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CHAPTER 37

South Carolina Resources Authority Act

**SECTION 11‑37‑10.** Citation of chapter.

This chapter may be cited as the South Carolina Resources Authority Act.

HISTORY: 1988 Act No. 682, Section 2.

**SECTION 11‑37‑20.** Definitions.

As used in this chapter, unless a different meaning clearly appears from the context:

(1) “Authority” means the South Carolina Resources Authority.

(2) “Bonds” means any bonds, notes, debentures, interim certificates, bond, grant or revenue anticipation notes, or any other evidence of indebtedness of the authority.

(3) “Capital reserve fund” means any reserve fund created and established by the authority pursuant to this chapter.

(4) “Cost” as applied to any project financed under the provisions of this chapter means the total of all costs incurred by the local government in carrying out all works and undertakings necessary or incidental to the accomplishment of any project. It includes, without limitation, all necessary developmental, planning and feasibility studies, surveys, plans and specifications, architectural, engineering, financial, legal, or other special services, the cost of acquisition of land and any buildings and improvements on the land, including the discharge of any obligations of the sellers of the land, buildings or improvements, site preparation and development, including demolition or removal of existing structures, construction and reconstruction, labor, materials, machinery and equipment, the reasonable costs of financing incurred by the local government in the course of the development of the project, carrying charges incurred before placing the project in service, interest on local obligations issued to finance the project to a date subsequent to the estimated date the project is to be placed in service, necessary expenses incurred in connection with placing the project in service, the funding of accounts and reserves which the authority may require, and the cost of other items which the authority determines to be reasonable and necessary.

(5) “Local government” means any county, municipality, special purpose or special service district, or Commission of Public Works of the State and any private eleemosynary water companies, private eleemosynary sewer companies, and private eleemosynary companies which provide both water and sewer services.

(6) “Local obligations” means any bonds, notes, debentures, interim certificates, bond, grant, or revenue anticipation notes, or any other evidences of indebtedness of a local government.

(7) “Project” means any water supply, sewer system, sewage, wastewater treatment facility, or any other project hereafter committed to the authority by subsequent enactment of the General Assembly.

(8) “Reserve fund requirement” means, as of any particular date of computation, the amount of money designated as the minimum capital reserve fund requirement as established by the resolution of the authority authorizing the issuance of or by the trust indenture securing any issue of bonds.

HISTORY: 1988 Act No. 682, Section 2.

**SECTION 11‑37‑30.** South Carolina Resources Authority created.

There is created a body politic and corporate known as the South Carolina Resources Authority. The authority is declared to be a public instrumentality of the State and the exercise by it of any power conferred in this chapter is the performance of an essential public function. The authority consists of the members of the State Budget and Control Board.

HISTORY: 1988 Act No. 682, Section 2.

**SECTION 11‑37‑30.** South Carolina Resources Authority created.

There is created a body politic and corporate known as the South Carolina Resources Authority. The authority is declared to be a public instrumentality of the State and the exercise by it of any power conferred in this chapter is the performance of an essential public function. The authority consists of the members of the State Fiscal Accountability Authority.

HISTORY: 1988 Act No. 682, Section 2; 2014 Act No. 121 (S.22), Pt VII, Section 20.E, eff July 1, 2015.

**SECTION 11‑37‑45.** Funds; transfer of personnel.

The authority may receive funds from whatever source to use for the operation of the authority, but it may not receive funds appropriated specifically for the authority after July 1, 1989. Nothing in this section prohibits the transfer of personnel to the authority from other state agencies.

HISTORY: 1988 Act No. 682, Section 2.

