

REPORT OF THE GENERAL GOVERNMENT, PERSONNEL & BENEFITS SUBCOMMITTEE

(Cobb-Hunter, Hayes, Bannister, Moss, Willis - Staff Contact: Sarah Hearn)

HOUSE BILL 4985

H. 4985 -- Reps. Hosey, Henegan, Clyburn, Rivers, Tedder, R. Williams, K.O. Johnson, Thigpen, Bamberg, Kirby, Govan, Cobb-Hunter, S. Williams, J.L. Johnson, Alexander and McKnight: A BILL TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING CHAPTER 54 TO TITLE 11 SO AS TO ESTABLISH THE "I-95 CORRIDOR AUTHORITY ACT" AND TO PROVIDE FOR THE COMPOSITION, DUTIES, AND POWERS OF THE AUTHORITY.

Summary of Bill:

This bill would establish the I-95 Corridor Authority with the goal of improving economic, health, and educational outcomes in its member counties. Member counties are counties that meet the Congressional Research Service's definition of persistent poverty, meaning they have had poverty rates of 20 percent or greater for at least 30 years (see Other Notes/Comments). The Authority would be governed by a board of directors comprised of 13 members- four selected by Senators from those counties, four selected by House members from those counties, and five selected by the Governor, one of whom would serve as chair. None of the thirteen members may reside in the same county, but all must have sufficient experience in education, economic development, healthcare, or business management. Term limits for the members are as follows: three years for five members, two years for four members, and one year for four members. The two and one-year term-limited members are to be decided by lot at the first called meeting, excluding the chairman's three year term. The Authority is authorized to receive state funds as appropriated in the state budget, as well as to solicit and accept private and public donations, grants, gifts, and federal funds, with all sources of funds being held and accounted for by the State Treasurer in a separate and distinct account called the I-95 Corridor Authority Fund. Any distribution of funds from the account must be done in the form of loans or grants in accordance with guidelines governing the selection of recipients created by the Authority to fulfill the charge of the section created by this bill. The Authority must be the subject of an annual audit performed by either the State Auditor or an independent certified public accounting firm approved by the State Auditor.

Estimated Revenue Impact:

The expenditure impact of the Authority is undetermined, as funding for the agency is contingent upon appropriations by the General Assembly. This bill will have no impact on the State Treasurer's Office, the Office of Comptroller General, or the Office of State Auditor, as this bill's requirements of these agencies will take place under normal business operations.

Other Notes/Comments:

According to a 2021 updated version of the Congressional Research Service report titled "The 10-20-30 Provision: Defining Persistent Poverty," the 13 counties in South Carolina meeting the definition of persistent poverty are Allendale, Bamberg, Barnwell, Clarendon, Colleton, Darlington, Dillon, Hampton, Lee, Marion, Marlboro, Orangeburg, and Williamsburg.



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

STATEMENT OF ESTIMATED FISCAL IMPACT

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This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysts is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number:	H. 4985	Introduced on February 16, 2022
Author:	Hosey	
Subject:	I-95 Corridor Authority Act	
Requestor:	House Ways and Means	
RFA Analyst(s):	Tipton	
Impact Date:	March 29, 2022	

Fiscal Impact Summary

This bill establishes the I-95 Corridor Authority (Authority) as a state agency for the purpose of carrying out economic development, health, and educational improvement activities to improve the economic conditions in its member counties.

The expenditure impact of the Authority is undetermined, as funding for the agency is contingent upon appropriations by the General Assembly.

This bill will have no impact on the State Treasurer's Office, the Office of Comptroller General, or the Office of State Auditor, as this bill's requirements of these agencies will take place under normal business operations.

Explanation of Fiscal Impact

Introduced on February 16, 2022

State Expenditure

This bill establishes the I-95 Corridor Authority as a state agency for the purpose of carrying out economic development, health, and educational improvement activities to improve the economic conditions in its member counties or adjacent census tract. This bill requires the Authority to annually report to the General Assembly on progress made as well as guidance on statutory changes that would allow the Authority to better fulfill its stated purpose. This bill further allows the Authority to adopt bylaws and procedures for operation in a manner consistent with the establishment of a state agency.

