

**SENATE FINANCE COMMITTEE
NATURAL RESOURCES SUBCOMMITTEE
PROVISO RECOMMENDATIONS FOR FY 2019-20**

SECTION 44 - P160 - DEPARTMENT OF AGRICULTURE

- 44.9** **ADD** (Agribusiness Infrastructure Carry Forward) **WMC:** ADD new proviso to authorize the department to carry forward any revenues, accrued interest and unexpended Agribusiness Infrastructure funds. Requested by Department of Agriculture.
HOU: ADOPT new proviso.

SUBCOMMITTEE RECOMMENDATION: ADOPT new proviso.

44.9. (AGRI: Agribusiness Infrastructure Carry Forward) The Department of Agriculture is authorized to carry forward any revenues, accrued interest, and unexpended Agribusiness Infrastructure funds from the prior fiscal year into the current fiscal year to be expended for the same purpose.

- 44.10** **DELETE NEW PROVISO** (Grain Producers Guaranty Fund) **WMC:** ADD new proviso to authorize the department to retain and expend \$100,000 from the Grain Producers Guaranty Fund pursuant to SC Code Section 46-41-230 [STATE TREASURER TO ADMINISTER FUND; PURPOSE; AMOUNT OF FUND; CLAIMS] to administer the program. Requested by Department of Agriculture.
HOU: ADOPT new proviso.

SUBCOMMITTEE RECOMMENDATION: DELETE new proviso.

~~*44.10. (AGRI: Grain Producers Guaranty Fund) The Department of Agriculture may retain and expend one hundred thousand dollars from the Grain Producers Guaranty Fund as outlined in Section 46-41-230 of the 1976 Code of Laws to administer the program.*~~

SECTION 45 - P200 - CLEMSON UNIVERSITY - PSA

- 45.2** **AMEND** (Witness Fee) Authorizes PSA to charge a witness fee of \$100 per hour up to \$400 per day for expert witness testimony in civil matters not involving the State as party. Directs this fee be charged in addition to any court prescribed payment.
WMC: AMEND proviso to specify "PSA" employee. Delete requirement for testimony to be "expert witness" and replace with "a fact witness regarding matters related to his or her professional expertise or the exercise of his or her employment duties." Requested by Clemson University-PSA.
HOU: ADOPT proviso as amended.

SUBCOMMITTEE RECOMMENDATION: ADOPT proviso as amended.

45.2. (CU-PSA: Witness Fee) The Public Service Activities of Clemson University are hereby authorized to charge a witness fee of \$100.00 per hour up to \$400.00 per day for each PSA employee testifying as ~~an expert witness~~ a fact witness regarding matters related to his or her professional expertise, or the exercise of his or her employment duties, in civil matters which do not involve the State as a party in interest. This fee shall be charged in addition to any court prescribed payment due as compensation or reimbursement for judicial appearances and deposited into a designated revenue account.

SECTION 47 - P240 - DEPARTMENT OF NATURAL RESOURCES

- 47.8** **DELETE** (Cormorant Control) Provides for the department to continue to coordinate a public Cormorant control program with the US Fish and Wildlife Service.

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WMC: DELETE proviso.

HOU: ADOPT deletion of proviso.

SUBCOMMITTEE RECOMMENDATION: ADOPT deletion of proviso.

47.8. (DNR: Cormorant Control) ~~The Department of Natural Resources shall continue to coordinate a public Cormorant control program with the US Fish and Wildlife Service for Lake Marion and Moultrie. The department shall try to coordinate with the Army Corp of Engineers, Santee Cooper, and the USFWS to include waters above and below each spillway, Wildlife Management Areas, and national refuges. The department shall assess the need to expand the program to other public waters and implement a plan if warranted. If the USFWS allows continuation of the control program, the department shall establish an online method of permitting.~~

47.cp **ADD** (Compensatory Payment) **SUBCOMMITTEE RECOMMENDATION:** ADD new proviso to allow exempt department employments to be paid for actual hours worked in lieu of accruing comp time during a Governor declared State of Emergency. Requested by the Department of Natural Resources.

47.cp. (DNR: Compensatory Payment) In the event a State of Emergency is declared by the Governor, exempt employees of the Department of Natural Resources may be paid for actual hours worked in lieu of accruing compensatory time, at the discretion of the agency director, and providing funds are available.

47.efp **ADD** (Exempted Fishing Permits) **SUBCOMMITTEE RECOMMENDATION:** ADD new proviso to direct DNR to explore the feasibility of using exempted fishing permits within the South Atlantic region to allow limited state-level management of federally managed snapper-grouper complex. Direct DNR to work cooperatively with multiple agencies to determine the possibility of a new management approach for the South Atlantic snapper-grouper complex.