**SECTION 11‑37‑50.** Powers of authority.

The authority shall:

(1) have perpetual succession as a public body corporate and as a political subdivision of the State;

(2) adopt, amend, and repeal bylaws and regulations not inconsistent with this chapter for the administration of its affairs and the implementation of its functions in accordance with the provisions of Chapter 23 of Title 1;

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

(4) have an official seal and alter it at will although the failure to affix the seal does not affect the validity of any 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) sell, convey, mortgage, pledge, lease, exchange, transfer, and otherwise dispose of all or any part of its properties and assets;

(7) employ agents, advisers, consultants and other employees, including attorneys, financial advisers, engineers, and other technical advisers and public accountants and determine their duties and 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 and accept from any source aid, grants, and contributions of money, property, labor, or other things of value to be used to carry out the purposes of this chapter subject to the conditions upon which the aid, grants, or contributions are made;

(11) enter into agreements with any department, agency, or instrumentality of the United States or this State for the purpose of planning, regulating, and providing for the financing of any projects;

(12) collect, or authorize the trustee under any trust indenture securing any bonds to collect, amounts due under any local obligations owned by it, including taking the action required to obtain payment of any sums in default;

(13) enter into contracts or agreements for the servicing and processing of local obligations owned by it;

(14) invest or reinvest its funds as provided in Section 11‑37‑230 or as permitted by applicable law;

(15) unless restricted under any agreement with holders of bonds, consent to any modification with respect to the rate of interest, time, and payment of any installment of principal or interest, or any other term of any local obligations owned by it;

(16) establish and revise, amend and repeal, and collect fees and charges in connection with any activities or services rendered by the authority; and

(17) perform any act necessary or convenient to the exercise of the powers granted or reasonably implied by this chapter.

HISTORY: 1988 Act No. 682, Section 2.

**SECTION 11‑37‑60.** Authority only to issue refunding bonds; maximum amount of bonds.

The authority may issue bonds only for the purpose of refunding bonds of the authority issued before December 31, 1992, or for the purpose of refunding these refunding bonds. The total principal amount of bonds of the authority outstanding at any one time may not exceed the sum of sixty million dollars.

HISTORY: 1988 Act No. 682, Section 2; 1994 Act No. 525, Section 3.

**SECTION 11‑37‑80.** Bonds may be secured by pledge.

The authority may pledge any of its revenue or funds to the payment of its bonds, subject only to any prior agreements with the holders of particular bonds which may have pledged specific money or revenue. Bonds may be secured by a pledge of any local obligation owned by the authority, any grant, contribution, or guaranty from the United States, the State, or any corporation, association, institution, or person, any other property or assets of the authority, or a pledge of any money, income, or revenue of the authority from any source.

HISTORY: 1988 Act No. 682, Section 2.

**SECTION 11‑37‑90.** Bonds as debt of authority only.

Bonds issued by the authority do not constitute a debt or a pledge of the faith and credit of the State of South Carolina, or any of its political subdivisions other than the authority, but are payable solely from the revenue, money, or property of the authority as provided for in this chapter. The bonds issued do not constitute an indebtedness of the State within the meaning of any state constitutional or statutory limitation. No member of the authority or any person executing bonds of the authority is liable personally on the bonds by reason of their issuance or execution. Each bond issued under this chapter must contain on its face a statement to the effect that:

(1) neither the State, nor any of its 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 faith and credit nor the taxing power of the State, or any of its political subdivisions, is pledged to the payment of the principal of or interest on the bond;

(3) the authority does not have taxing power.

HISTORY: 1988 Act No. 682, Section 2.

**SECTION 11‑37‑100.** Bonds to be authorized by resolution of authority.

The bonds of the authority must be authorized by a resolution of the authority. The bonds must bear the date and mature at the time which the resolution provides, except that no bond may mature more than thirty years from its date of issue. The bonds may be in the denominations, be executed in the manner, 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 authority prior to their issuance. The bonds may bear interest payable at a time and at a rate as determined by the authority pursuant to the provisions of Section 11‑9‑350, including the determination by agents designated by the authority under guidelines established by it. Bonds may be sold by the authority at public or private sale at the price it determines and approves.

The State Treasurer shall issue the bonds of the authority not later than sixty days upon the resolution of the authority authorizing the issuance of the bonds. The authority must only issue bonds for those projects recommended to the authority by the Water Resources Coordinating Council as established in Section 11‑37‑200.

HISTORY: 1988 Act No. 682, Section 2.

