

REPORT OF THE ECONOMIC DEVELOPMENT, CAPITAL IMPROVEMENT & OTHER TAXES SUBCOMMITTEE

(Ballentine, Simrill, Clyburn & Crawford - Staff Contact: Alyssa Weeks)

SENATE BILL 621

S. 621 -- Senators Setzler, Campbell and Williams: A BILL TO AMEND SECTION 41-43-100, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE ISSUANCE OF BONDS FOR INDUSTRIAL DEVELOPMENT PROJECTS, SO AS TO PROVIDE FOR CERTAIN NOTICE REQUIREMENTS BEFORE THE BONDS MAY BE ISSUED.

Received by Ways and Means: 4/2/2019

Summary of Bill:

This bill amends Section 41-43-100 regarding the issuance and refunding of bonds by JEDA to conform to recent finalized regulations promulgated by the U.S. Department of the Treasury that modify the requirements for public notice, public hearings, and approval of private activity bonds. These regulations are required as part of the Tax Equity and Fiscal Responsibility Act of 1982. These regulations generally require that the public have a minimum of seven days' notice of any hearing on the issuance of bonds. In addition, notice may now be posted on the approving governmental entity's website and other notice methods allowed under State law.

The subcommittee amendment reinserts language that requires JEDA to publish a copy of the public hearing notice in a newspaper of general circulation in the county where the project is located prior to the public hearing.

Estimated Revenue Impact:

This bill will not have any expenditure impact on the General Fund, Other Funds, or Federal Funds of the Jobs-Economic Development Authority (JEDA) as any expenses associated with providing public notice of hearings on bond issuances on their website and holding public hearings can be managed within current appropriations or allocations. This bill will provide some savings to the counties and municipalities from transferring the public notice and public meeting requirements to JEDA. The amount of savings is

"THE BELOW CONSTITUTED SUMMARY IS PREPARED BY THE STAFF OF THE SOUTH CAROLINA HOUSE OF REPRESENTATIVES AND IS NOT THE EXPRESSION OF THE LEGISLATION'S SPONSOR(S) OR THE HOUSE OF REPRESENTATIVES. IT IS STRICTLY FOR THE INTERNAL USE AND BENEFIT OF MEMBERS OF THE HOUSE OF REPRESENTATIVES AND IS NOT TO BE CONSTRUED BY A COURT OF LAW AS AN EXPRESSION OF LEGISLATIVE INTENT".

undetermined as we are unable to estimate the number bond issuances in future years.

Subcommittee Recommendation: Favorable

Full Committee Recommendation:

Other Notes/Comments: [CLICK HERE to Enter Notes/Comments](#)

2nd Reading:

Amendments:

2nd Reading Vote:

Referred to Senate Finance: [CLICK HERE to Enter Date](#)

Finance Subcomm. Hearing Date: [CLICK HERE to Enter Date](#)

Subcommittee Recommendations:

Full Committee Recommendations:

Other Notes/Comments: [CLICK HERE to Enter Notes/Comments](#)



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
(803)734-0640 • RFA.SC.GOV/IMPACTS

Bill Number:	S. 0621	Amended by the Senate on March 27, 2019
Author:	Setzler	
Subject:	Industrial Development Bonds Public Notice	
Requestor:	House Ways and Means	
RFA Analyst(s):	Shuford	
Impact Date:	April 25, 2019	

Fiscal Impact Summary

This bill will not have any expenditure impact on the General Fund, Other Funds, or Federal Funds of the Jobs-Economic Development Authority (JEDA) as any expenses associated with providing public notice of hearings on bond issuances and holding public hearings can be managed within current appropriations or allocations.

This bill will provide some savings to the counties and municipalities from transferring the public notice and public meeting requirements to JEDA. The amount of savings is undetermined as we are unable to estimate the number bond issuances in future years.

Explanation of Fiscal Impact

Amended by the Senate on March 27, 2019

State Expenditure

This bill amends Section 41-43-100 regarding the issuance and refunding of bonds by JEDA to conform to recent finalized regulations promulgated by the U.S. Department of the Treasury that modify the requirements for public notice, public hearings, and approval of private activity bonds. These regulations are required as part of the Tax Equity and Fiscal Responsibility Act of 1982. These regulations generally require that the public have a minimum of seven days' notice of any hearing on the issuance of bonds. In addition, notice may now be posted on the approving governmental entity's website and other notice methods allowed under State law. Additionally, this bill requires JEDA to publish notice of a public hearing in a newspaper of general circulation in the county in which the project is located.

