

**SENATE FINANCE COMMITTEE
NATURAL RESOURCES SUBCOMMITTEE
PROVISO RECOMMENDATIONS FOR FY 2017-18**

SECTION 42 - L320 - HOUSING FINANCE AND DEVELOPMENT AUTHORITY

- 42.5** **ADD** (Housing Trust Fund Disaster Initiative) **WMC:** ADD new proviso to exclude Housing Trust Fund Disaster Initiative funds from the calculation of the percentage of trust fund expenditures per county. Requested by Housing Finance and Development Authority.
HOU: ADOPT new proviso.
SFC SUBCOMMITTEE RECOMMENDATION: ADOPT new proviso.

42.5. (HFDA: Housing Trust Fund Disaster Initiative) Funds allocated, granted, or awarded under the Housing Trust Fund's Disaster Initiative shall not be included when calculating the percentage of trust fund expenditures per county.

SECTION 44 - P160 - DEPARTMENT OF AGRICULTURE

- 44.6** **DELETE** (Farmers Market Revenue) Requires revenues from the sale of the State Farmers Market be deposited into a separate restricted special account under the State Fiscal Accountability Authority; authorizes the funds and accrued interest to be used to relocate and reestablish the State Farmers Market after JBRC and SFAA approval.
WMC: DELETE proviso. Requested by Department of Agriculture.
HOU: ADOPT deletion of proviso.
SFC SUBCOMMITTEE RECOMMENDATION: ADOPT deletion of proviso.

~~44.6. (AGRI: Farmers Market Revenue) The revenues associated with the sale of the State Farmers Market shall be deposited into a separate restricted special account under the authority of the State Fiscal Accountability Authority. These funds and accrued interest may only be expended for relocating and reestablishing the State Farmers Market after approval by the Joint Bond Review Committee and the State Fiscal Accountability Authority.~~

SECTION 47 - P240 - DEPARTMENT OF NATURAL RESOURCES

- 47.11** **ADD** (Water Recreation Resources Fund) **WMC:** ADD new proviso to allow the department to use the Water Recreation Resources Fund gasoline user fees for programs that support water and marine resources in addition to its current authorized uses. *Agency states that expanding use of the funds for Marine Resources will help in addressing needs of a growing salt-water recreational activity segment; while expanding use to the Water Resources section will allow for the further enhancement of water monitoring across the state.* Fiscal Impact: RFAO states this would have no expenditure or revenue impact on the General Fund, Federal Funds or Other Funds. Requested by Department of Natural Resources.
HOU: ADOPT new proviso.
SFC SUBCOMMITTEE CHAIRMAN'S RECOMMENDATION: ADOPT new proviso.

47.11. (DNR: Water Recreation Resources Fund) For the current fiscal year, from the portion of the gasoline user fee distributed to the Water Recreation Resources Fund, in addition to the current authorized department uses, the department may extend use to programs supporting water resources and marine resources.

- 47.12** **ADD** (Saltwater License Revenue) **WMC:** ADD new proviso to allow the department to use the law enforcement portion of certain license fees to support the operations of the Marine Resources Division or for deferred maintenance on division facilities and ocean research vessel maintenance. *Agency states this would allow for deferred maintenance deficiencies to be*

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addressed. Fiscal Impact: RFAO states this would have no expenditure or revenue impact on the General Fund, Federal Funds or Other Funds. Requested by Department of Natural Resources.

HOU: ADOPT new proviso.

SFC SUBCOMMITTEE RECOMMENDATION: ADOPT new proviso.

47.12. (DNR: Saltwater License Revenue) For the current fiscal year, from the fees collected by the department for any recreational saltwater, shrimp baiting, charter vessel and saltwater fishing pier license issued for this fiscal year, the department may designate the law enforcement portion to be used in whole or in part to support the operations of the Marine Resources Division operations. The department may also designate a portion of the law enforcement fees for deferred maintenance on Marine Resources Division facilities and ocean research vessel maintenance.

SECTION 49 - P280 - DEPARTMENT OF PARKS, RECREATION, AND TOURISM

49.16 DELETE NEW PROVISO (Palmetto Pride) **HOU:** ADD new proviso to prohibit funds from being used by Palmetto Pride for any beautification project. Restrict use to recycling, reducing litter and education only. Sponsors: Reps. Erickson and Thayer.