The bill specifies that member counties of the Authority must meet the definition of persistent poverty as defined by the Congressional Research Service (CRS). According to CRS, persistent poverty counties are those that have experienced poverty rates of 20 percent or greater for at least thirty years. Based on a study conducted by CRS in 2021, the counties of Allendale, Bamberg, Barnwell, Clarendon, Colleton, Darlington, Dillon, Hampton, Lee, Marion, Marlboro, Orangeburg, and Williamsburg meet the definition of persistent poverty in South Carolina and will make up the member counties of the Authority.

Under the provisions of the bill, the Authority will be governed by a board of directors composed of the following thirteen members:

- Four members appointed by the Senators whose districts include member counties,
- Four members appointed by the Representatives whose districts include member counties, and
- Five members appointed by the Governor, one of whom is designated as chairperson.

This bill prohibits two board members from residing in the same county and requires that each member have sufficient experience in the fields of education, economic development, healthcare or business management. The bill further establishes term limits and requirements for the board in its governance of the Authority. The bill specifies that members of the board will serve without mileage, per diem, or subsistence. As a result, this section of the bill will have no expenditure impact.

Under the provisions of this bill, the Authority will receive state funds as appropriated by the General Assembly in addition to donations, grants, gifts, and Federal Funds that may be available. The Authority must distribute funds as loans or grants pursuant to its stated purpose of carrying out economic development, health, and educational improvement activities to improve the economic conditions of its member counties. Because funding is contingent upon appropriations by the General Assembly, the fiscal impact of the Authority is undetermined.

State Treasurer's Office. This bill requires the State Treasurer's Office to establish the I-95 Corridor Authority Fund to contain any funds received by the Authority and work with the Comptroller General to facilitate disbursements. The Treasurer indicates that this will take place under normal business operation and have no expenditure impact.

Office of Comptroller General. Disbursements from the I-95 Corridor Authority Fund may only be made upon the signature of the chairman of the Authority's board of directors, upon written warrants of the Comptroller General. The Office of Comptroller General reports that this requirement will take place under normal business operation and have no expenditure impact.

Office of State Auditor. This bill requires the State Auditor or an independent certified public accounting firm approved by the State Auditor to perform an annual audit of the Authority. The Office of State Auditor indicates that this requirement will take place under normal business operation and have no expenditure impact.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director

South Carolina General Assembly
124th Session, 2021-2022

H. 4985

STATUS INFORMATION

General Bill

Sponsors: Reps. Hosey, Henegan, Clyburn, Rivers, Tedder, R. Williams, K.O. Johnson, Thigpen, Bamberg, Kirby, Govan, Cobb-Hunter, S. Williams, J.L. Johnson, Alexander and McKnight

Document Path: I:\council\bill\jn\3479sa22.docx

Companion/Similar bill(s): 1174

Introduced in the House on February 16, 2022

Currently residing in the House Committee on **Ways and Means**

Summary: I-95 Corridor Authority Act

HISTORY OF LEGISLATIVE ACTIONS

Date	Body	Action Description with journal page number
2/16/2022	House	Introduced and read first time (House Journal-page 39)
2/16/2022	House	Referred to Committee on Ways and Means (House Journal-page 39)

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VERSIONS OF THIS BILL

2/16/2022

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A BILL

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING CHAPTER 54 TO TITLE 11 SO AS TO ESTABLISH THE "I-95 CORRIDOR AUTHORITY ACT" AND TO PROVIDE FOR THE COMPOSITION, DUTIES, AND POWERS OF THE AUTHORITY.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Title 11 of the 1976 Code is amended by adding:

"CHAPTER 54

I-95 Corridor Authority Act

Section 11-54-5. This chapter may be cited as the 'I-95 Corridor Authority Act'.

Section 11-54-10. There is established the I-95 Corridor Authority. The authority must:

- (1) carry out economic development, health, and educational improvement activities which, in the opinion of the authority, will improve the economic conditions in its member counties and are located in a member county or an adjacent census tract.
- (2) report to the General Assembly, at least annually, on the progress made related to its charge, any modification of the laws of this State needed to allow the authority to better fulfill its charge, programs, and operations.