47.efp. (DNR: Exempted Fishing Permits) The Department of Natural Resources shall explore the feasibility of employing exempted fishing permits (EFPs) within the South Atlantic region as a mechanism to allow limited state-level management of federally managed snapper-grouper complex. The department shall work cooperatively with natural resources management agencies from the states of North Carolina, Georgia and Florida, the South Atlantic Fishery Management Council (SAFMC) and NOAA Fisheries to determine interest in and the possibility of jointly pursuing individual state EFPs as well as an overarching EFP that might allow for a new management approach for the South Atlantic snapper-grouper complex.

47.ftf **CONFORM TO FUNDING / ADD** (Funds Transfer to Forestry Commission) **SUBCOMMITTEE RECOMMENDATION:** CONFORM to funding recommendation / ADD new proviso to direct DNR to transfer \$100,000 from Wildlife and Freshwater Fisheries fund allocation to the Forestry Commission.

47.ftf. (DNR: Funds Transfer to Forestry Commission) For the current fiscal year, the Department of Natural Resources shall transfer \$100,000 of the funds allocated for operating expenses of Wildlife and Freshwater Fisheries (Wildlife Management Areas) to the Forestry Commission.

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

- 49.10 AMEND FURTHER (PARD)** Authorizes PRT to spend restricted funds for the PARD Fund in accordance with the mandates of the Parks and Recreation Fund, Regulations, and generally accepted accounting standards. Allows the department to reimburse prior year PARD grantee expenditures with current year funds for a period of three years as allowed by Section 51-23-30 [GRANT PROGRAM FOR PLANNING, DEVELOPING, AND RENOVATING PARK AND RECREATION FACILITIES].
HOU: AMEND proviso to delete the three year restriction on reimbursement of expenditures. Direct that for the current fiscal year, funds in a County Area account may remain unexpended indefinitely. Sponsor: Rep. Ott.

SUBCOMMITTEE RECOMMENDATION: AMEND FURTHER to direct a project be completed and funds be expended within three years of the county delegation approved application.

49.10. (PRT: PARD) The Department of Parks, Recreation, and Tourism shall be authorized to expend restricted funds for the Parks and Recreation Development Fund (PARD) in accordance with the Section 51-23-20 of the 1976 Code, Regulations, and generally accepted accounting standards. The department is allowed to reimburse PARD grantees from current year funds for prior year expenditures for a period of three years as allowed in Section 51-23-30 of the 1976 Code.

For the current fiscal year, funds placed in a County Area account as allowed in Section 51-23-30 of the 1976 Code may remain unexpended in the account indefinitely, any regulation or provision to the contrary notwithstanding. However, once an application is approved by a county delegation, the project must be completed and funds expended within three years of the approved application.

- 49.17 ADD (Compensatory Payment) WMC:** ADD new proviso to allow PRT employees to be paid for actual hours worked in lieu of accruing comp time in the event of a Governor declared State of Emergency. Requested by Department of Parks, Recreation, and Tourism.
HOU: ADOPT new proviso.

SUBCOMMITTEE RECOMMENDATION: ADOPT new proviso.

49.17. (PRT: Compensatory Payment) In the event the Governor declares a State of Emergency, employees of the Department of Parks, Recreation and Tourism may be paid for actual hours worked in lieu of accruing compensatory time, at the discretion of the agency director, and providing funds are available.

- 49.18 CONFORM TO FUNDING / ADD (State Parks Maintenance) WMC:** ADD new proviso to direct PRT to use the \$1,000,000 and \$3,000,000 appropriated in the non-recurring provisos in Act 91 of 2015 and Act 284 of 2016 for the Medal of Honor Museum instead for state parks maintenance needs.
HOU: ADOPT new proviso.

SUBCOMMITTEE RECOMMENDATION: CONFORM to funding recommendation.

49.18. (PRT: State Parks Maintenance) The Department of Parks, Recreation, and Tourism shall utilize the \$1,000,000 appropriated in Act No. 91 of 2015, by proviso 118.14, Item (41)(h) and the \$3,000,000 appropriated in Act No. 284 of 2016, by proviso 118.16, Item (39)(g) for the Medal of Honor Museum for state parks maintenance needs.

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SECTION 50 - P320 - DEPARTMENT OF COMMERCE

50.13 AMEND FURTHER (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 change "Fiscal Year 2018-19" to "the current fiscal year." Change the following funding amounts: I-77 Alliance from "\$600,000" to "\$660,000" and Southern Carolina Alliance from "\$460,000" to "\$600,000." Delete remaining \$200,000 county disbursements. Requested by Department of Commerce.

HOU: ADOPT proviso as amended.

SUBCOMMITTEE RECOMMENDATION: AMEND FURTHER to direct fund recipients to send electronic copies of their annual reporting to the General Assembly and direct Commerce to post these report on their website.

