

SENATE FINANCE COMMITTEE  
CONSTITUTIONAL SUBCOMMITTEE  
PROVISO CHANGES FOR CONSIDERATION FOR FY 2026-27

**SECTION 59 - E200- OFFICE OF ATTORNEY GENERAL**

**59.fgp. CONFORM TO FUNDING / ADD** (AG: Firearm Detection Technology Grant Program) **SFC SUBCOMMITTEE RECOMMENDATION:** CONFORM TO FUNDING / ADD proviso to establish a grant program within the Office of the Attorney General to fund state and local entities' acquisition and installation of firearm detection software on public property. Sets minimum technical and security requirements for eligible software and vendors, requires integration with existing camera systems and real-time monitoring. Directs the Attorney General to develop program guidelines and report grant awards and outcomes to the Chairmen of Senate Finance and House Ways and Means by June 30, 2027.

59.fgp. (AG: Firearm Detection Technology Grant Program) (A) For the current fiscal year, there is established in the Office of Attorney General a grant program to provide financial assistance to state agencies, counties, municipalities, and school districts for the acquisition and installation of firearm detection software for use on public property. The Attorney General shall develop guidelines, application procedures, and award criteria necessary to administer the program.

(B) Any software procured with funds awarded pursuant to this proviso shall:

(1) detect and alert building personnel and first responders to the presence of visible, unholstered firearms on public school property;

(2) be designated as a qualified anti-terrorism technology pursuant to the federal SAFETY Act, 6 U.S.C. Section 441, et seq.;

(3) integrate with a building's existing security camera infrastructure;

(4) be owned and operated directly by the contracted vendor, including a continuously monitored operations center capable of rapidly communicating potential threats to law enforcement and other appropriate stakeholders; and

(5) be developed within the United States and not utilize any third-party or open-source data.

(C) Vendors providing such software must:

(1) maintain current ISO/IEC 27001 certification for information security management and SOC 2 Type II certification, including controls for security, availability, and confidentiality; and

(2) demonstrate a proven record of successful deployment at scale, including implementation across not fewer than one hundred clients actively utilizing the vendor's visual firearm detection solution.

(D) By June 30, 2027, the Attorney General shall submit a report to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee detailing grant awards, recipients, amounts awarded, and program outcomes.

**SECTION 91 - A990 - LEGISLATIVE DEPARTMENT**

**91.13 AMEND** (LEG: In-District Compensation) Directs that legislators receive \$2,500 per month for in-district compensation.

**WMC:** AMEND proviso to update dollar amount.

**HOU:** ADOPT proviso as amended.

**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT proviso as amended.

**91.13.** (LEG: In-District Compensation) All members of the General Assembly shall receive an in-district compensation of ~~\$2,500~~ \$1,000 per month.

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**SECTION 93 - D500 - DEPARTMENT OF ADMINISTRATION**

**93.7 DELETE** (DOA: First Responder Interoperability) Directs DOA to administer and coordinate First Responder Interoperability operations for the statewide Palmetto 800 radio system to enhance public safety communications. Funds will cover radio user fees for eligible state agencies and first responders, with allocations based on a baseline number of radios per participant. Matching funds are required to receive support. Grants will also be available for local systems to improve interoperability. Remaining funds may be used to expand the system. Funds are held in a separate account and may carry forward. An annual status report is due by October 1 to the Chairmen of Senate Finance and House Ways and Means.

**WMC:** DELETE proviso. Sponsor: Rep. Caskey.

**HOU:** ADOPT deletion.

**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT deletion.

~~93.7. (DOA: First Responder Interoperability) The Department of Administration is directed to administer and coordinate First Responder Interoperability operations for the statewide Palmetto 800 radio system to better coordinate public safety disaster responses and communications. First Responder Interoperability administration and coordination shall be funded as provided in this act. The cost proportional funds shall be utilized for radio user fees of state agencies and public safety first responders (Fire, EMS and Law Enforcement) that participate in the statewide Palmetto 800 radio system (Palmetto 800 participants). The Department of Administration, in consultation with the State Law Enforcement Division, the Department of Public Safety, and the State Emergency Management Division, and a representative of the South Carolina Sheriff's Association, shall set a baseline number of radios used by each Palmetto 800 participant based on the technical aspects of the Palmetto 800 radio system and the jurisdictional requirements of the participant. If a Palmetto 800 participant reduces the baseline number of radios in use, the amount of funds allocated for the participant's radio user fees shall be reduced in a proportional amount. The funds shall also be utilized to provide private county and city radio systems with grant funds to be used for purchases of equipment that support interoperability with the statewide Palmetto 800 radio system and its users. Grant funds shall be allocated to private county and city radio systems based on the criteria used for Palmetto 800 Participants and in amounts proportional to the amounts allocated to support the per site radio user fees of Palmetto 800 participants. A matching share is required by a Palmetto 800 participant or by a private county or city radio system in order to qualify for receipt of funds pursuant to this proviso. Each fiscal year the Department of Administration shall establish the level of match required based upon funding provided by this act. These entities shall be required to furnish such documentation as may be required by the department to verify that the matching funds requirement is met. Upon funding state agency and public safety first responder user fees and private county and city equipment purchases, any remaining funds may be used to enhance and expand the statewide Palmetto 800 radio system. All funds shall be held in a separate account established by the department for the purposes set forth herein. Any unexpended portion of these funds may be carried forward and used for the same purpose. In the calculation of any across the board budget reduction mandated by the Executive Budget Office or General Assembly, the amount appropriated to the Department of Administration for First Responder Interoperability must be excluded from the department's base budget.~~

