

**PROVISO SUBCOMMITTEE
ECONOMIC DEVELOPMENT
RECOMMENDATIONS FOR FY 2019-20
TO THE HOUSE WAYS AND MEANS COMMITTEE**

SECTION 44 - P160 - DEPARTMENT OF AGRICULTURE

44.aicf ADD (Agribusiness Infrastructure Carry Forward) **PROVISO SUBCOMMITTEE RECOMMENDATION:** ADD new proviso to authorize the department to carry forward any revenues, accrued interest and unexpended Agribusiness Infrastructure funds. Requested by Department of Agriculture.

44.aicf. (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.gpgf ADD (Grain Producers Guaranty Fund) **PROVISO SUBCOMMITTEE RECOMMENDATION:** 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.

44.gpgf. (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.
PROVISO SUBCOMMITTEE RECOMMENDATION: 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.

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

49.cp ADD (Compensatory Payment) **PROVISO SUBCOMMITTEE RECOMMENDATION:** 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.

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49.cp. (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.

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.

PROVISO SUBCOMMITTEE RECOMMENDATION: 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.

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 (NESAs) | \$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.

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.

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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.

PROVISO SUBCOMMITTEE RECOMMENDATION: 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.*

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

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

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.

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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.jot **ADD** (Jasper Ocean Terminal Port Facility Infrastructure Fund) **PROVISO SUBCOMMITTEE RECOMMENDATION:** 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.

88.jot. (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. 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 109 - R440 - DEPARTMENT OF REVENUE

109.fme **ADD** (Food Manufacturing Equipment) **PROVISO SUBCOMMITTEE RECOMMENDATION:** ADD new proviso to exempt sales and use taxes for clothing and other garments required by Current Good Manufacturing Practices pursuant to Code of Federal Regulations Title 21, Section 111.10 [FOOD AND DRUGS-WHAT REQUIREMENTS APPLY FOR PREVENTING MICROBIAL CONTAMINATION FROM SICK OR INFECTED PERSONNEL AND FOR HYGIENIC PRACTICES?] at perishable prepared food manufacturing facilities defined by the North American Industry Classification System and Section 110.11 [PERSONNEL] for persons working in direct contact to protect against contamination of food at such facilities.

109.fme. (DOR: Food Manufacturing Equipment) Clothing required by Current Good Manufacturing Practices pursuant to 21 C.F.R. Section 111.10, as it may be amended, at perishable prepared food manufacturing facilities defined by the North American Industry Classification System 311991 to prevent health hazards, including outer garments, gloves of an impermeable material, hairnets, headbands, beard covers, caps, hair covers or other effective hair restraints, and other attire required pursuant to 21 C.F.R. Section 110.10 for persons working in direct contact with food, food contact services, and food packaging materials to protect against contamination of food in perishable prepared food manufacturing facilities shall be exempt from all sales and use taxes.

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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.

PROVISO SUBCOMMITTEE RECOMMENDATION: 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.”

~~**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

117.104 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.

PROVISO SUBCOMMITTEE RECOMMENDATION: AMEND proviso to change “2019” to “2020.”

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

117.139 DELETE (State Flag Study Committee) Creates a state flag study committee charged with proposing an official and uniform design for the state flag which is historically accurate. Provides the composition of the study committee. Direct the committee to provide a report to the General Assembly by February 1, 2019.

PROVISO SUBCOMMITTEE RECOMMENDATION: DELETE proviso.

~~**117.139.** (GP: State Flag Study Committee) There is created the South Carolina State Flag Study Committee charged with proposing an official, uniform design for the state flag based on~~

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~~historically accurate details and legislative adoptions. Membership of the study committee shall be comprised of five members as follows:~~

- ~~(1) the Director of the Department of Archives and History, or his designee, who shall serve as chairman;~~
- ~~(2) the Director of the Department of Administration, or his designee;~~
- ~~(3) one member appointed by the President Pro Tempore of the Senate;~~
- ~~(4) one member appointed by the Speaker of the House of Representatives; and~~
- ~~(5) one member appointed by the Governor.~~

~~The study committee shall provide a report including a proposed design to the General Assembly by February 1, 2019, at which time the study committee shall dissolve. Members of the study committee shall receive mileage, per diem, and subsistence as provided by law.~~

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