50.13. (CMRC: Regional Economic Development Organizations) The Department of Commerce shall utilize \$5,000,000 appropriated in ~~Fiscal Year 2018-19~~ the current fiscal year for Regional 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 | \$600,000 <u>660,000</u> ; |
| (6) Economic Development Partnership | \$450,000; |
| (7) Southern Carolina Alliance | \$460,000 <u>600,000</u> ; 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 \$200,000 shall be provided to counties as follows, provided they meet the requirements established above:~~

- | | |
|---------------------------------|---------------------------|
| (1) Beaufort County | \$140,000; and |
| (2) Lancaster County | \$60,000. |

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. Fund recipients shall also provide electronic copies of the annual report to the General Assembly by November first. The Department of Commerce shall post these reports on their website.

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.

50.21 CONFORM TO FUNDING / ADD (Development - Funding for Rural Infrastructure) **WMC:** ADD new proviso to establish the Rural School District and Economic Development Closing

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Fund and direct the Secretary of Commerce to use the fund to facilitate economic development and infrastructure improvements for projects that create a minimum of 50 jobs within the 28 school districts with the lowest index of taxpaying ability. Direct the department to coordinate with DOR to receive an annual list of school districts ITA. Direct that funds shall be used on, but not limited to, economic development projects, water and sewer infrastructure, and school building infrastructure. Authorize unexpended funds to be carried forward and used for the same purpose.

HOU: ADOPT new proviso.

SUBCOMMITTEE RECOMMENDATION: CONFORM to funding recommendation.

50.21. (CMRC: Development - Funding for Rural Infrastructure) There is established within the Department of Commerce the Rural School District and Economic Development Closing Fund. The Secretary of Commerce shall use the fund to facilitate economic development and infrastructure improvements for projects that create a minimum of fifty jobs located within the twenty-eight school districts with the lowest Index of Taxpaying Ability (ITA) in the State of South Carolina. The ITA for any given school district is based on the assessed value of total taxable property in the district divided by the total taxable property in the state. The Department of Commerce shall coordinate with the Department of Revenue to receive the annual list of state school districts index of taxpaying ability. Funds are to be used on, but not limited to, economic development projects, water and sewer infrastructure, and school building infrastructure. The funds must be designated for a district project in a year that the district is one of the twenty-eight lowest school districts on the ITA list. However, once a project begins, the funds may be utilized to finish that specified project, even if the school does not remain in the lowest twenty-eight after the project begins. Any unexpended funds at the end of the fiscal year shall be carried forward and expended in the current fiscal year by the Department of Commerce for the same purposes.

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, 2019 to continue the Charleston Cooper River Bridge Project. Requested by State Ports Authority.

WMC: AMEND proviso to update fiscal year references from “2018” to “2019” and from “2019” to “2020.” *Meets the obligations of the State Ports Authority and the State Infrastructure Bank’s financial agreement. Per the Ports Authority, the commitment of the agency is to provide \$1,000,000 per year for 25 years, until 2027.*

HOU: ADOPT proviso as amended.

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, ~~2018~~ 2019, pay to the State Transportation Infrastructure Bank one million dollars before June 30, ~~2019~~ 2020, to continue the Charleston Cooper River Bridge Project.

88.5 **AMEND** (Jasper Ocean Terminal Permitting) Directs the authority to use Jasper Ocean Terminal funds for activities approved and directed by the joint venture governing board that are associated with advancing the project during FY 2018-19. Prohibits the funds from being used to reimburse the authority’s prior fiscal year expenditures. Requires the authority to provide

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progress reports to the General Assembly by the first day of the 2019 legislative session and by June 30, 2019.

WMC: AMEND proviso to update fiscal year references from “2018-19” to “2019-20.”

HOU: ADOPT proviso as amended.

SUBCOMMITTEE RECOMMENDATION: ADOPT proviso as amended.

88.5. (SPA: Jasper Ocean Terminal Permitting) The funds appropriated to the State Ports Authority (SPA) for the Jasper Ocean Terminal shall be utilized by the SPA to pay for activities approved and directed by the joint venture governing board and associated with advancing the Project during FY ~~2018-19~~ 2019-20. In connection with activities that are approved and directed by the joint venture, SPA shall comply with the directive of Section 54-3-115 of the South Carolina Code in regard to taking “all action necessary to expeditiously develop a port in Jasper County.” Activities undertaken during FY ~~2018-19~~ 2019-20 may include, but are not limited to, the following:

1. working on a corporate governance model for the joint venture as an operating port;
2. working on terminal simulation for design and operation;
3. working on plans, studies, and modeling in conjunction with the respective South Carolina and Georgia Departments of Transportation and the metropolitan planning organization to identify and assess supporting road and rail infrastructure for the terminal footprint including, but not limited to, supporting infrastructure that may have independent utility;
4. working on sedimentation modeling for impacts on construction and dredging;
5. taking actions in furtherance of obtaining: (a) a Department of the Army permit pursuant to Section 10 of the Rivers and Harbors Act; (b) a permit pursuant to Section 404 of the Clean Water Act, to prepare a Channel Modification Feasibility Study; and (c) studies necessary in connection with developing an Environmental Impact Statement for the Project; and
6. discharging its obligations pursuant to its Joint Venture Agreement with the Georgia Ports Authority.