~~The Department of Administration shall provide a report on the status of the integration of the statewide Palmetto 800 radio system which shall include, but not be limited to, a list of entities who are not integrated into the system as of the end of the immediately preceding fiscal year and~~

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~~the reason why they are not integrated. The report shall be submitted by October first, of the current fiscal year to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee.~~

- 93.11 DELETE** (DOA: Nuclear Advisory Council) Directs the Office of Regulatory Staff to reimburse the department for travel expense of the Governor's Nuclear Advisory Council from radioactive waste funds.  
**WMC:** DELETE proviso. Requested by the Department of Administration.  
**HOU:** ADOPT deletion.  
**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT deletion.

~~93.11. (DOA: Nuclear Advisory Council) The Office of Regulatory Staff shall reimburse the Department of Administration for travel expenses associated with the Governor's Nuclear Advisory Council from the SC Energy Office's radioactive waste funds.~~

- 93.12 DELETE** (DOA: QECB Allocation) Directs the DOA to develop and implement a plan to use the state's remaining Qualified Energy Conservation Bond allocation on energy conservation projects on state-owned buildings and other eligible capital expenditures that benefit state agencies.  
**WMC:** DELETE proviso. Requested by the Department of Administration.  
**HOU:** ADOPT deletion.  
**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT deletion.

~~93.12. (DOA: QECB Allocation) From the funds appropriated to the department, the director of the Department of Administration shall develop and implement a plan to utilize the state's remaining Qualified Energy Conservation Bond allocation to fund energy conservation projects on state-owned buildings and other eligible capital expenditures that benefit state agencies.~~

- 93.14 AMEND** (DOA: SCEIS Carry Forward Authorization) Allow funds appropriated to SCEIS to be carried forward and used for the same purpose.  
**WMC:** AMEND proviso to update fiscal year reference. Requested by the Department of Administration.  
**HOU:** ADOPT proviso as amended.  
**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT proviso as amended.

~~93.14. (DOA: SCEIS Carry Forward Authorization) Notwithstanding any provision of state law, for Fiscal Year ~~2025-26~~ 2026-27, unexpended funds appropriated for the SC Enterprise Information System may be carried forward from the prior fiscal year and used for the same purpose.~~

- 93.16 DELETE** (DOA: Colleton County) Redirects remaining funds appropriated to DOA for the Colleton County industrial shell building and road engineering to be used for the purchase of additional land at the Colleton Mega Site.  
**WMC:** DELETE proviso. Requested by the Department of Administration.  
**HOU:** ADOPT deletion.  
**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT deletion.

~~93.16. (DOA: Colleton County) The funds remaining of the \$1,387,932 appropriated in Act 239 of 2022, Section 118.19(B)(72)(hh) to the Department of Administration for the Colleton~~

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County industrial shell building and road engineering shall be redirected by Colleton County for the purchase of additional land at the Colleton Mega Site.

**93.acr** **ADD** (DOA: Aiken County Railroad) **SFC SUBCOMMITTEE RECOMMENDATION:** ADD proviso to provide that funds remaining from Act 239 of 2022, Section 118.19(B)(72)(v) for the Aiken Railroad Facilities project may be redirected to related historical and educational purposes, including artifact recovery and display, construction of a facility to house artifacts, a Pullman porter exhibit, and educational kiosks. Requires Aiken County to submit an updated expenditure plan to the EBO and legislative delegation before redirecting funds.