**SECTION 11‑37‑105.** Jobs Economic Development Authority to be reimbursed for expenses.

In addition to the amount of bonds authorized by the authority, the State Treasurer shall include in the bond issue any fees and costs incurred by the Jobs Economic Development Authority to receive, research, investigate, and process any applications for projects not to exceed one hundred thousand dollars in any one fiscal year. The Jobs Economic Development Authority shall submit quarterly requests for reimbursement by the authority for costs incurred.

HISTORY: 1988 Act No. 682, Section 2.

**SECTION 11‑37‑110.** Trust indenture.

(A) Bonds may be secured by a trust indenture between the authority and a corporate trustee, which may be the State Treasurer or any bank having trust powers or any trust company, designated by the State Treasurer doing business in South Carolina. A trust indenture may contain provisions for protecting and enforcing the rights and remedies of the bondholders which are reasonable and proper, including covenants setting forth the duties of the authority in relation to the exercise of its powers and the custody, safekeeping, and application of its money. The authority may provide by the trust indenture for the payment of the proceeds of the bonds and all or any part of the revenues of the authority to the trustee under the trust indenture or to some other depository, and for the method of its disbursement with safeguards and restrictions prescribed by it. All expenses incurred in performing the obligations of the authority under the trust indenture may be treated as part of its operating expenses.

(B) Any resolution or trust indenture pursuant to which bonds are issued may contain provisions which are part of the contract with the holders of the bonds as to:

(1) pledging all or any part of the revenue of the authority to secure the payment of the bonds;

(2) pledging all or any part of the assets of the authority including local obligations owned by it to secure the payment of the bonds;

(3) the use and disposition of the gross income from, and payment of the principal of, and interest on local obligations owned by the authority;

(4) the establishment of reserves, sinking funds, and other funds and accounts, and their regulation and disposition;

(5) limitations on the purposes to which the proceeds from the sale of the bonds may be applied, and limitations pledging the proceeds to secure the payment of the bonds;

(6) limitations on the issuance of additional bonds, the terms upon which additional bonds may be issued and secured, and the refunding of outstanding or other bonds;

(7) the procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds, if any, the holders of which must consent to, and the manner in which any consent may be given;

(8) limitations on the amount of money to be expended by the authority for its operating expenses;

(9) vesting in a trustee property, rights, powers, and duties as the authority may determine, limiting or abrogating the right of bondholders to appoint a trustee, and limiting the rights, powers, and duties of the trustee;

(10) defining the acts or omissions which constitute a default, the obligations or duties of the authority to the holders of the bonds, and the rights and remedies of the holders of the bonds in the event of default, including as a matter of right the appointment of a receiver, and all other rights generally available to creditors;

(11) requiring the authority or the trustee under the trust indenture to take any and all other action to obtain payment of all sums required to eliminate any default as to any principal of and interest on local obligations owned by the authority or held by a trustee, which may be authorized by the laws of this State; and

(12) any other matter relating to the terms of the bonds or the security or protection of the holders of the bonds which may be considered appropriate.

HISTORY: 1988 Act No. 682, Section 2.

**SECTION 11‑37‑120.** Validity of lien of pledge; recording or filing not required.

Any pledge made by the authority is valid and binding from the time the pledge is made. The revenue, money, or property pledged and thereafter received by the authority is immediately subject to the lien of the pledge without any physical delivery or further act. The lien of any pledge is valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the authority, irrespective of whether the parties have notice of the pledge. No recording or filing of the resolution authorizing the issuance of bonds, the trust indenture securing bonds, or any other instrument including filings under the Uniform Commercial Code is necessary to create or perfect any pledge or security interest granted by the authority to secure any bonds, but the record of the proceedings relative to the issuance of any bonds must be filed as prescribed by Section 11‑15‑20.

HISTORY: 1988 Act No. 682, Section 2.

**SECTION 11‑37‑130.** Purchase of outstanding bonds.

The authority, subject to agreements with bondholders as may then exist, may purchase outstanding bonds of the authority with any available funds, at any reasonable price. If the bonds are then redeemable, the price shall not exceed the redemption price then applicable plus accrued interest to the next interest payment date.