The funds appropriated to SPA for the Jasper Ocean Terminal Permitting may not be used for reimbursement of SPA expenditures made in a prior fiscal year and must be used only for one or more of the purposes set forth above.

SPA shall provide a detailed report in writing to the members of the South Carolina General Assembly on or before the first day of the ~~2019~~ 2020 legislative session and another such report on or before June 30, ~~2019~~ 2020, describing the progress made as of the dates of those reports in regard to the Jasper Ocean Terminal, such to include a description of the ongoing and planned work.

88.6 CONFORM TO FUNDING / ADD (Jasper Ocean Terminal Port Facility Infrastructure Fund)

WMC: ADD new proviso to create the Jasper Ocean Terminal Port Facility Infrastructure Fund. Direct the State Ports Authority to maintain the fund. Direct the fund be separate from the General Fund and used exclusively by the authority for the Jasper Ocean Terminal Port facility. Direct that these funds be carried forward and used for the same purpose. Requested by State Ports Authority.

HOU: ADOPT new proviso.

SUBCOMMITTEE RECOMMENDATION: CONFORM to funding recommendation.

88.6. *(SPA: Jasper Ocean Terminal Port Facility Infrastructure Fund) There is created within the State Ports Authority the Jasper Ocean Terminal Port Facility Infrastructure Fund. The State Ports Authority shall maintain the Jasper Ocean Terminal Port Facility Infrastructure Fund and any funds appropriated in this act for this purpose shall be deposited into this account.*

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This fund shall be separate and distinct from the General Fund and interest accrued by the fund must remain in the fund. This fund must be used exclusively by the State Ports Authority for activities associated with the development of the Jasper Ocean Terminal Port facility and infrastructure necessary to support the facility. These funds shall be carried forward from the prior fiscal year into the current fiscal year and must be used for the same purpose.

SECTION 112 - V040 - DEBT SERVICE

112.2 **AMEND** (Ports Authority Loan) Directs the State Treasurer to transfer to the General Fund as a loan to the State Ports Authority up to \$50 million of excess debt service from funds appropriated for General Obligation Bonds which exceed the principal and interest due in the current fiscal year to assist with the Charleston Harbor Deepening Project. Directs the State Ports Authority to reimburse the General Fund the loan amount plus accrued interest for the period during which the loan remains outstanding.

WMC: AMEND proviso to delete loan origination language. Direct the State Ports Authority to reimburse the General Fund according to the original directives in this proviso using the federal government's share of the "Charleston Harbor Deepening Project."

HOU: ADOPT proviso as amended.

SUBCOMMITTEE RECOMMENDATION: ADOPT proviso as amended.

112.2. (DS: Ports Authority Loan) ~~From the funds appropriated for "General Obligation Bonds" which exceed the principal and interest due in the current fiscal year and paid from the General Fund, the State Treasurer is directed to transfer up to \$50,000,000 to the General Fund to be effected as a loan to the State Ports Authority to assist in cash flow needs related to the Charleston Harbor Deepening Project.~~ Upon receipt of the federal government's share of the project, Charleston Harbor Deepening Project, the State Ports Authority shall reimburse the General Fund the amount of the loan received pursuant to Proviso 112.2 of Act 264 of 2018 for cash flow needs related to the Charleston Harbor Deepening Project, together with interest accrued to the date of reimbursement, calculated at the rate earned on the General Fund for the period during which the loan remains outstanding.

SECTION 117 - X900 - GENERAL PROVISIONS

117.15 **AMEND** (Allowance for Residences & Compensation Restrictions) Authorizes specific positions to occupy agency-owned residences without charge and provides compensation guidelines.

WMC: AMEND proviso to replace "game" with "wildlife" and include "area" personnel. Amend to replace "Fort Johnson Superintendent" with "Heritage Trust Personnel."

HOU: ADOPT proviso as amended.

SUBCOMMITTEE RECOMMENDATION: ADOPT proviso as amended.

117.15. (GP: Allowance for Residences & Compensation Restrictions) That salaries paid to officers and employees of the State, including its several boards, commissions, and institutions shall be in full for all services rendered, and no perquisites of office or of employment shall be allowed in addition thereto, but such perquisites, commodities, services or other benefits shall be charged for at the prevailing local value and without the purpose or effect of increasing the compensation of said officer or employee. The charge for these items may be payroll deducted at the discretion of the Comptroller General or the chief financial officer at each agency maintaining its own payroll system. This shall not apply to the Governor's Mansion, nor to

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guards at any of the state's penal institutions and nurses and attendants at the Department of Disabilities and Special Needs, and registered nurses providing clinical care at the MUSC Medical Center, nor to the Superintendent and staff of John de la Howe School, nor to the cottage parents and staff of Wil Lou Gray Opportunity School, nor to full-time or part-time staff who work after regular working hours in the SLED Communications Center or Maintenance Area, nor to adult staff at the Governor's School for Science and Mathematics and the Governor's School for Arts and Humanities who are required to stay on campus by the institution because of job requirements or program participation. Any state institution of higher learning may provide complimentary membership privileges to employees who work at their wellness centers. The presidents of those state institutions of higher learning authorized to provide on-campus residential facilities for students may be permitted to occupy residences on the grounds of such institutions without charge.