*93.acr. (DOA: Aiken County Railroad) (A) The funds remaining of the \$900,000 appropriated in Act 239 of 2022, Section 118.19(B)(72)(v) to the Department of Administration for the Aiken Railroad Facilities Renovation and Completion may be redirected for the following purposes:*

*(1) For the recovery, restoration, and display of early railroad artifacts discovered underground in Hitchcock Woods.*

*(2) For the construction of a building on Hitchcock Woods Foundation property, and curation of artifacts to be housed there, subject to an agreed upon Memorandum of Understanding between the Friends of Aiken County Railroad Depot and the Hitchcock Woods Foundation.*

*(3) To provide for a pullman porter exhibit at Aiken's Center for African American History, Art and Culture.*

*(4) To construct educational kiosks explaining the history of Aiken's wooden bridges over the historic Railroad Cut.*

*(B) Aiken County shall provide an updated expenditure plan to the Executive Budget Office and the legislative delegation prior to redirecting these funds.*

**93.emp** **CONFORM TO FUNDING / ADD** (DOA: Employee Merit Pay) **SFC SUBCOMMITTEE RECOMMENDATION:** CONFORM TO FUNDING / ADD proviso to direct EBO to allocate appropriated funds to state agencies and institutions of higher education to provide merit-based salary increases for eligible employees, with distributions supporting an average percentage increase. Requires merit increases to be based on employee performance rather than tenure and provided as base salary adjustments. Mandates that state agencies submit and obtain approval of performance pay plans from DOA, which will also issue related guidance, while institutions of higher education must comply with the provisions but are not required to submit plans. Suspends Section 8-11-940 for the fiscal year.

*93.emp. (DOA: Employee Merit Pay) (A) The Executive Budget Office shall distribute funds appropriated for a merit increase to state agencies and institutions of higher education so as to provide classified and non-judge judicial classified employees and unclassified and non-judge judicial unclassified employees or unclassified executive compensation system employees not elsewhere covered in this act occupying full-time equivalent (FTE) positions merit pay increases in accordance with the provisions below. The Executive Budget Office shall distribute the funds to agencies and institutions of higher education proportionally in amounts allowing for each agency and institution to provide for an average [redacted] % merit increase.*

*(B) The funds for merit increases cannot be given to all employees in an agency or institution or based on years of state or agency service. The merit increases must be given based on performance and criteria for the award of an increase must be based, at least in part, on employee performance ratings. For agencies, an employee becomes eligible to receive a merit increase on the latter of the 1st pay date after the employee's performance review date for this*

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fiscal year and the date the agency plan is approved by the Department of Administration's Division of State Human Resources. For institutions of higher education, an employee becomes eligible to receive a merit increase on the 1st pay date after the employee's performance review date for this fiscal year.

(C) Any merit pay increase is to be given in the form of a base salary increase.

(D) State agencies must submit to the Department of Administration's Division of State Human Resources a performance pay plan on or before September 1, 2026, and receive approval of the plan prior to distributing merit pay funds. Institutions of higher education are not required to submit performance pay plans, but such institutions must comply with the provisions set forth herein.

(E) The Department of Administration shall distribute guidance on requirements for performance pay plans.

(F) For the current fiscal year, the provisions of Section 8-11-940 are suspended.

**SECTION 96 - E080 - OFFICE OF SECRETARY OF STATE**

- 96.1 AMEND** (SS: UCC Filing Fees) Authorizes up to \$180,000 of Uniform Commercial Code filing fees to be retained and used for UCC administration.  
**WMC:** AMEND proviso to update dollar amount. Requested by the Office of Secretary of State.  
**HOU:** ADOPT proviso as amended.  
**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT proviso as amended.

**96.1.** (SS: UCC Filing Fees) Revenues from the fees raised pursuant to Section 36-9-525(a), not to exceed ~~\$180,000~~ \$250,000, may be retained by the Secretary of State for purposes of UCC administration.

**SECTION 98 - E160 - OFFICE OF STATE TREASURER**

- 98.9 AMEND** (TREAS: Penalties for Non-Reporting) Directs that if a municipality does not submit audited financial statements within 13 months of the end of their fiscal year, the State Treasurer must withhold their state payments until the statement is received. Requires the State Treasurer to follow the requirements of proviso 117.48 when an audit report is received from a county or municipality with significant findings related to court fine reports or remittances. Provides penalties for deficiencies and delinquent reports. Provides for funds to be made available to the State Auditor for an audit to determine amounts due to the State Treasurer.  
**WMC:** AMEND proviso to add compiled regarding the type of financial statements. Requested by the Office of State Treasurer.  
**HOU:** ADOPT proviso as amended.  
**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT proviso as amended.

**98.9.** (TREAS: Penalties for Non-reporting) (A) If a municipality fails to submit the audited or compiled financial statements required under Section 14-1-208 to the State Treasurer within thirteen months of the end of their fiscal year, the State Treasurer must withhold all state payments to that municipality until the required audited or compiled financial statement is received.

(B) If the State Treasurer receives an audit report from either a county or municipality that contains a significant finding related to court fine reports or remittances to the Office of State Treasurer, the requirements of Proviso 117.48 shall be followed if an amount due is specified,

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otherwise the State Treasurer shall withhold twenty-five percent of all state payments to the county or municipality until the estimated deficiency has been satisfied.

