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CHAPTER 146.

 STATE SCHOOL FACILITIES BONDS ACT

**SECTION 59‑146‑10.** Short title.

This chapter may be cited as the “State School Facilities Bond Act”.

**SECTION 59‑146‑20.** Purpose of chapter to assist school districts to provide educational facilities.

It is declared that, for the benefit of the people of the State, the increase of their commerce, welfare, and prosperity, and the improvement of their health and living conditions, it is essential that this and future generations of youth be given the full opportunity to learn and to develop their intellectual and mental capacities; that it is essential that school districts of this State be provided with adequate educational facilities and appropriate additional means to assist the youth in achieving the required levels of learning and development of their intellectual and mental capacities; and that it is the purpose of this chapter to provide a measure of assistance to enable school districts in this State to provide the facilities and structures which are needed to accomplish the purposes of this chapter, all to the public benefit and good, to the extent and manner provided in this chapter.

**SECTION 59‑146‑30.** Definitions.

As used in this chapter:

(1) “Department” means the State Department of Education.

(2) “School district” means a public body corporate and politic operating as a school district under the provisions of Chapter 17, Title 59.

(3) “School facilities” means only those facilities defined as ‘school facilities’ in Section 59‑144‑30.

(4) “State board” means the State Board of Education.

(5) “State school facilities bonds” means general obligation bonds of the State of South Carolina issued under the authority of this chapter.

**SECTION 59‑146‑40.** School facilities bonds.

In order to obtain funds for allocation to school districts for school facilities, there shall be issued from time to time state school facilities bonds under the conditions prescribed by this chapter.

**SECTION 59‑146‑50.** Maximum principal amount of state school facilities bonds; expiration of authority to issue bonds.

The maximum principal amount of state school facilities bonds that may be issued pursuant to this chapter shall not exceed seven hundred fifty million dollars except that this limitation shall not apply to any state school facilities bonds issued for the purpose of refunding prior issues of state school facilities bonds. The General Assembly directs the Department of Education to allocate seven hundred fifty million dollars pursuant to Section 59‑144‑100 and to inform each school district of its individual allocation. Further, it is the intent of the General Assembly that not more than two hundred fifty million dollars of state school facilities bonds shall be issued in fiscal year 1999‑2000, except that no bonds issued in fiscal year 1999‑2000 may be released until after January 1, 2000. The authority to issue bonds under this chapter shall expire four years from the effective date of this chapter. The four‑year limitation, however, does not apply to bonds issued to retire bond anticipation notes.

**SECTION 59‑146‑60.** State Board of Education notification to State Budget and Control Board.

The State Board of Education, by resolution, shall notify the State Budget and Control Board of the following:

(1) the amount then required for allocation to local school districts for school facilities for the next fiscal year;

(2) a tentative time schedule setting forth the period of time during which the sum requested will be expended;

(3) a debt service table showing the annual principal and interest requirements for all state school facilities bonds then outstanding; and

(4) the total amount of all state school facilities bonds issued.

This notification shall be presented to the Budget and Control Board by March first of each year.

**SECTION 59‑146‑70.** Issuance of state school facilities bonds by State Budget and Control Board.

Following the receipt of the notification presented pursuant to Section 59‑146‑60, the State Budget and Control Board shall, by resolution duly adopted, effect the issuance of state school facilities bonds, or pending the issuance thereof, effect the issuance of bond anticipation notes pursuant to Chapter 17 of Title 11.

**SECTION 59‑146‑80.** Resolution by State Budget and Facilities Board for issuance of state school facilities bonds.

In order to effect the issuance of state school facilities bonds, the State Budget and Control Board shall adopt a resolution providing for the issuance of state school facilities bonds pursuant to the provisions of this chapter. The authorizing resolution must include:

(1) schedules setting forth the aggregate of all general obligation debt of the State (excluding highway bonds, state institution bonds, tax anticipation notes, and bond anticipation notes) together with certificates of the State Treasurer and State Auditor evidencing compliance with the provisions of paragraph 6(c) of Section 13 of Article X of the South Carolina Constitution;

(2) a schedule showing the aggregate of state school facilities bonds issued, the purposes for which they were issued, the annual payments required to retire the state school facilities bonds, the interest thereon, and the amount of any special funds applicable to the retirement of the outstanding state school facilities bonds;

(3) the amount of state school facilities bonds to be issued; and

(4) a schedule showing future annual principal requirements and estimated annual interest requirements on the state school facilities bonds to be issued.