Any state institution of higher learning may provide a housing allowance to the president in lieu of a residential facility, the amount to be approved by the State Fiscal Accountability Authority.

That the following may be permitted to occupy residences owned by the respective departments without charge: the Farm Director, Farm Managers, and Specialists employed at the Wateree River Correctional Institution; the South Carolina State Commission of Forestry fire tower operators, forestry aides, and caretaker at central headquarters; the Department of Natural Resources' ~~Game~~ Wildlife Management Area Personnel, Fish Hatchery Personnel, and ~~Port Johnson Superintendent~~ Heritage Trust Personnel; the Department of Parks, Recreation and Tourism field personnel in the State Parks Division; Director of Wil Lou Gray Opportunity School; President of the School for the Deaf and the Blind; houseparents for the Commission for the Blind; South Carolina Department of Health and Environmental Control personnel at the State Park Health Facility and Camp Burnt Gin; Residence Life Coordinators at Lander University; Residence Life Directors, temporary and transition employees, student interns, and emergency personnel at Winthrop University; Farm Superintendent at Winthrop University; Residence Hall Directors at the College of Charleston; the Department of Disabilities and Special Needs' physicians and other professionals at Whitten Center, Clemson University Off-Campus Agricultural Staff and Housing Area Coordinators; and TriCounty Technical College's Bridge to Clemson Resident and Area Directors; and housing maintenance night supervisors, residence life directors, temporary and transition employees, and emergency medical personnel occupying residences owned by the University of South Carolina. Except in the case of elected officials, the fair market rental value of any residence furnished to a state employee shall be reported by the state agency furnishing the residence to the Agency Head Salary Commission, and the Department of Administration by October first of each fiscal year.

All salaries paid by departments and institutions shall be in accord with a uniform classification and compensation plan, approved by the Department of Administration, applicable to all personnel of the State Government whose compensation is not specifically fixed in this act. Such plan shall include all employees regardless of the source of funds from which payment for personal service is drawn. The Department of Administration is authorized to approve temporary salary adjustments for classified and unclassified employees who perform temporary duties which are limited by time and/or funds. When approved, a temporary salary adjustment shall not be added to an employee's base salary and shall end when the duties are completed and/or the funds expire. Academic personnel of the institutions of higher learning and other individual or group of positions that cannot practically be covered by the plan may be excluded therefrom but their compensations as approved by the Department of Administration shall, nevertheless, be subject to review by the State Fiscal Accountability Authority. Salary appropriations for employees fixed in this act shall be in full for all services rendered, and no supplements from other sources shall be permitted or approved by the State Fiscal Accountability Authority. With the exception of travel and subsistence, legislative study committees shall not compensate any

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person who is otherwise employed as a full-time state employee. Salaries of the heads of all agencies of the State Government shall be specifically fixed in this act and no salary shall be paid any agency head whose salary is not so fixed. As long as there is no impact on appropriated funds, state agencies and institutions shall be allowed to spend public funds and/or other funds for designated employee award programs which shall have written criteria approved by the agency governing board or commission. For purposes of this section, monetary awards, if any, shall not be considered a part of an employee's base salary, a salary supplement, or a perquisite of employment. The names of all employees receiving monetary awards and the amounts received shall be reported annually to the Department of Administration.

In the case of lodging furnished by certain higher education institutions to employees, the prevailing local rate does not apply if the institution meets the exceptions for inadequate rent described in the current Internal Revenue Code Section 119(d)(2). To meet the exception, rental rates must equal the lesser of five percent of the appraised value of the qualified campus lodging, or the average of the rentals paid by individuals (other than employees or students of the educational institution) during the calendar year for lodging provided by the educational institution which is comparable to the qualified campus lodging provided to the employee, over the rent paid by the employee for the qualified campus lodging during the calendar year. The appraised value shall be determined as of the close of the calendar year in which the taxable year begins, or, in the case of a rental period not greater than one year, at any time during the calendar year in which the period begins.

- 117.51 AMEND** (H.L. Hunley Museum Location) Directs the City of North Charleston to be the permanent site of the H.L. Hunley Museum per the approval of the General Assembly contingent upon necessary contracts between the State and the City of North Charleston. Directs the Hunley Commission to expend its funds for contracts on behalf of the State.

SUBCOMMITTEE RECOMMENDATION: AMEND proviso to delete the City of North Charleston as the location for the H.L. Hunley Museum and replace it with the Patriots Point Development Authority.

117.51. (GP: H.L. Hunley Museum Location) The General Assembly approves the ~~City of North Charleston~~ Patriots Point Development Authority as the permanent site of the H.L. Hunley Museum. This approval is contingent upon the negotiation and execution of necessary contracts between the State of South Carolina and the ~~City of North Charleston~~ Patriots Point Development Authority. The Hunley Commission is directed to expend funds from its account to negotiate and execute contracts on behalf of the State of South Carolina.

