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REPORT OF THE REVENUE POLICY SUBCOMMITTEE

(Bannister, Herbkersman, Whitmire, Stavrinakis & Hyde - Staff Contact: Katie Turner and Meredith Ross)

HOUSE BILL 3604

H. 3604 -- Reps. Bannister and G.M. Smith: TO AUTHORIZE THE EXPENDITURE OF FUNDS FROM THE CONTINGENCY RESERVE FUND FOR ECONOMIC DEVELOPMENT PROJECTS AND FEDERAL FUNDS DISBURSED TO THE STATE IN THE AMERICAN RESCUE PLAN ACT OF 2021, AND TO SPECIFY THE MANNER IN WHICH THE FUNDS MAY BE EXPENDED.

Received by Ways and Means: January 11, 2023

Summary of Bill:

Proposed Subcommittee Amendment:

Section 1: Specifies the revenue sources for the Joint Resolution as the Contingency Reserve Fund and the American Rescue Plan Act of 2021.

Section 2 – Contingency Reserve Fund: Appropriates \$500 million from the Contingency Reserve Fund to the Department of Commerce for infrastructure funding related to qualifying economic development projects previously authorized by JBRC and SFAA during Fiscal Year 2022-23. Stipulates that any funds allocated from excess debt service must be used to reduce the amounts of the debts issued for these previously authorized projects. Allows the Department to identify and recommend potential projects for any remaining funds for JBRC review.

Section 3 – ARPA:

Authorizes remaining ARPA funds of \$586,633,226 to be allocated to the Rural Infrastructure Authority ARPA Water and Sewer Infrastructure Account. Only existing grant applications may be considered. Requires \$86,633,226 of the allocation be available for projects in the existing grant applications that are economically significant as determined by the Secretary of Commerce.

Estimated Revenue Impact:

\$500,000,000 from Contingency Reserve Fund.
\$586,633,226 from ARPA Funds.

SOUTH CAROLINA
HOUSE AMENDMENT

AMENDMENT NO. _____

Samantha Allen
January 11, 2023

ADOPTED	REJECTED	TABLED	ADJOURN DEBATE	RECONSIDERED	ROO

Clerk of the House

ADOPTION NO. _____

BILL NO: H. 3604

(Reference is to the original version)

Rep. Bannister proposes the following amendment (LC-3604.SA0002H):

Amend the joint resolution, as and if amended, by deleting SECTION 2 and SECTION 3.

Amend the joint resolution further, by adding appropriately numbered SECTIONS to read:

SECTION X. From the contingency reserve fund, there is appropriated \$500,000,000 for infrastructure funding related to qualifying economic development projects authorized and approved by the Joint Bond Review Committee and the State Fiscal Accountability Authority during Fiscal Year 2022-2023 pursuant to Chapter 41, Title 11 of the S.C. Code. Any such funds allocated to projects previously authorized and approved must be reduced by any amount provided by the State in accordance with Proviso 112.2 of Fiscal Year 2022-2023 Appropriations Act to reduce the amount of debt issued. For remaining funds available, the Department of

Commerce shall identify and recommend potential projects for review and comment by the Joint Bond Review Committee before any funds may be awarded or expended. Unexpended funds appropriated pursuant to this joint resolution may be carried forward to succeeding fiscal years and expended for the same purposes.

SECTION X. From funds disbursed to the State in the American Rescue Plan Act of 2021, there is appropriated \$586,633,226 of remaining American Rescue Plan Act funds to the Rural Infrastructure Authority ARPA Water and Sewer Infrastructure Account for the purposes described in Act 244 of 2022. Only existing grant applications, as of January 1, 2023, may be considered in determining disbursements. Of the \$586,633,226 appropriated, \$86,633,226 must be available for projects designated by the Secretary of Commerce as being significant to economic development.

Renumber sections to conform.
Amend title to conform.

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A JOINT RESOLUTION

11 TO AUTHORIZE THE EXPENDITURE OF FUNDS FROM THE CONTINGENCY RESERVE
12 FUND FOR ECONOMIC DEVELOPMENT PROJECTS AND FEDERAL FUNDS DISBURSED TO
13 THE STATE IN THE AMERICAN RESCUE PLAN ACT OF 2021, AND TO SPECIFY THE
14 MANNER IN WHICH THE FUNDS MAY BE EXPENDED.
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16 Be it enacted by the General Assembly of the State of South Carolina:

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18 SECTION 1. The contingency reserve fund is the source of revenue authorized for expenditure in
19 SECTION 2. The State of South Carolina received federal funds from the American Rescue Plan Act
20 of 2021. These federal funds are the source of revenue authorized for expenditure in SECTION 3.

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22 SECTION 2. From the contingency reserve fund, there is appropriated:

23 (1)

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25 SECTION 3. From funds disbursed to the State in the American Rescue Plan Act of 2021, there is
26 appropriated:

27 (1)

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29 SECTION 4. This joint resolution takes effect upon approval by the Governor.

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