SFC SUBCOMMITTEE CHAIRMAN'S RECOMMENDATION: DELETE new proviso.

~~*49.16. (PRT: Palmetto Pride) The funds distributed through Section 14-1-208(10) of the 1976 Code to the Governor's Task Force on Litter shall only be utilized by Palmetto Pride for the purpose of recycling, reducing litter, and education and shall not be used for beautification projects of any kind.*~~

49.17 DELETE NEW PROVISO (Welcome Center Complex Mowing) **HOU:** ADD new proviso to direct the department to mow the outer edge of the pavement of the adjacent highway, the highway control of access right of way line and all boundaries surrounding state welcome center complexes. Sponsor: Rep. Hixon.

SFC SUBCOMMITTEE CHAIRMAN'S RECOMMENDATION: DELETE new proviso.

~~*49.17. (PRT: Welcome Center Complex Mowing) Of the funds appropriated for State Welcome Centers, the department is directed to ensure that at every Welcome Center complex, the outer edge of the pavement of the adjacent highway, the highway control of access right of way line, and all boundaries surrounding the complex must be mowed in a manner to ensure that the entirety of the grounds are uniform in appearance.*~~

SECTION 50 - P320 - DEPARTMENT OF COMMERCE

50.13 AMEND (Regional Economic Development Organizations) Designates funding for Regional Economic Development Organizations and provides a mechanism by which the funds should be distributed.

WMC: AMEND proviso to update fiscal year reference to 2017-18.

HOU: ADOPT proviso as amended.

SFC SUBCOMMITTEE RECOMMENDATION: ADOPT proviso as amended.

50.13. (CMRC: Regional Economic Development Organizations) The Department of Commerce shall utilize \$5,000,000 appropriated in Fiscal Year ~~2016-17~~ 2017-18 for Regional

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Economic Development Organizations to provide funds to the following economic development organizations and must be disbursed as follows:

- | | |
|----------------------------------------------|-----------------|
| (1) Upstate Alliance | \$ 750,000; |
| (2) Central SC Economic Development Alliance | \$ 750,000; |
| (3) North Eastern Strategic Alliance (NESA) | \$ 745,000; |
| (4) Charleston Regional Development Alliance | \$ 660,000; |
| (5) I-77 Alliance | \$ 660,000; |
| (6) Economic Development Partnership | \$ 450,000; |
| (7) Southern Carolina Alliance | \$ 460,000; and |
| (8) The LINK Economic Alliance | \$ 385,000. |

Each dollar of state funds must be matched with one dollar of private funds. The organization receiving state funds must certify that the private funds are new dollars specifically designated for the purpose of matching state funds and have not been previously allocated or designated for economic development. No funds appropriated in this proviso may be used for routine operating costs of the organization as defined by the Department of Commerce.

The remaining \$140,000 shall be provided to Beaufort County, provided it meets the requirements established above.

Upon receipt of the request for the funds and certification of the matching funds, the Department of Commerce shall disburse the funds to the requesting organization.

Funds recipients shall provide an annual report by November first, to the Chairmen of the Senate Finance Committee and the House Ways and Means Committee and the Secretary of Commerce on the expenditure of the funds and on the outcome measures.

Any unexpended, unallocated, or undistributed funds appropriated in prior fiscal years for Regional Economic Development Organizations shall first be made available to Regional Economic Development Organizations and any remainder shall be transferred to the Rural Infrastructure Fund at the Department of Commerce. If more than one alliance applies for the same funds, the funds will be distributed pro-rata.

- 50.19 DELETE** (Water System Corrective Action Plan) Redirects the non-recurring \$500,000 appropriated in Act 91 of 2015 for the Hartsville Downtown Revitalization - Center Theater to the Town of Lamar for the Water System Corrective Action Plan.

WMC: DELETE proviso. *Funds were redirected in FY 2016-17.* Requested by Department of Commerce.

HOU: ADOPT deletion of proviso.

SFC SUBCOMMITTEE RECOMMENDATION: ADOPT deletion of proviso.