- 117.104 AMEND** (State Ports Authority Property) Directs that if the Authority has not sold its real property on Daniel Island, with certain exceptions, by June 30, 2019, it must transfer the property to the Department of Administration.

WMC: AMEND proviso to change "2019" to "2020."

HOU: ADOPT proviso as amended.

SUBCOMMITTEE RECOMMENDATION: ADOPT proviso as amended.

117.104. (GP: State Ports Authority Property) If the State Ports Authority has not completed the sale of its real property on Daniel 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, ~~2019~~ 2020, the authority must transfer the property to the Department of Administration. The authority

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shall sell the real property under terms and conditions it considers most advantageous to the authority and the State of South Carolina.

117.141 AMEND FURTHER (Public Service Authority Evaluation and Recommendation Committee) Creates the Public Service Authority Evaluation and Recommendation Committee; provides for the composition of the committee; directs the committee to evaluate certain objectives, including the best way to protect ratepayers and taxpayers in regard to Santee Cooper and whether to sell Santee Cooper and/or any of its assets. Directs the committee to make recommendations to the General Assembly as soon as practicable.

WMC: AMEND proviso to delete the creation of the committee and instead direct that for FY 19-20 the committee established by proviso 117.162 of Act 264 of 2018 shall continue to evaluate its objectives and to make recommendation to the General Assembly as soon as practicable.

HOU: ADOPT proviso as amended.

SUBCOMMITTEE RECOMMENDATION: AMEND FURTHER to reinsert language in subitems (A) and (B) creating the committee.

117.141. (GP: Public Service Authority Evaluation and Recommendation Committee) (A) (1) From funds appropriated by the General Assembly for this purpose, there is created the Public Service Authority Evaluation and Recommendation Committee to be composed of nine members:

- (a) the Speaker of the House of Representatives or his designee;
- (b) the Majority Leader of the House of Representatives or his designee;
- (c) the Minority Leader of the House of Representatives or his designee;
- (d) the President Pro Tempore of the Senate or his designee;
- (e) the Majority Leader of the Senate or his designee;
- (f) the Minority Leader of the Senate or his designee;

(g) one member appointed by the Governor from the State at large. No person shall be appointed by the Governor to the committee if such person is employed by, receives compensation from, or accepts retirement or other benefits from a publicly owned utility, an investor-owned utility, an electric cooperative, or any association or organization that represents a publicly owned utility, an investor-owned utility, or an electric cooperative or otherwise participates in the energy industry or marketplace;

(h) one member appointed by the President Pro Tempore who is a member of the Senate from a direct-serve Public Service Authority territory; and

(i) one member appointed by the Speaker of the House of Representatives who is a member of the House from a direct-serve Public Service Authority territory;

(2) Vacancies shall be filled in the manner of original appointment.

(B) The members of the committee shall elect a chairman and other officers as they consider necessary. The committee shall meet upon the call of the chairman or a majority of its members. Members shall receive per diem, mileage, and subsistence as provided by law for members of legislative or other state committees as appropriate to be paid from the approved accounts of the office or house of their appointing authority. Meeting space and staff support shall be provided by the General Assembly as needed and required. The committee shall make recommendations to the General Assembly as soon as practicable, at which time the committee is dissolved, unless otherwise continued as provided by law.

(C) The committee shall, ~~(A) For for Fiscal Year 2019-20, the Public Service Authority Evaluation and Recommendation Committee established by Proviso 117.162 of Act 264 of 2018 shall continue to~~ evaluate objectives including but not limited to the following:

(1) determine the manner in which the General Assembly may best protect ratepayers and taxpayers in regard to Santee Cooper;

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(2) analyze whether selling Santee Cooper is in the best interests of South Carolina taxpayers, the ratepayers of Santee Cooper, and the ratepayers of the Electric Cooperatives of South Carolina;

(3) determine whether the assets of Santee Cooper should be considered for sale as a whole or in parts and which assets of Santee Cooper, if any, should be retained by the State;

(4) obtain a valuation of Santee Cooper and its assets;

(5) develop a transparent and public process to conduct hearings, receive bids from potential purchasers, and evaluate a potential sale of Santee Cooper;

(6) determine the future role of Santee Cooper, whether sold or retained by the State; and

(7) determine the manner in which the natural resources owned by Santee Cooper are protected or managed for public enjoyment and wildlife habitat.