**SECTION 59‑146‑90.** Terms of state school facilities bonds.

The state school facilities bonds must bear the date and mature at the time that the resolution provides, except that no state school facilities bond may mature more than thirty years from its date of issue. The state school facilities bonds may be in the denominations, be payable in the medium of payment, be payable at the place and at the time, and be subject to redemption or repurchase and contain other provisions determined by the State Budget and Control Board before their issuance. The bonds may bear interest payable at the times and at the rates as determined by the State Budget and Control Board.

**SECTION 59‑146‑100.** Tax exemption of state school facilities bonds.

All state school facilities bonds issued under this chapter are exempt from taxation as provided in Section 12‑2‑50.

**SECTION 59‑146‑110.** Execution and authentication of state school facilities bonds.

All state school facilities bonds issued under this chapter must be signed by the Governor and the State Treasurer. The Governor and the State Treasurer may sign these obligations by a facsimile of their signatures. The Great Seal of the State must be affixed to, impressed on, or reproduced upon each of them and each must be attested by the Secretary of State. The delivery of the state school facilities bonds executed and authenticated is valid notwithstanding changes in officers or seal occurring after the execution or authentication.

**SECTION 59‑146‑120.** Payment of principal and interest.

For the payment of the principal and interest on all state school facilities bonds issued and outstanding pursuant to this chapter there is pledged the full faith, credit, and taxing power of the State of South Carolina, and in accordance with the provisions of paragraph (4) of Section 13 of Article X of the South Carolina Constitution, the General Assembly hereby allocates on an annual basis sufficient tax revenues to provide for the punctual payment of the principal and interest on the debt authorized by this chapter.

**SECTION 59‑146‑130.** Sale of state school facilities bonds.

State school facilities bonds must be sold by the Governor and the State Treasurer upon sealed proposals, after publication of notice of the sale one or more times at least seven days before the sale, in a financial paper published in New York City which regularly publishes notices of sale of state or municipal bonds. The state school facilities bonds may be awarded only to the lowest interest cost bidder, but the right is reserved to reject all bids and to readvertise the state school facilities bonds for sale. For the purpose of bringing about successful sales of the bonds, the State Budget and Control Board may do all things ordinarily and customarily done in connection with the sale of state or municipal bonds. All expenses incident to the sale of the bonds must be paid from the proceeds of the sale of the bonds.

**SECTION 59‑146‑140.** Proceeds of sale of state school facilities bonds.

The proceeds of the sale of state school facilities bonds must be received by the State Treasurer and applied by the State Treasurer to the purposes for which issued, except that the accrued interest, if any, must be used to discharge in part the first interest to become due on the bonds, but the purchasers of the bonds are not liable for the proper application of the proceeds to the purposes for which they are intended.

**SECTION 59‑146‑150.** Investment in state school facilities bonds by fiduciaries.

It is lawful for all executors, administrators, guardians, and other fiduciaries to invest any monies in their hands in bonds issued pursuant to this chapter.

**SECTION 59‑146‑160.** Allocation of proceeds of sale of state school facilities bonds.

The proceeds received from the issuance of state school facilities bonds, after deducting the costs of issuance, must be allocated to the school districts in the same manner and for the same purposes as provided in Section 59‑144‑100 and the first paragraph of Section 59‑144‑30.

**SECTION 59‑146‑170.** Responsibilities and duties of State Department of Education and State Board of Education.

The responsibilities and duties of the State Department of Education and State Board of Education shall be as outlined in Sections 59‑144‑120, 59‑144‑130, and 59‑144‑140.

**SECTION 59‑146‑180.** Qualification of school districts for funds.

To qualify for the funds under this chapter, each school district shall meet the requirements of this chapter and any guidelines promulgated hereunder. Funds must be withheld from districts when inappropriate reporting of facilities’ needs is found or when inappropriate use of funds is documented.