HISTORY: 1988 Act No. 682, Section 2.

**SECTION 11‑37‑140.** Form and manner of execution of bonds to be prescribed by authority.

Bonds of the authority must be in a form and must be executed in a manner prescribed by the authority.

HISTORY: 1988 Act No. 682, Section 2.

**SECTION 11‑37‑150.** Signatures of former members or officers of authority.

In the event that any of the members or officers of the authority cease to be members before the delivery of any bonds signed by them, their signatures or authorized facsimile signatures are nevertheless valid and sufficient for all purposes as if they had remained in office until the delivery of the bonds.

HISTORY: 1988 Act No. 682, Section 2.

**SECTION 11‑37‑160.** Amendments to chapter may not limit vested rights.

Subsequent amendments to this chapter may not limit the rights vested in the authority with respect to any agreements made with, or remedies available to, the holders of bonds issued under this chapter before the enactment of the amendments until the bonds, with all premiums and interest on them, and all costs and expenses in connection with any proceeding by or on behalf of the holders, are fully met and discharged.

HISTORY: 1988 Act No. 682, Section 2.

**SECTION 11‑37‑170.** Capital reserve funds.

(A)(1) The authority may create and establish one or more capital reserve funds and may pay into each capital reserve fund any:

(a) monies appropriated and made available by the State for the purpose of such a fund;

(b) proceeds of the sale of bonds of the authority to the extent provided in the resolution authorizing the issuance of, or the trust indenture securing, the bonds; and

(c) other monies which may be made available to the authority for the purpose of such a fund from any other source. All monies held in any capital reserve fund, except as provided in this chapter, must be used solely for the payment, when due, of the principal of, and interest on the bonds secured in whole or in part by such a fund. If monies in any such fund are less than the reserve fund requirement established upon the issuance of any bonds for the fund, the authority may not use the monies for any optional purchase or redemption of bonds until the reserve fund requirement is fully restored. Any income or interest earned on, or increment to, any capital reserve fund due to its investment may be transferred by the authority to its other funds or accounts if it does not reduce the amount in the capital reserve fund below the reserve fund requirement.

(2) The authority may not at any time issue bonds secured in whole or in part by any capital reserve fund, if upon the issuance, the amount in the capital reserve fund is less than the reserve fund requirement unless it, at the time of issuance of the bonds, deposits in the fund an amount which, together with the amount then in the fund, is not less than the fund’s reserve fund requirement.

(B) The authority may create and establish other funds as necessary or desirable for its corporate purposes.

(C) Nothing in this section may be construed as limiting the power of the authority to issue bonds not secured by a capital reserve fund.

HISTORY: 1988 Act No. 682, Section 2.

**SECTION 11‑37‑180.** Purchase of local obligations.

The authority, with any funds of the authority available for such a purpose, may purchase and acquire, on terms and in a form determined by the authority, local obligations to finance or refinance the cost of any project. Prior to entering into any agreement with the authority, the local government must demonstrate to the satisfaction of the authority that traditional financing sources are not available for the entire project. Two letters of declination, from financial institutions normally engaged in this financing, satisfy this requirement. The authority may pledge to the payment of any bonds all or any portion of the local obligations purchased. The authority, subject to any pledge, may also sell any local obligations so purchased and apply the proceeds of the sale to the purchase of other local obligations for financing or refinancing the cost of any project or for any other of its corporate purposes.

The authority may require, as a condition to the purchase of any local obligation, the local government issuing an obligation to perform any of the following:

(1) establish and collect rents, rates, fees, and charges to produce revenue sufficient to pay all or a specified portion of:

(a) the costs of operation, maintenance, replacement, renewal, and repairs of the project;

(b) any outstanding indebtedness incurred for the purposes of the project, including the principal of and interest on the local obligations issued by the local government to the authority; and

(c) any amounts necessary to create and maintain any required reserve, including any rate stabilization fund considered necessary or appropriate by the authority to offset the need, in whole or part, for future increases in rents, rates, fees, or charges.