(~~D~~ B) To assist with meeting those objectives, it is recommended that the committee consider actions including but not limited to the following:

(1) determine the criteria necessary to assess the viability and feasibility of the potential sale of Santee Cooper;

(2) identify all assets of Santee Cooper and then determine which assets, if any, of Santee Cooper should be considered for sale;

(3) evaluate whether Santee Cooper's water system, the Santee Cooper lakes, or both should be part of any sale;

(4) obtain a valuation of Santee Cooper's assets, both collectively and separately, with a specific valuation for the transmission, distribution, and generation assets of Santee Cooper;

(5) establish the criteria, parameters, and process to receive bid proposals from potential purchasers of Santee Cooper's assets;

(6) evaluate whether the South Carolina Consolidated Procurement Code or other state law impacts the sale parameters and, if so, determine the best course of action to address the same in its requests for proposals;

(7) as allowed by the South Carolina Consolidated Procurement Code or other state law, conduct public hearings to receive a bid from each potential prospective bidder and set a time for the same;

(8) analyze the impact of the potential sale of Santee Cooper on current employees and retirees and whether bidders must maintain current workforce levels and pension commitments for a set period post sale;

(9) develop or cause to be developed the request for proposals to be used by potential bidders;

(10) establish the time frame for receipts for proposals from potential bidders and evaluation of proposals by the committee and make a recommendation to the General Assembly on whether a sale is in the best interests of ratepayers and taxpayers;

(11) require that all bid proposals shall be made as the best and final offer from each bidder;

(12) identify legislation needed to complete any potential sale;

(13) determine whether the committee should hire an investment bank or other third-party expert to assist with the evaluation of offers received;

(14) determine the impact of Santee Cooper's debt, including all bonded indebtedness, in the sale of Santee Cooper's assets, including a requirement that all bids must satisfy the indebtedness of Santee Cooper existing at the close of sale;

(15) identify potential risks to South Carolina taxpayers and ratepayers that could result from the sale of Santee Cooper, either in whole or in part, including, but not limited to, the loss of tax exempt status of a buyer, impact on economic development, and whether sale at this time would not preclude South Carolina from recovering the full value of Santee Cooper;

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(16) determine which course of action, whether the sale or retention of Santee Cooper or another option, provides maximum rate relief to Santee Cooper ratepayers, customers of the Electric Cooperatives of South Carolina, and industrial customers of Santee Cooper;

(17) determine the total assets of Santee Cooper and identify those not necessary for generation, transmission, or distribution needs in order for these assets to be sold without violating Section 58-31-360;

(18) evaluate Santee Cooper's plan and strategy for future generation facilities in order to meet future electric demand, Santee Cooper's timeline for the same, and costs for such projects to the ratepayers;

(19) ascertain future economic development projects for Santee Cooper and the projected revenue estimated from the same and whether an investor-owned utility can provide the same economic development impact as Santee Cooper;

(20) calculate the revenue to Santee Cooper from industrial and other nonresidential ratepayers, excluding revenue derived from the Electric Cooperatives of South Carolina;

(21) evaluate whether diversification of Santee Cooper's generation portfolio, including purchases of generation from outside Santee Cooper, provides a more cost effective manner to service customer needs;

(22) obtain information on the current amounts of cash on hand and in reserve of Santee Cooper;

(23) obtain a current estimate of Santee Cooper's pension liabilities;

(24) evaluate projected revenue growth and its impact on the ability of Santee Cooper to meet debt obligations;

(25) quantify the current amounts of long-term and short-term debt of Santee Cooper;

(26) identify the structure of each of Santee Cooper's bond offerings;

(27) review proposed rate schedules in both the long and short terms to determine the full impact of V.C. Summer on ratepayers;

(28) determine whether Santee Cooper's debt-to-equity ratio comports with market ratios of other electric utilities;

(29) determine whether Santee Cooper has obtained efficiency or performance studies related to expenses for workforce management and how Santee Cooper's ratios relate to industry standards;

(30) evaluate the electric cooperatives' structure, including the role of the Central Electric Power Cooperative;

(31) evaluate options to provide maximum rate relief to electric cooperative customers either through the sale or retention of Santee Cooper;

(32) analyze the central contract between Santee Cooper and the electric cooperatives to determine the impact of that agreement on any sale or management agreement involving Santee Cooper;

(33) solicit input from the electric cooperatives and other industrial customers on the potential sale or long-term viability of Santee Cooper;

(34) direct Santee Cooper to inventory all assets at the V.C. Summer site and to obtain a salvage or sale valuation for those assets, with any monies received from such salvage or sale to be used as directed in the Rate Relief and Stabilization Fund;

(35) determine whether Santee Cooper should be subject to oversight by the Public Service Commission or Joint Bond Review Committee;

(36) provide alternative governance structures for Santee Cooper, other than a board of directors, based on other state-owned utilities; and

(37) study any other factors that the committee finds relevant to the objectives contained herein.

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(C) The committee shall make recommendations to the General Assembly as soon as practicable, at which time the committee is dissolved, unless otherwise continued as provided by law.

- 117.149 ADD** (Georgetown County Boat Ramps) **WMC:** ADD new proviso to direct DOT to transfer to DNR the remaining funds from the \$150,000 originally appropriated in Proviso 118.17 (B), item 43(f) of the 2013 Appropriations Act for the Sandy Island Boat Ramp. Direct DNR to credit the transfer to the Water Recreation Resource fund for use in Georgetown County and exempt the amount from being considered part of the annual allocation formula. Requested by Department of Natural Resources.
HOU: ADOPT new proviso.

