

**ECONOMIC DEVELOPMENT SUBCOMMITTEE
RECOMMENDATIONS FOR FY 2026-27
TO THE PROVISO SUBCOMMITTEE**

SECTION 43 - P120 - FORESTRY COMMISSION

43.7 **AMEND** (FC: Response to Declared Emergencies) Directs that if a declared emergency requires a response by the South Carolina Forestry Commission pursuant to Section 25-1-440, the State Treasurer and Comptroller General can use funds from the Disaster Trust Fund to cover costs, if available. Directs that if the Disaster Trust Fund is insufficient, the General Fund may be used, with a cap of \$3,000,000 transferred to the commission. Directs that notification be made to the Governor, Senate Finance Committee Chairman, and House Ways & Means Committee Chairman after any transfer and any reimbursed funds will be returned to the original fund, up to the amount initially provided.

SUBCOMMITTEE RECOMMENDATION: AMEND proviso to update the cap amount.

43.7. (FC: Response to Declared Emergencies) In the event of a declared emergency pursuant to Section 25-1-440 requiring the response of the South Carolina Forestry Commission, the State Treasurer and the Comptroller General are hereby authorized and directed to pay from the Disaster Trust Fund of the State such funds as necessary to cover the costs incurred, if available. In the event the Disaster Trust Fund is exhausted or does not have a balance sufficient to cover the incurred costs, the General Fund of the State may be utilized. The total amount transferred to the South Carolina Forestry Commission shall not exceed ~~\$3,000,000~~\$5,000,000. Upon any transfer of funds, the State Treasurer and the Comptroller General shall notify the Governor, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee. Any funds reimbursed to the State shall be deposited in the respective fund from which it was transferred, up to the amount of funds advanced to the South Carolina Forestry Commission for these activities.

SECTION 44 - P160 - DEPARTMENT OF AGRICULTURE

44.cfc **ADD** (AGRI: Carryforward Certified SC School Cafeteria Funds) **SUBCOMMITTEE RECOMMENDATION:** ADD proviso to allow the department to carry forward unspent Certified SC School Cafeteria funds from prior fiscal years into the current year for the same purpose. Directs that these carried-forward funds are excluded from the base used to calculate the agency's 10% general fund carry-forward limit.

44.cfc. (AGRI: Carry Forward Certified SC School Cafeteria Funds) The Department of Agriculture is authorized to carry forward any unexpended funds from the \$1,000,000 in recurring Certified SC School Cafeteria funding from previous fiscal years into the current fiscal year to be expended for the same purpose. Any Certified SC School Cafeteria funds carried forward are not considered part of, and should not be deducted from, the base for purposes of calculating the agency's general fund appropriations ten percent carry forward amount, as provided for in this act.

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

49.19 (PRT: Local Film Carry Forward) Directs the SC Film Commission to carry forward and expend funds to allow \$2 million for film project rebate opportunities to be available to local producers whose budgets are \$250,000 to \$999,999. Provides the requirements for qualification of the rebate program.

SUBCOMMITTEE RECOMMENDATION: AMEND proviso to update the fiscal year reference.

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49.19. (PRT: Local Film Carry Forward) (A) Any unexpended funds authorized or appropriated to the Department of Parks, Recreation and Tourism for the South Carolina Film Commission may be carried forward. For Fiscal Year ~~2025-26~~2026-27, up to two million dollars of these carried forward funds shall be used to create a pilot program whereby:

(B) An entity may apply to receive a state rebate with a project budget of a minimum of \$250,000 and maximum of \$999,999. Organizations certifying the satisfaction of the following requirements may receive a state rebate for 25% of all production costs, including wages and supplies, after a cumulative audit from the South Carolina Department of Revenue and the South Carolina Film Commission. The requirements are as follows:

(1) producer must be registered with both the South Carolina Secretary of State and the South Carolina Department of Revenue;

(2) producer must be a primary resident of South Carolina with a minimum of two years of residency in this State;

(3) all production activity must be physically in South Carolina;

(4) all producers' personal and corporate income taxes must be current;

(5)(i) applicant must disclose the fiduciarily responsible parties with existing production;

(ii) the production funds must be in a separate account and be used exclusively for the production;

(6) production must have full funding prior to producing; and

(7) production must include a five-second long static or animated official FilmSC logo in the end credits before the below-the-line crew crawl for the life of the project and a link to filmsc.com on the production's web page.