(2) create and maintain a special fund for the payment of the principal of and interest on any local obligations and any other amounts becoming due under any agreement entered into in connection with the local obligation, or for the operation, maintenance, repair, or replacement of the project or any portions of it or other property of the local government, and deposit into any fund amounts sufficient to make any payments as they become due and payable;

(3) create and maintain other special funds as required by the authority; and

(4) perform other acts, including the conveyance of real and personal property together with all right, title, and interest in the property to the authority, or take other actions considered necessary or desirable by the authority to secure payment of the principal of and interest on the local obligations and to provide for the remedies for the authority or other holder of the local obligations in the event of any default by the local government in the payment, including, without limitation, any of the following:

(a) the procurement of insurance, guarantees, letters of credit, and other forms of collateral, security, liquidity arrangements or credit supports for local obligations from any source, public or private, and the payment of premiums, fees, or other charges;

(b) the payment of the allocable shares of local governments, as determined by the authority, of any costs, fees, charges, or expenses attributable to insurance, guarantees, letters of credit, and other forms of collateral, security, liquidity arrangements, or credit supports incurred in connection with the issuance of bonds by the authority to acquire local obligations of one or more local governments. The determination of the allocable shares may be made by the authority on any reasonable basis;

(c) the combination of one or more projects, or the combination of one or more projects with one or more other undertakings, facilities, utilities, or systems, for the purpose of operations and financing, and the pledging of the revenues from the combined projects, undertakings, facilities, utilities, and systems to secure local obligations issued in connection with the combination or any part of it;

(d) the payment of the allocable shares of the local governments, as determined by the authority on any reasonable basis, of rate stabilization funds established or required by the authority in connection with the issuance of bonds by the authority to acquire local obligations of two or more local governments.

All local governments issuing and selling local obligations to the authority may perform any acts, take any action, adopt any proceedings, and make and carry out any contracts with the authority which are contemplated by this chapter. The contracts need not be identical among all participants in financings of the authority, but may be structured as determined by the authority according to the needs of the contracting local governments and the authority.

All statutes permitting local governments to borrow money and issue bonds (including both general obligation and revenue bonds) may be utilized by any local government borrowing money from the authority to the full extent permitted by the Constitution and the statutes.

HISTORY: 1988 Act No. 682, Section 2.

**SECTION 11‑37‑190.** State grants.

The State may make, but is not required to make, grants of money or property to the authority for the purpose of enabling it to carry out its corporate purposes and for the exercise of its powers, including deposits to capital reserve funds. This section may not be construed to limit any other power to make grants to the authority.

HISTORY: 1988 Act No. 682, Section 2.

**SECTION 11‑37‑200.** Water Resources Coordinating Council established.

<Subsection effective until July 1, 2015>

(A) There is established by this section the Water Resources Coordinating Council which shall establish the priorities for all sewer, wastewater treatment, and water supply facility projects addressed in this chapter, except as otherwise established by Section 48‑6‑40. The council shall consist of a representative of the Governor, the Director of the Department of Health and Environmental Control, the Director of the South Carolina Department of Natural Resources, the Director of the Division of Local Government of the Budget and Control Board, the Secretary of Commerce, the Chairman of the Jobs Economic Development Authority, and the Chairman of the Joint Bond Review Committee. These representatives may designate a person to serve in their place on the council, and the Governor shall appoint the chairman from among the membership of the council for a one‑year term. The council shall establish criteria for the review of applications for projects. Not less often than annually, the council shall determine its priorities for projects. The council after evaluating applications shall notify the authority of the priority projects. The South Carolina Jobs Economic Development Authority shall provide the staff to receive, research, investigate, and process applications for projects made to the coordinating council and assist in the formulating of priorities. Upon notification by the council, the authority shall proceed under the provisions of this chapter. The authority may consider applications for projects based upon the existence of a documented emergency consistent with regulations that may be promulgated by the authority. In determining which local governments are to receive grants, the local governments shall provide not less than a fifty percent match for any project. The authority may provide financing for the local matching funds on terms and conditions determined by the authority.

