolution.

 2. ‘Earmark project or program’ means:

 a. an appropriation for a specific program or project not originating with a written agency budget request, executive budget recommendation, or not included in an appropriations act from the prior fiscal year;

 b. an appropriations bill proviso directing the expenditure of funds appropriated to an agency for a purpose not originating with a written agency budget request or not included in an appropriations act from the prior fiscal year.

 3. Each request for an earmark project or program included in an appropriations bill must be memorialized in writing on a form designed by the chairman of the House Ways and Means Committee. The form must include the member’s name who requested the earmark project or program, an explanation of the earmark project or program requested, and such other information as the form may require. The form must be filed with the House Ways and Means Committee.

 4. Each request for an earmark project or program included in the House Ways and Means Committee version of an appropriations bill must be listed on a separate document prepared by the appropriate committee and placed on the members’ desks before beginning debate of the appropriations bill on second reading. The document must include the members’ name requesting the earmark project or program, a brief description of the earmark project or program request, and such other information as the form may require and must be posted on the General Assembly’s website.

 5. An earmark project or program request made while an appropriations bill is in the Senate and is included in the report of a committee of conference must be listed on a separate document, similar to the form described in item 4., and placed on the members’ desks before beginning debate of the report of the committee of conference. The chairman of the House Ways and Means Committee is charged with providing this form to the House membership.

 6. An earmark project or program request made while an appropriations bill is in a committee of free conference must be listed on a separate document, similar to the form described in item 4., and placed on the members’ desks before beginning debate of the report of the committee of free conference. The chairman of the House Ways and Means Committee is charged with providing this form to the House membership.

 7. If the provisions of this subsection are not followed in reference to an individual earmark project or program, a two thirds vote of the membership present and voting is required to include the earmark project or program in the appropriations bill or the report of the committee of conference or free conference.

 G. The Annual General Appropriations Bill must be considered section by section on second reading, and when the pending question is the adoption of an individual section, the yeas and nays must be taken by roll call and the votes on it must be recorded by name in the Journal except when the House agrees to a section by unanimous consent.

Be it further resolved that Rule 5.13 of the Rules of the House of Representatives is amended to read:

 **5.13** Each bill effecting the expenditures of money by the State or directly affecting state revenues shall, prior to receiving second reading, have attached to it in writing such comment of the appropriate state official or office as may appear appropriate regarding the bill’s effect on the finances of the State. Each committee amendment that substantially changes a bill effecting expenditures of money by the State or directly affecting state revenues, prior to the bill receiving second reading, shall have attached to the committee amendment such comment of the appropriate state official or office as may appear appropriate regarding the committee amendment’s effect on the finances of the State. Provided, however, this rule shall not be invoked where the amount is shown in the bill.

 Committee chairmen shall satisfy these requirements of a fiscal impact statement prior to the bill receiving second reading.

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