(C) Upon application approval, production-based activity must begin within 60 calendar days. Once an application is approved by the South Carolina Film Commission, the project must be completed and funds expended within three years of the approval date. The final rebate will be distributed to the production company on record.

49.rp ADD (PRT: Regional Promotions Carry Forward) **SUBCOMMITTEE RECOMMENDATION:** ADD proviso to allow the department to carry forward funds allocated to Regional Promotions to be used for the same purpose.

49.rp. (PRT: Regional Promotions Carry Forward) The department may carry forward any prior year unexpended general operating funds allocated to Regional Promotions. The funds carried forward must be used for the same purpose.

49.ppcf ADD (PRT: Post Production Carry Forward) **SUBCOMMITTEE RECOMMENDATION:** ADD proviso to direct that unexpended funds for the South Carolina Film Commission may be carried forward, with up to \$2 million used in FY 2026-27 to establish a pilot program. Eligible projects with budgets between \$250,000 and \$9,999,999 may receive a state rebate of 20% for post-production conducted outside South Carolina or 25% for post-production conducted in South Carolina, provided all post-production occurs in-state through registered, tax-compliant vendors and projects meet application, audit, and completion requirements.

49.ppcf. (PRT: Post-Production Carry Forward) (A) Any unexpended funds authorized or appropriated to the Department of Parks, Recreation and Tourism for the South Carolina Film Commission may be carried forward. For Fiscal Year 2026-27, up to two million dollars of these carried forward funds shall be used to create a pilot program.

(B) An entity may apply to receive a state rebate with a project budget of a minimum of \$250,000 and maximum of \$9,999,999. Organizations certifying the satisfaction of the following requirements may receive a state rebate for 20% of all post production costs for projects filmed

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outside of South Carolina and 25% for all post-production costs filmed in South Carolina, after a cumulative audit from the South Carolina Department of Revenue and the South Carolina Film Commission. The requirements are as follows:

(1) all post-production activity must be physically in South Carolina, and the vendor must:

(i) have a physical address with a storefront and business sign; and

(ii) be registered with the South Carolina Secretary of State.

(2) post-production vendor must be registered to pay South Carolina income tax, withholding tax, property tax, and sales tax, if applicable;

(3) post-production activity includes wages and supplies for editing, sound design, scoring, and VFX;

(4) all post-production vendors' corporate income taxes must be current;

(5) applicant must disclose the fiduciarily responsible parties with existing production;

(6) the post-production funds must be in a separate account and be used exclusively for the post-production; and

(7) upon application approval, post-production-based activity must begin within 60 calendar days. Once an application is approved by the South Carolina Film Commission, the project must be completed and funds expended within three years of the approval date. The final rebate will be distributed to the post-production company on record.

SECTION 50 - P320 - DEPARTMENT OF COMMERCE

50.22 DELETE (CMRC: Emergency Services Pilot) Creates a pilot program in the department for funding projects that increase a local government's emergency services capacity and capability. Provides for the requirements of funding eligibility and requires the department to provide an update by January 15 to the Chairmen of the Senate Finance Committee and Ways and Means Committee until all funds are expended. Allows unexpended funds to be carried forward and expended for the same purposes.

SUBCOMMITTEE RECOMMENDATION: DELETE proviso.

~~50.22. (CMRC: Emergency Services Pilot) There is established a pilot program within the Department of Commerce named the Public/Private Partnerships—Emergency Services Fund for the purpose of funding projects that increase a local government's emergency services capacity and capability. Every project must involve investment and participation by both private companies and local governments in order to be eligible for funding. The Department of Commerce will provide an annual update by January 15 of each year to the Chairmen of the Senate Finance Committee and House Ways and Means Committee until all funds are expended. Any unexpended funds at the end of the fiscal year shall be carried forward and expended in the current fiscal year for the same purposes.~~

50.25 DELETE (CMRC: Sustainable Aviation Fuel Production) Appropriates up to \$250,000 to partner with a public research institution to conduct a study on the viability of sustainable aviation fuel production. Provides for the composition and requirements of the study.

SUBCOMMITTEE RECOMMENDATION: DELETE proviso.