SUBCOMMITTEE RECOMMENDATION: ADOPT proviso as amended.

117.149. (GP: Georgetown County Boat Ramps) The Department of Transportation shall transfer the remaining funds appropriated for the Sandy Island Boat Ramp in Proviso 118.17 (B), item 43(f), Act 101 of 2013 to the Department of Natural Resources. The Department of Natural Resources shall credit the transfer to the Water Recreation Resource fund for use in Georgetown County and the transfer amount is not to be considered part of the annual allocation formula for Water Recreation Resource funds.

- 117.150 DELETE NEW PROVISO** (Lake Marion Navigation Enhancement Feasibility Study) **WMC:** ADD new proviso to direct DNR and the Public Service Authority to study the feasibility of enhancing navigation in portions of Lake Marion between the Santee Dam and I-95 Bridge. Direct DNR to work with the Public Service Authority to pursue a plan through the Army Corps of Engineers to conduct a public process to engage stakeholder interests. Direct the Public Service Authority to collect information from prospective contractors to determine whether a cost-neutral market exists for vertical timber.
HOU: ADOPT new proviso.

SUBCOMMITTEE RECOMMENDATION: DELETE new proviso.

~~**117.150.** (GP: Lake Marion Navigation Enhancement Feasibility Study) The Department of Natural Resources is directed to work with the Public Service Authority to study the feasibility of enhancing navigation in portions of Lake Marion that are between the Santee Dam and the Interstate 95 Bridge. The department's efforts shall include pursuing a comprehensive plan through the Army Corps of Engineers' Planning Assistance to States Program and shall include working with the Public Service Authority to conduct a public process to engage stakeholder interests relative to this concept. The authority shall collect information from prospective contractors to determine whether a cost-neutral market exists for vertical timber that is below the surface of the water and, if collected, would be at a reasonable, navigable depth above the lake bed.~~

SECTION 118 - X910 - STATEWIDE REVENUE

- 118.2 AMEND** (Titling of Real Property) Provides for the establishment of a comprehensive central property and office facility management process to plan for the needs of state government agencies. Directs DOA to identify all state owned properties and directs that the title of any property held or acquired by a state agency or department shall be titled in the name of the state under the control of DOA, with certain exceptions. Directs DOA to provide SDE funds equal to

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the amount realized from the sale of the Greenville Halton Road Bus Shop property for school bus maintenance shop relocations, construction, and shop equipment.

WMC: AMEND proviso to exempt property under DNR ownership and control based on the adopted language of the SC Budget and Control Board meeting on March 21, 2006. *The B&C Board adopted a policy that exempts specific categories of property pertaining to this provision.* Requested by Department of Natural Resources.

HOU: ADOPT proviso as amended.

SUBCOMMITTEE RECOMMENDATION: ADOPT proviso as amended.

118.2. (SR: Titling of Real Property) It is the intent of the General Assembly to establish a comprehensive central property and office facility management process to plan for the needs of state government agencies and to achieve maximum efficiency and economy in the use of state owned or state leased real properties. The Department of Administration is directed to identify all state owned properties whether titled in the name of the state or an agency or department, and all agencies and departments of state government are upon request to provide the department all documents related to the title and acquisition of the real properties that are occupied or used by the agency or titled in the name of the agency. Except for any properties where the department determines title should not be in the name of the State because the properties are subject to reverter clauses or other restraints on the property, or where the department determines the state would be best served by not receiving title, and with the exception of properties, highways and roadways owned by the Department of Transportation, title of any property held by or acquired by a state agency or department shall be titled in the name of the state under the control of the Department of Administration. Titling in the name of the state shall not affect the operation or use of real property by an agency.

This provision applies to all state agencies and departments except: institutions of higher learning; the Public Service Authority; the Ports Authority; the South Carolina Division of Public Railways; the MUSC Hospital Authority; the Myrtle Beach Air Force Redevelopment Authority; the Department of Transportation; the Midlands Technical College Enterprise Campus Authority, the Trident Technical College Enterprise Campus Authority; the Area Commission of Tri-County Technical College; and the Charleston Naval Complex Redevelopment Authority.

With respect to any past or future acquisition of real property, the application of this provision and prior comparable titling provisions to the South Carolina Department of Natural Resources and real property under its ownership or control is subject to the exemption adopted by the South Carolina Budget and Control Board on March 21, 2006.

This provision is comprehensive and supersedes any conflicting provisions concerning title and acquisition and disposition of state owned real property whether in permanent law, temporary law or by provision elsewhere in this act.

The Department of Administration is directed to provide to the Department of Education, funds equal to the amount realized from the sale of the Greenville Halton Road Bus Shop property for school bus maintenance shop relocations, construction, and shop equipment.