~~**50.19.** (CMRC: Water System Corrective Action Plan) The \$500,000 appropriated through the Department of Commerce for the Hartsville Downtown Revitalization — Center Theater (Requires 2:1 Match) in Act 91 of 2015 by proviso 118.14(B)(42)(i) shall be redirected to the Town of Lamar for the Water System Corrective Action Plan.~~

SECTION 53 - P40-S.C. CONSERVATION BANK

- 53.1 CONFORM TO FUNDING** (Conservation Bank Trust Fund) Requires the South Carolina Conservation Bank to receive all revenues designated for it under Sections 12-24-95 [STATE DEED RECORDING FEE CREDITED TO SOUTH CAROLINA CONSERVATION BANK TRUST FUND] and 12-24-97 [STARTING DATE FOR TRANSFERS ON WHICH FEE BASED].

WMC: AMEND proviso to suspend revenues to the Conservation Bank pursuant to Section 12-24-95 of the 1976 Code.

HOU: ADOPT proviso as amended.

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SFC SUBCOMMITTEE RECOMMENDATION: CONFORM to funding recommendation.

53.1. (CB: Conservation Bank Trust Fund) ~~All revenues designated for the South Carolina Conservation Bank pursuant to Sections 12-24-95 and 12-24-97 of the 1976 Code must be credited to the South Carolina Conservation Bank Trust Fund. For Fiscal Year 2017-18, the provisions of Section 12-24-95 of the 1976 Code are suspended.~~

SECTION 88 - Y140 - STATE PORTS AUTHORITY

88.1 **AMEND** (Charleston Cooper River Bridge Project) Directs the State Ports Authority to pay the State Transportation Infrastructure Bank \$1,000,000 before June 30, 2017 to continue the Charleston Cooper River Bridge Project.

WMC: AMEND original proviso to change July 1, “2016” to “2017” and June 30, and “2017” to “2018.” *Meets the obligations of the State Ports Authority and the State Infrastructure Bank’s financial agreement.* Fiscal Impact: No impact on the General Fund. The funds used to pay the Transportation Infrastructure Bank are operating funds of the Ports Authority, none of which are state appropriated funds. Generates \$1,000,000 for the State Transportation Infrastructure Bank. Per the Ports Authority, the commitment of the agency is to provide \$1,000,000 per year for 25 years, until 2027. Requested by State Ports Authority.

HOU: ADOPT proviso as amended.

SFC SUBCOMMITTEE RECOMMENDATION: ADOPT proviso as amended.

88.1. (SPA: Charleston Cooper River Bridge Project) The State Ports Authority shall, from other general fund or operating fund surplus available and any funds appropriated to the authority in prior fiscal years and left unexpended as of July 1, ~~2016~~ 2017, pay to the State Transportation Infrastructure Bank one million dollars before June 30, ~~2017~~ 2018, to continue the Charleston Cooper River Bridge Project.

88.5 **REINSERT/AMEND** (Jasper Ocean Terminal Permitting) Designates \$1,000,000 of the funds allocated for the Jasper Ocean Terminal Permitting for a contract for the permitting process that the Corps of Engineers were previously scheduled to handle. Prohibits the Ports Authority from spending these funds until a contract is executed. Requires funds not committed by the contract to be returned to the General Fund at the end of FY 2017-18.

WMC: DELETE proviso. Requested by State Ports Authority.

HOU: ADOPT deletion of proviso.

SFC SUBCOMMITTEE RECOMMENDATION: AMEND proviso to specify that the referenced funds are those allocated in FY 2016-17 and update fiscal year reference to 2017-18.

88.5. (SPA: Jasper Ocean Terminal Permitting) Of the funds allocated to the Ports Authority in Fiscal Year 2016-17 for the Jasper Ocean Terminal Permitting, \$1,000,000 is designated for a contract for the permitting process that was previously scheduled to be handled by the Corps of Engineers. This funding may not be expended by the Ports Authority until a contract is executed. Additionally, any funds not committed by this contract must be returned to the General Fund at the end of Fiscal Year ~~2016-17~~ 2017-18.

SECTION 117 - X900 - GENERAL PROVISIONS

117.107 **AMEND** (State Ports Authority Property) Directs that if the Authority has not sold its real property on Daniel and Thomas Islands, with certain exceptions, by June 30, 2017, it must transfer the property to the Department of Administration.

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WMC: AMEND proviso to change “2017” to “2018.” Requested by State Ports Authority.

HOU: ADOPT proviso as amended.

SFC SUBCOMMITTEE RECOMMENDATION: ADOPT proviso as amended.