~~50.25. (CMRC: Sustainable Aviation Fuel Production) In Fiscal Year 2024-2025, from the funds appropriated to the Department of Commerce, up to \$250,000 shall be expended to partner with a public research institution located in this State to conduct a study to determine the viability of sustainable aviation fuel production (SAF) in South Carolina. The study must include, but is not limited to:~~

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- ~~(1) identification of the leading pathways for supplying SAF at scale and what infrastructure does South Carolina need to put in place to ensure a supply of SAF to both commercial and military facilities;~~
- ~~(2) identification of the sources of raw materials for biofuel within South Carolina;~~
- ~~(3) the economic potential for South Carolina to capture some of the production market for SAF, including the potential to create new jobs;~~
- ~~(4) the range for production costs;~~
- ~~(5) identification of the current processes currently available to produce biofuel;~~
- ~~(6) identification of any state led or federal initiatives and how they may apply to the implementation of a similar, scalable program in South Carolina;~~
- ~~(7) identification of the lifecycle cost of inputs (feedstock, fossil fuel, energy costs of production) for the production of biofuel;~~
- ~~(8) identification of price points for both the producer and end user defined by current and future markets;~~
- ~~(9) identification of the current production capacity and any useable facilities that may be re-purposed or scaled to meet potential demand for biofuel;~~
- ~~(10) identification of air transport industry initiatives for use and demand for biofuel;~~
- ~~(11) identification of what risk reduction measures or financial support mechanisms that are available from the federal government;~~
- ~~(12) identification of any barriers to entry, such as policy or regulatory constraints;~~
- ~~(13) identification of the capability of the fuel handling companies for storage of biofuel and the capacity in the existing transport systems; and~~
- ~~(14) identification of downside risks.~~

50.nbif **ADD** (CMRC: Commerce NBIF Loan) **SUBCOMMITTEE RECOMMENDATION:** ADD proviso to direct that up to 25% of excess debt services funds shall be used to pay down the intra-agency loan to Palmetto Railways and shall be transferred to the Department of Commerce.

50.nbif. (CMRC: Commerce NBIF Loan) Of the excess debt service funds available in the current fiscal year, up to twenty-five percent (25%) of said amount shall be used to pay down the intra-agency loan made to Palmetto Railways related to the Navy Base Intermodal Facility and shall be transferred to the Department of Commerce.

50.nac **ADD** (CMRC: Nuclear Advisory Council) **SUBCOMMITTEE RECOMMENDATION:** ADD proviso to direct the Office of Regulatory Staff to reimburse the Department of Commerce for Nuclear Advisory Council expenses from the SC Energy's Office radioactive waste funds.

50.nac. (CMRC: Nuclear Advisory Council) The Office of Regulatory Staff shall reimburse the South Carolina Department of Commerce for expenses associated with the Governor's Nuclear Advisory Council from the South Carolina Energy Office's radioactive waste funds.

50.rd **ADD** (CMRC: Rural Development)) **SUBCOMMITTEE RECOMMENDATION:** ADD proviso to direct the department to use funds for rural development for Tier III and IV counties and opportunity zones in Tier I and II counties. Directs that maximum awards are \$1,500,000 and require a 10% match.

50.rd. (CMRC: Rural Development) In the current fiscal year, the Department of Commerce shall utilize funds appropriated for Rural Development for projects in Tier III and Tier IV counties, as well as census tracts that qualify as Opportunity Zones in Tier I and Tier II counties. Maximum awards for these Community and Rural Development projects are

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\$1,500,000 and will require a minimum 10% match. The Department of Commerce will provide an annual report to the Chairmen of the Senate Finance Committee and House Ways and Means Committee until all funds are expended.

SECTION 88 - Y140 - STATE PORTS AUTHORITY

88.1 **AMEND** (SPA: Charleston Cooper River Bridge Project) Directs the State Ports Authority to pay the State Transportation Infrastructure Bank \$1,000,000 before June 30, 2026 to continue the Charleston Cooper River Bridge Project.
SUBCOMMITTEE RECOMMENDATION: AMEND proviso to update calendar year references.

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, ~~2025~~2026, pay to the State Transportation Infrastructure Bank one million dollars before June 30, ~~2026~~2027, to continue the Charleston Cooper River Bridge Project.