Jobs-Economic Development Authority. JEDA indicates that, under the new regulations, they will provide public notice of hearings on bond issuances on their website and in a newspaper of general circulation in the county in which the project is located. JEDA will also hold the public hearings as allowed by federal law. The agency indicates that any expenses associated with these activities can be managed within current appropriations or allocations. Therefore, this bill will not have any expenditure impact on the General Fund, Other Funds, or Federal Funds of the agency.

State Revenue

N/A

Local Expenditure

This bill allows JEDA to perform the activities required by federal law for public notice and hearings on the issuance of private activity bonds. This will provide some savings to the counties and municipalities from transferring the public notice and public meeting requirements to JEDA. The amount of savings is undetermined as we are unable to estimate the number bond issuances in future years.

Local Revenue

N/A

Introduced on March 6, 2019**State Expenditure**

This bill amends Section 41-43-100 regarding the issuance and refunding of bonds by JEDA to conform to recent finalized regulations promulgated by the U.S. Department of the Treasury that modify the requirements for public notice, public hearings, and approval of private activity bonds. These regulations are required as part of the Tax Equity and Fiscal Responsibility Act of 1982. These regulations generally require that the public have a minimum of seven days' notice of any hearing on the issuance of bonds. In addition, notice may now be posted on the approving governmental entity's website and other notice methods allowed under State law.

Jobs-Economic Development Authority. JEDA indicates that, under the new regulations, they will provide public notice of hearings on bond issuances on their website. JEDA will also hold the public hearings as allowed by federal law. The agency indicates that any expenses associated with these activities can be managed within current appropriations or allocations. Therefore, this bill will not have any expenditure impact on the General Fund, Other Funds, or Federal Funds of the agency.

State Revenue

N/A

Local Expenditure

This bill allows JEDA to perform the activities required by federal law for public notice and hearings on the issuance of private activity bonds. This will provide some savings to the counties and municipalities from transferring the public notice and public meeting requirements to JEDA. The amount of savings is undetermined as we are unable to estimate the number bond issuances in future years.

Local Revenue

N/A



Frank A. Rainwater, Executive Director

1 ~~Indicates Matter Stricken~~

2 Indicates New Matter

3

4 COMMITTEE AMENDMENT ADOPTED

5 March 27, 2019

6

S. 621

7

8

9 Introduced by Senators Setzler, Campbell and Williams

10

11 S. Printed 3/27/19--S.

12 Read the first time March 6, 2019.

13

14

1
2
3
4
5
6
7
8
9
10

A BILL

11 TO AMEND SECTION 41-43-100, CODE OF LAWS OF SOUTH
12 CAROLINA, 1976, RELATING TO THE ISSUANCE OF BONDS
13 FOR INDUSTRIAL DEVELOPMENT PROJECTS, SO AS TO
14 PROVIDE FOR CERTAIN NOTICE REQUIREMENTS BEFORE
15 THE BONDS MAY BE ISSUED.

16 Amend Title To Conform

17
18 Be it enacted by the General Assembly of the State of South
19 Carolina:

20
21 SECTION 1. Section 41-43-100 of the 1976 Code is amended to
22 read:

23
24 “Section 41-43-100. In addition to other powers vested in the
25 authority by existing laws, the authority has all powers granted the
26 counties and municipalities of this State pursuant to the provisions
27 of Chapter 29, Title 4, including the issuance of bonds by the
28 authority and the refunding of bonds issued under that chapter. The
29 authority may issue bonds ~~upon receipt of a certified resolution by~~
30 ~~the county or municipality in which the project, as defined in~~
31 ~~Chapter 29, Title 4, is or will be located, containing the findings~~
32 ~~pursuant to Section 4-29-60 and evidence of a public hearing held~~
33 ~~not less than fifteen days after publication of notice in a newspaper~~
34 ~~of general circulation in the county pursuant to this section after a~~
35 ~~public hearing is held as required by federal law to enable interest~~
36 ~~on such bonds to be excluded from gross income for federal tax~~
37 ~~purposes. Notice of any required public hearing must be provided~~
38 ~~to the public and to the clerk of the county council or clerk of the~~
39 ~~municipal council in the county or municipality in which the project~~
40 ~~is or will be located at the times and in the manner permitted or~~
41 ~~required by federal tax law. Additionally, a copy of the public~~
42 ~~hearing notice must be published by the authority in a newspaper of~~

1 general circulation in the county in which the project is located
2 before the date of the public hearing, if such public hearing is
3 required by federal law; provided however, the notice posted by the
4 authority as required by federal law shall control for the purpose of
5 compliance with any federal law and not the notice published in the
6 newspaper where the project is located. The authority may combine
7 for the purposes of a single offering bonds to finance more than one
8 project. The interest rate of bonds issued pursuant to this section is
9 not subject to approval by the South Carolina Coordinating Council
10 for Economic Development.”

11

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

13

----XX----

14