117.107. (GP: State Ports Authority Property) If the State Ports Authority has not completed the sale of its real property on Daniel Island and Thomas (St. Thomas) Island, except for the dredge disposal cells that are needed in connection with the construction of the North Charleston terminal on the Charleston Naval Complex and for harbor deepening and for channel and berth maintenance, by June 30, ~~2017~~ 2018, the authority must transfer the property to the Department of Administration. The authority shall sell the real property under terms and conditions it considers most advantageous to the authority and the State of South Carolina.

117.110 CONFORM TO FUNDING (South Carolina Welcome Centers) Directs the PRT and DOT maintain a MOU that provides that PRT control operations of all SC Welcome Centers and specifies control of certain responsibilities. Directs DOT to transfer \$3,313,560, less any state funds appropriated by the General Assembly for Welcome Centers, to PRT. Directs that these funds be placed in a separate and distinct fund and authorizes these funds to be carried forward and used for the same purposes.

WMC: AMEND proviso to delete the requirement that DOT transfer \$3,313,560 to PRT.

HOU: ADOPT proviso as amended.

SFC SUBCOMMITTEE RECOMMENDATION: CONFORM to funding recommendation.

117.110. (GP: South Carolina Welcome Centers) The Department of Parks, Recreation and Tourism and the Department of Transportation shall maintain a Memorandum of Understanding (MOU) that provides that the Department of Parks, Recreation and Tourism shall control operations of all South Carolina Welcome Centers. The MOU shall include replacement, renovation and maintenance of the facilities, daily operations, and grounds maintenance and upkeep and shall clearly define responsibility for additional portions of Welcome Centers to include paving and sidewalks. ~~The Department of Transportation shall transfer to the Department of Parks, Recreation and Tourism the amount of \$3,313,560 less any state funds appropriated by the General Assembly for the same purpose. The Department of Parks, Recreation and Tourism assumes responsibility for this amount and the timing of the transfer of these funds shall be defined as part of the MOU. The funds transferred to the Department of Parks, Recreation and Tourism shall be placed in a separate and distinct fund and these funds shall be carried forward from the prior fiscal year into the current fiscal year and be expended for the same purposes.~~

117.137 ADD (Distribution Facility) **WMC:** ADD new proviso to direct the State Ports Authority to be considered a distribution facility for the purpose of sales tax exemptions for equipment and construction materials purchases.

HOU: ADOPT new proviso.

SFC SUBCOMMITTEE RECOMMENDATION: ADOPT new proviso.

117.137. (GP: Distribution Facility) The State Ports Authority shall be considered a distribution facility for the purpose of sales tax exemptions associated with the purchase of equipment and construction materials.

117.138 AMEND NEW PROVISO (Catastrophic Weather Event) **WMC:** ADD new proviso to direct (A) that improvements to real or personal property used as a residence, such as a mobile home or manufactured housing unit, as a result of damage from the catastrophic weather event in October 2015, made after the event and before July 1, 2018, is not considered an improvement and does

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not require an appraisal if it was funded through the US HUD Block Grant Disaster Recovery Program, or if at the discretion of individual counties, improvements were made with the assistance of volunteer organizations; and (B) direct property tax assessors to conform the values of eligible parcels which were improved before July 1, 2017, to the property tax value as that value may have been adjusted to reflect the provisions contained in (A). Fiscal Impact: RFAO states this provision is not expected to have an expenditure or revenue impact on the General Fund.

HOU: ADOPT new proviso.

SFC SUBCOMMITTEE CHAIRMAN'S RECOMMENDATION: AMEND new proviso (A) to add Hurricane Matthew of 2016; specify that improvements do not require a re-appraisal and (B) to delete the previous conformity requirement and instead direct that for the current fiscal year an eligible property's tax value shall remain the same unless an assessable transfer of interest occurs.

117.138. (GP: Catastrophic Weather Event) (A) Any improvements made to real property or personal property used as a residence, such as a mobile home or manufactured housing unit, damaged during the catastrophic weather event in October 2015 or Hurricane Matthew of 2016, after the event and before ~~July 1, June 30,~~ 2018, is not considered an improvement and does not require ~~an appraisal a re-appraisal.~~ This provision only applies if as a result of the catastrophic weather event, the improvements made to the property were funded by the United States Department of Housing and Urban Development Block Grant - Disaster Recovery program. This provision also applies if, at the discretion of the county and using qualifications determined by the county, the improvements were made with the assistance of a volunteer organization active in disaster, or a similar volunteer organization.