SECTION 92D - D300 - OFFICE OF RESILIENCE

92D.1 **AMEND** (SCOR: Catastrophic Weather Event) Directs that improvements to real or personal property used as a residence, such as a mobile home or manufactured housing unit, resulting from damage caused by the catastrophic weather event in October 2015, Hurricane Matthew of 2016, Hurricane Florence of 2018, or Hurricane Helene of 2024 made after the event and before June 30, 2026, is not considered an improvement and may not be reassessed at a higher rate as a result of the improvement. Directs that for the current fiscal year, an eligible property's tax value shall remain the same unless an assessable transfer of interest occurs.
SUBCOMMITTEE RECOMMENDATION: AMEND proviso to update calendar year reference and to include any other program funded by the Disaster Relief and Resilience Reserve Fund for property improvements. Directs that when a weather event leads to a new home replacing a damaged mobile or manufactured home, the property may be reassessed, but any increase may not exceed the prior personal property tax value of the demolished unit. Directs that the reassessed value remains unchanged for the current fiscal year unless an assessable transfer of interest occurs.

92D.1. (SCOR: Catastrophic Weather Event) (A) Any improvements made to real property or personal property used as a residence, such as a mobile home or manufactured housing unit, damaged during the catastrophic weather event in October 2015, Hurricane Matthew of 2016, Hurricane Florence of 2018, or Hurricane Helene of 2024, after the event and before June 30, ~~2026~~2027, is not considered an improvement and may not be reassessed at a higher rate as a result of the assistance provided. This provision only applies if, as a result of the catastrophic weather event, the improvements made to the property were funded by the United States Department of Housing and Urban Development Block Grant - Disaster Recovery Program implemented by the Office of Resilience, or its predecessor, the Disaster Recovery Office, ~~or~~ the Office of Resilience's Rapid Rebuild Program, or any other program funded by the Disaster Relief and Resilience Reserve Fund. This provision also applies if, at the discretion of the county and using qualifications determined by the county, the improvements were made with the assistance of a volunteer organization active in disaster, or a similar volunteer organization.

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(B) During the current fiscal year, the property tax value of an eligible property shall remain the same unless an assessable transfer of interest occurs. No refund is allowed on account of values adjusted as provided in this provision.

(C) The property tax value may be reassessed at a higher rate in the event of a real property improvement, resulting from a weather event listed above, wherein a new house is built to replace a damaged mobile home or manufactured housing unit previously taxed as personal property; however, any increase to the real property tax value, as a result of the reassessment, may not exceed the value of the most recent personal property tax assessment for the demolished mobile home or manufactured housing unit. The reassessed value shall remain the same for the current fiscal year unless an assessable transfer of interest occurs.

92D.icr **ADD** (SCOR: Indirect Cost Rate) **SUBCOMMITTEE RECOMMENDATION:** ADD proviso to allow the Office of Resilience to keep indirect costs from its federal grants to cover its grant administration and operations. If included in the Statewide Central Services Cost Allocation Plan (SWCAP), the agency must deposit its SWCAP-related indirect cost recoveries into the general fund, but may retain any excess to support other administrative grant costs.

92D.icr. (SCOR: Indirect Cost Rate) The Office of Resilience's indirect costs used in the indirect cost calculation for its federal grants may be retained by the agency to support the agency's costs of administering and deploying the agency's federal grants. When SCOR is included in the Statewide Central Services Cost Allocation Plan (SWCAP), the agency will deposit in the general fund all indirect cost recoveries for the agency's portion of the SWCAP. The agency may then retain indirect cost amounts in excess of the SWCAP amount to support the remaining administrative grant operational costs of the agency.

SECTION 109 - R440 - DEPARTMENT OF REVENUE

109.17 **AMEND** (DOR: Emergency Commodity Assistance Program) Allows federally-earned emergency commodity assistance program funds to be exempt from state income taxes.
SUBCOMMITTEE RECOMMENDATION: AMEND proviso to update fiscal year reference.

109.17. (DOR: Emergency Commodity Assistance Program) For Fiscal Year ~~2025-26~~2026-27, federally-earned emergency commodity assistance program funds from the United States Department of Agriculture are exempt from state income taxes.