<Subsection effective July 1, 2015>

(A) There is established by this section the Water Resources Coordinating Council which shall establish the priorities for all sewer, wastewater treatment, and water supply facility projects addressed in this chapter, except as otherwise established by Section 48‑6‑40. The council shall consist of a representative of the Governor, the Director of the Department of Health and Environmental Control, the Director of the South Carolina Department of Natural Resources, the Director of the Rural Infrastructure Authority, the Secretary of Commerce, the Chairman of the Jobs Economic Development Authority, and the Chairman of the Joint Bond Review Committee. These representatives may designate a person to serve in their place on the council, and the Governor shall appoint the chairman from among the membership of the council for a one‑year term. The council shall establish criteria for the review of applications for projects. Not less often than annually, the council shall determine its priorities for projects. The council after evaluating applications shall notify the authority of the priority projects. The South Carolina Jobs Economic Development Authority shall provide the staff to receive, research, investigate, and process applications for projects made to the coordinating council and assist in the formulating of priorities. Upon notification by the council, the authority shall proceed under the provisions of this chapter. The authority may consider applications for projects based upon the existence of a documented emergency consistent with regulations that may be promulgated by the authority. In determining which local governments are to receive grants, the local governments shall provide not less than a fifty percent match for any project. The authority may provide financing for the local matching funds on terms and conditions determined by the authority.

(B) The duties of the Water Resources Coordinating Council are:

(1) establish procedures for receipt of applications;

(2) in cooperation with the authority, establish criteria for funding priorities. These criteria, in compliance with the provisions of Chapter 23, Title 1, must include, but are not limited to, the following factors:

(a) regional development ‑ the need for multijurisdictional projects and the cooperation and coordination for regional economic development projects;

(b) development potential ‑ the degree to which economic development activity can be stimulated in any given area and infrastructure used as a proactive economic development tool;

(c) economic impact ‑ the degree to which jobs and income can be generated if the infrastructure improvements were made;

(d) local commitment and initiative ‑ the availability of the local fifty percent match and local recognition of complimentary infrastructure needs including, but not limited to, such needs as transportation;

(e) infrastructure need ‑ the degree to which specific infrastructure problems can be addressed and solved;

(f) area economic need ‑ the degree of local “distress” and need for economic assistance, particularly in less developed or rural areas of the State;

(g) creditworthiness ‑ the financial soundness of the infrastructure project, including the availability or lack of other funds to finance the infrastructure project;

(h) public health and welfare ‑ to meet public health and welfare requirements within the local area;

(3) provide to the authority, on an as‑needed basis, technical assistance from their respective agencies for purposes of screening funding applications;

(4) establish the funding priorities. The authority may not deviate from the priorities established by the council except for emergency projects as previously described. When setting its priorities, the council shall establish a set‑aside of not less than ten percent of available funds approved in that year to meet unforeseen needs. After having set its priorities, the council shall review the priorities as necessary but not less than once during the year, and the council may adjust the priorities as they consider necessary.

HISTORY: 1988 Act No. 682, Section 2; 1991 Act No. 248, Section 6; 1993 Act No. 181, Section 99A; 1993 Act No. 181, Section 99B; 1994 Act No. 361, Section 8; 2014 Act No. 121 (S.22), Pt VI, Section 16.D, eff July 1, 2015.

**SECTION 11‑37‑210.** Tax exempt status of authority.

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 project or any property or upon any of its operations or the income from them, or any taxes or assessments upon any project or any property or local obligation acquired or used by the authority or upon the income from them. Any bonds issued by the authority, the transfer of bonds, 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.

HISTORY: 1988 Act No. 682, Section 2.

**SECTION 11‑37‑220.** Bonds as legal investments and securities.

The bonds issued by the authority are legal investments in which all public officers or public bodies of the State, its political subdivisions, all municipalities and political subdivisions, all insurance companies and associations and other persons carrying on insurance business, all banks, bankers, banking associations, trust companies, savings banks, savings associations, including savings and loan association investment companies, and other persons carrying on a banking business, all administrators, guardians, executors, trustees, and other fiduciaries, and all other persons who are now or may be authorized in the future to invest in bonds or other obligations of the State, may invest funds in their control or belonging to them. The bonds of the authority are also securities which may be deposited with and received by all public officers and bodies of the State or any agency or political subdivision of the State and all municipalities and public corporations for any purpose for which the deposit of bonds or other obligations of the State is now or may later be required by law.