~~(B) Property tax assessors shall conform the values of eligible parcels of property which were improved before July 1, 2017, to the property tax value of these parcels as that value may have been adjusted to reflect the above provisions of section (A). During the current fiscal year, the property tax value of an eligible property shall remain the same unless an assessable transfer of interest occurs.~~ No refund is allowed on account of values adjusted as provided in this provision.

117.140 DELETE NEW PROVISO (Land Management) **WMC:** ADD new proviso to prohibit DNR, the Forestry Commission and PRT from accepting additional properties until adequate resources have been provided to manage currently owned lands. Excludes properties whose transfer to a state agency was in process prior to July 1, 2017.

HOU: ADOPT new proviso.

SFC SUBCOMMITTEE RECOMMENDATION: DELETE new proviso.

~~117.140. (GP: Land Management) The Department of Natural Resources, Forestry Commission, and Department of Parks, Recreation and Tourism may not accept additional properties for management, donated or otherwise, until adequate resources have been provided to manage the lands currently owned. This provision shall not apply to properties whose transfer to a state agency was in process prior to July 1, 2017.~~

117.145 CONFORM TO FUNDING (Fuel Pump Inspection) **WMC:** ADD new proviso to suspend Section 12-28-2355(C) [INSPECTION AND ENVIRONMENTAL IMPACT FEE CHARGED ON PETROLEUM PRODUCTS] and direct all affected revenues to be credited to the State Highway Fund to be used exclusively for repair, maintenance and improvement of the existing transportation system.

HOU: ADOPT new proviso.

SFC SUBCOMMITTEE RECOMMENDATION: CONFORM to funding recommendation.

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117.145. (GP: Fuel Pump Inspection) For the current fiscal year, Section 12-28-2355(C) of the 1976 Code shall be suspended. All affected revenues must be credited to the State Highway Fund at the Department of Transportation to be used exclusively for repair, maintenance and improvement of the existing transportation system.

SECTION 118 - X910 - STATEWIDE REVENUE

118.14 CONFORM TO FUNDING (Nonrecurring Revenue) **WMC:** ADD new proviso to (A) appropriate non-recurring revenue for FY 2017-18 . . .add item (1.1) to direct PRT to allocate the \$5,000,000 appropriated for Statewide Coastal Beach Renourishment to local governments and state agencies for beach renourishment to repair damage caused by 2015 and 2016 storms; provide for an application process; and require PRT report to the Governor and the Chairmen of the House Ways and Means and Senate Finance Committees by September 1, 2017 on the applications received and the funding prioritization.

HOU: ADOPT item 1.1.

SFC SUBCOMMITTEE RECOMMENDATION: CONFORM to funding recommendation / ADOPT item 1.1 and ADD new item 1.2 to direct PRT, from the \$6,000,000 appropriated for Parks Recreation Development Fund, to allocate \$50,000 to each county area; to allocate $\frac{3}{4}$ of the remaining funds to each county on a per capita basis based on population estimates; and to use the remaining $\frac{1}{4}$ for new state parks and recreation facilities planning, development and renovations. Require counties that have a population of 80,000 or higher to match at least 10% of the grant they receive.

118.14. (SR: Nonrecurring Revenue) . . .

(1.1)The Department of Parks, Recreation and Tourism shall allocate the funds appropriated in item (1)(a) for Statewide Coastal Beach Renourishment to local governments and state agencies for beach renourishment activities to repair damage caused by storm activity in 2015 and 2016 and to accelerate routine renourishment activities on beaches damaged by the storms. Local governments and state agencies shall make application for renourishment funds on a form and in the manner prescribed by the department and funds shall be allocated using a prioritization process developed by the department. The department shall report to the Governor, the Chairman of the House Ways and Means Committee and the Chairman of the Senate Finance Committee on applications received and the process for prioritizing renourishment funding no later than September 1, 2017.

(1.2)Of the funds appropriated to the Department of Parks, Recreation and Tourism it item (1)(d), the department shall allocate fifty thousand dollars to each county area. Three-quarters of the remainder must be allocated to each county area on a per capita basis according to the annual population estimates for counties, and one-quarter of the remainder may be used by the department for the planning, development, and renovation of new state parks and recreation facilities. Of the amounts awarded as grants in counties with a population of eighty thousand or less, the grant recipient must match at least ten percent of the grant.