SECTION 117 - X900 - GENERAL PROVISIONS

117.99. **DELETE** (GP: South Carolina Welcome Centers) Directs PRT and DOT maintain a MOU that provides that PRT control operations of all SC Welcome Centers and specifies control of certain responsibilities. Directs DOT to transfer the amount stated in the MOU, and any state funds appropriated by the General Assembly for Welcome Centers, to PRT. States these funds must be increased by the same as any statewide state employee salary increase or bonus. Directs that these funds be placed in a separate and distinct fund and authorizes these funds to be carried forward and used for the same purposes.
SUBCOMMITTEE RECOMMENDATION: DELETE proviso.

117.99. (GP: South Carolina Welcome Centers) ~~The Department of Parks, Recreation and Tourism and the Department of Transportation shall maintain a Memorandum of Understanding (MOU) that provides that the Department of Parks, Recreation and Tourism shall control~~

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~~operations of all South Carolina Welcome Centers. The MOU shall include replacement, renovation, and maintenance of the facilities, daily operations, and grounds maintenance and upkeep and shall clearly define responsibility for additional portions of Welcome Centers to include paving and sidewalks. The Department of Transportation shall transfer to the Department of Parks, Recreation and Tourism \$5,140,727, and any additional state funds appropriated by the General Assembly for the same purpose shall be considered supplemental to this amount. These funds must be increased by an amount commensurate with any statewide state employee salary increases or statewide state employee bonuses, including employee fringes, provided by this General Appropriations Act. The Department of Parks, Recreation and Tourism assumes responsibility for this amount and the timing of the transfer of these funds shall be defined as part of the MOU. The funds transferred to the Department of Parks, Recreation and Tourism shall be placed in a separate and distinct fund, and these funds shall be carried forward from the prior fiscal year into the current fiscal year and be expended for the same purposes.~~

- 117.185 AMEND** (GP: Evaluation of Agribusiness & Agricultural Marketing Services) Directs the Department of Agriculture, Clemson University PSA, and South Carolina State PSA to evaluate their roles in using state funds for agribusiness and agricultural marketing initiatives. The review will cover fund usage for development, education, research, and technical support, analyze service areas and populations, and identify any overlaps. Directs that a report of the findings shall be provided to the Chairmen of the Senate Finance and House Ways and Means Committees by June 30, 2026.

SUBCOMMITTEE RECOMMENDATION: AMEND proviso to update calendar year reference.

117.185. (GP: Evaluation of Agribusiness & Agricultural Marketing Services) The Department of Agriculture, Clemson University Public Service Activities, and South Carolina State Public Service Activities shall jointly undertake an evaluation of their respective roles in the administration and expenditure of state funds related to agribusiness and agricultural marketing programs and initiatives. This evaluation shall include, but not be limited to, each agency's utilization of state-appropriated funds to support agribusiness development, agricultural marketing, agricultural education, research, technical assistance, and related services; an analysis of the geographic areas and populations served by each agency's programs; and the identification of any overlapping or duplicative efforts among the entities. The results of this evaluation shall be provided as a written report to the Chairman of the Senate Finance Committee and the Chairman of the House Ways & Means Committee by June 30, ~~2026~~2027.

- 117.187 AMEND** (GP: Coordination of Disaster Mitigation Efforts) Directs the Office of Resilience and the Department of Natural Resources to evaluate the disaster types each agency addresses and identify any overlapping efforts. Directs both agencies to create a coordinated strategy for spending disaster planning and mitigation funds and delivering services. Directs that a joint report of these findings shall be submitted to the Chairmen of the Senate Finance and House Ways and Means Committees by June 30, 2026.

SUBCOMMITTEE RECOMMENDATION: AMEND proviso to update fiscal year and calendar year references.

117.187. (GP: Coordination of Disaster Mitigation Efforts) For Fiscal Year ~~2025-26~~2026-27, the Office of Resilience and the Department of Natural Resources shall collaborate to evaluate and report on the spectrum of disaster types each agency plans and mitigates for statewide, as well as any overlap in these disaster type-specific efforts. Based on this evaluation, the agencies shall develop a coordinated approach to the expenditure of disaster planning and mitigation funds

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and service delivery, eliminating redundancies in addressing the same types of disasters. A joint report detailing the evaluation's findings, including identified disaster types and overlaps, and any resulting recommendations, shall be submitted to the Chairman of the Senate Finance Committee and the Chairman of the House Ways & Means Committee by June 30, ~~2026~~2027.