HISTORY: 1988 Act No. 682, Section 2.

**SECTION 11‑37‑230.** State Treasurer to invest monies of authority.

All money of the authority, except as otherwise authorized by law or provided in this chapter, must be deposited with and invested by the State Treasurer. Funds of the authority not needed for immediate use or disbursement, including any funds held in any capital reserve fund, may be invested by the State Treasurer in obligations or securities which are declared to be legal obligations by the provisions of Chapter 5, Title 6, Section 11‑9‑660, and Section 11‑9‑661.

HISTORY: 1988 Act No. 682, Section 2.

**SECTION 11‑37‑240.** Annual report.

The authority shall submit, following the close of each fiscal year, an annual report of its activities for the preceding year to the Governor and to the members of the General Assembly. Each report shall set forth a complete operating and financial statement of the authority during the fiscal year it covers. The State Auditor or, upon his approval, an independent certified public accountant shall perform an audit of the books and accounts of the authority at least once in each fiscal year.

HISTORY: 1988 Act No. 682, Section 2.

**SECTION 11‑37‑250.** Construction of chapter.

The provisions of this chapter must be liberally construed to the end that its beneficial purposes may be effectuated. No proceedings, notice, or approval is required for the issuance of any bonds of the authority or any instruments or the security thereof, except as provided in this chapter. Insofar as the provisions of this chapter are inconsistent with the provisions of any other law, general, special, or local, the provisions of this chapter are controlling.

HISTORY: 1988 Act No. 682, Section 2.

**SECTION 11‑37‑260.** State Treasurer may withhold monies from defaulting local governments.

If at any time any local government fails to effect the punctual payment of the principal of or interest on its local obligations, the State Treasurer shall withhold from the local government sufficient monies from any state appropriation to the local government and apply so much as is necessary to the payment of the principal of and interest on the local obligation of the government. All appropriations of local governments of the State are subject to the provisions of this section. If the local government does not receive state aid in an amount necessary to repay the obligation, the Comptroller General may levy and require the applicable county treasurer to collect and remit to the authority an ad valorem tax sufficient to meet the obligation.

HISTORY: 1988 Act No. 682, Section 2.

**SECTION 11‑37‑270.** Legislative declaration of intent.

(A) Act 682 of 1988 created the South Carolina Resources Authority which proposes to issue its revenue bonds in accordance with the act for the purpose of refunding outstanding bonds of local governmental units held by the Farmers Home Administration. It is desirable that the authority issue its bonds within the next ninety days so that the proceeds may be used to enable local governmental units to pay off outstanding loans to the Farmers Home Administration at a substantial discount which will not be available after May 9, 1989.

(B) Act 682 of 1988 contains features authorizing the issuing of bonds for the benefit of private eleemosynary companies; permitting bond proceeds to be used to acquire local obligations payable from property taxes; permitting the imposition of local property taxes by the Comptroller General for the repayment of local obligations and providing for the payment of local obligations and authority bonds from state appropriations. It is anticipated that these features will be presented to the court for a confirmation of their constitutionality. In the meantime, the authority shall proceed in order to meet the deadline established by the Farmers Home Administration to issue, pursuant to Act 682 of 1988, bonds which can be issued independent of the features described above. The General Assembly declares that the remaining portion of Act 682 of 1988 is capable of being executed in accordance with the legislative intent, wholly independent of those features described above, or any of them.

HISTORY: 1989 Act No. 55, Section 1.

**SECTION 11‑37‑280.** Chapter repealed when all bonds are retired.

When all bonds issued by the South Carolina Resources Authority are retired, this chapter is repealed.

HISTORY: 1994 Act No. 525, Section 5.