Section 11-54-15. The authority is a public body, politic and corporate, and an agency of the State and may:

1 (1) adopt bylaws, procedures, and regulations for the directors,
2 officers, and employees and for implementation and operation of the
3 programs authorized by this act;

4 (2) sue and be sued in its own name;

5 (3) enter into contracts, agreements, and instruments and make
6 offers to contract with persons, partnerships, firms, corporations,
7 agencies, or entities, whether public or private, considered desirable
8 in the furtherance of its purpose;

9 (4) acquire by purchase, donation, exchange, or otherwise, hold,
10 improve, mortgage, pledge, or otherwise, encumber, manage, lease,
11 convey, transfer, or dispose of any real or personal property,
12 whether tangible or intangible, together with rights and privileges as
13 may be incidental and appurtenant thereto. To the extent that
14 administrative funds are involved, the authority must comply with
15 the provisions of the South Carolina Consolidated Procurement
16 Code. To the extent that the liability of the authority is limited to
17 program funds, any acquisition or disposition may be pursuant to
18 public or private sale upon terms and conditions as the authority may
19 approve in accordance with prudent business practices;

20 (5) appoint officers, agents, employees, and consultants,
21 prescribe their duties, and fix their compensation; and

22 (6) participate in and cooperate with any agency or
23 instrumentality of the United States and with any agency or political
24 subdivision of this State in the administration of any of the programs
25 authorized by this act.

26
27 Section 11-54-20. The member counties of the authority consist
28 of all counties that meet the definition of persistent poverty as
29 determined by the Congressional Research Service.

30
31 Section 11-54-25. (A) The authority is governed by a board of
32 directors that is composed of thirteen members. The members must
33 be appointed as follows:

34 (1) four members appointed by the senators whose districts
35 include the member counties;

36 (2) four members appointed by the representatives whose
37 districts include the member counties; and

38 (3) five members appointed by the Governor, one of whom is
39 designated as chairperson.

40 No two members designated in items (1) through (3) may reside
41 in the same county. All members designated in items (1) through (3)
42 must have sufficient experience in the fields of education, economic
43 development, healthcare, or business management to deem them

1 qualified as determined by the appointing senators, representatives,
2 or chairman.

3 (B) Except as provided in subsection (C), members must serve a
4 three-year term and must be limited to two terms. Any vacancy on
5 the authority must be filled in the same manner as the original
6 appointment. Members of the authority shall serve without mileage,
7 per diem, and subsistence.

8 (C) Initial appointments to the authority pursuant to subsection
9 (A)(3) must be made within sixty days of the enactment of this
10 section. Appointments pursuant to subsections (A)(1) and (2) must
11 be made from sixty to one hundred twenty days of the enactment of
12 this section.

13 Four appointees shall serve for a one-year term and four
14 appointees shall serve for a two-year term, all determined by lot at
15 the first called meeting except for the chairman who shall serve a
16 three-year term.

17 (D) The initial meeting of the authority shall be convened by the
18 chairman as soon as practical after the initial appointments are
19 made. Business of the authority only may be conducted when a
20 quorum is present. A quorum consists of a majority of the members
21 appointed pursuant to subsection (A)(1)-(3).

22
23 Section 11-54-30. (A) The authority shall receive state funds as
24 appropriated by the General Assembly.

25 (B) In addition to funding sources listed in subsection (A), the
26 authority is authorized to solicit and accept private and public
27 donations, grants, gifts, and federal funds. All funds received by the
28 authority, regardless of their source, are to be held and accounted
29 for by the State Treasurer in a separate investment account to be
30 known as the 'I-95 Corridor Authority Fund'. This fund is separate
31 and distinct from all other funds. Earnings and interest on this fund
32 must be credited to it and any balance in this fund at the end of a
33 fiscal year carries forward in the fund in the succeeding fiscal year.
34 Disbursements from the authority fund only must be made upon the
35 signature of the chairmen of the board of directors, or a designee of
36 the board, upon written warrants of the Comptroller General drawn
37 on the State Treasurer to the payee designated in the requisition.

38 (C) The authority must distribute funds as loans or grants, in a
39 manner which fulfills the charge in Section 11-54-10. The authority
40 must create guidelines to govern the selection of recipients of grants
41 or loans and the distribution of these funds.

1 (D) The authority must be audited annually by the State Auditor
2 or by an independent certified public accounting firm approved by
3 the State Auditor.”

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5 SECTION 2. This act takes effect upon approval by the Governor.

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