(C) If a county or municipality is more than ninety days delinquent in remitting a monthly court fines report, the State Treasurer shall withhold twenty-five percent of state funding for that county or municipality until all monthly reports are current.

(D) After ninety days, any funds held by the Office of State Treasurer will be made available to the State Auditor to conduct an audit of the entity for the purpose of determining an amount due to the Office of State Treasurer, if any.

**SECTION 100 - E240 - OFFICE OF ADJUTANT GENERAL**

**100.24 AMEND** (ADJ: SC Public Assistance Program) Authorizes SCEMD to establish the South Carolina Public Assistance (PA) Program to aid in disaster recovery from localized events that don't qualify for federal aid and to follow federal PA program guidelines and provide quarterly updates to the Legislature. Directs SCEMD to coordinate with the Office of Resilience to prevent duplication and enhance recovery efforts statewide.

**WMC:** AMEND proviso delete state agency and non-profits disallowance of eligibility of reimbursement under the program and allows SCEMD to utilize up to 5% of their appropriated funds to manage the PA program. Requested by the Office of the Adjutant General.

**HOU:** ADOPT proviso as amended.

**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT proviso as amended.

**100.24.** (ADJ: SC Public Assistance Program) The South Carolina Emergency Management Division (SCEMD) is authorized to establish the South Carolina Public Assistance (PA) Program to support disaster recovery for localized hazard events that cause severe damage but do not meet thresholds/criteria for a federal disaster declaration. ~~State agencies and non-profit organizations will not be eligible to receive reimbursement under this program.~~ SCEMD will utilize the PA Program funds to reimburse eligible entities for unbudgeted response and infrastructure repair costs. SCEMD will follow the guidelines and process utilized for the administration of the Federal Public Assistance program. Cost reimbursement will be 75% of eligible costs. SCEMD may use up to 5% of the appropriated funds to manage the PA Program. SCEMD will provide quarterly reports to the Legislature on the status of the PA Program funds including disbursements. SCEMD will coordinate with the Office of Resilience on an ongoing basis to ensure recovery assistance funds are implemented to avoid duplication and maximize positive impacts for South Carolina communities.

**100.25 ADD** (ADJ: Emergency Reimbursement Eligibility) **WMC:** ADD proviso to authorize SCEMD to reimburse eligible costs for specific entities as needed for disaster recovery.

**HOU:** ADOPT new proviso.

**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT new proviso.

*100.25. (ADJ: Emergency Reimbursement Eligibility) The South Carolina Emergency Management Division (SCEMD) is authorized to reimburse eligible costs for state governmental agencies, local governments, non-profit electric cooperatives, and Santee Cooper, as needed, for disaster recovery.*

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**SECTION 104 - E550 - STATE FISCAL ACCOUNTABILITY AUTHORITY**

**104.10 AMEND** (SFAA: P-Card Oversight) Directs that by October 1, 2025, the SFAA’s Division of Procurement Services must publish a South Carolina Purchasing Card (P-Card) Policy and Procedures Manual to reduce misuse and fraud. The Division will provide training and testing on the Manual by October 15, 2025. Each government body must create its own P-Card manual by April 1, 2026, and ensure all P-Card holders and oversight personnel complete training and testing by April 15, 2026. New P-Cards or supervisory roles are not allowed until training is completed. Annual internal training and third-party audits are required, with audit results reported to the Division by October 1, 2025. The Division will review compliance during procurement audits and report findings to the Authority, which may impose penalties for repeated or serious violations.

**WMC:** AMEND proviso to update calendar year references and clarify language to require an annual review instead of audit. Requested by the State Fiscal Accountability Authority.

**HOU:** ADOPT proviso as amended.

**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT proviso as amended.

**104.10.** (SFAA: P-Card Oversight) Using funds appropriated, no later than October 1, ~~2025~~ 2026, the State Fiscal Accountability Authority, Division of Procurement Services (Division) shall publish and maintain a South Carolina Purchasing Card Policy and Procedures Manual (Manual) to establish sound practices for the use of purchasing cards (P-Cards) and for management oversight of such use to reduce the State’s risk of P-Card misuse and fraud. The Division shall develop and provide training and testing on the requirements of the Manual and begin offering such training no later than October 15, ~~2025~~ 2026. The director of each governmental body as defined in Section 11-35-310 employing P-card holders shall ensure the governmental body develops an agency-specific P-card use manual no later than April 1, ~~2026~~ 2027. The director of each governmental body employing P-card holders shall ensure that every P-card holder and those with responsibility for implementation and oversight of its P-card program have completed the Division P-card training and successfully passed the Division P-card testing no later than April 15, ~~2026~~ 2027. The director of each governmental body employing P-card holders shall ensure that no supervisory or oversight of a P-card role shall be assigned nor new P-cards issued before such employees shall complete Division P-card training and successfully pass Division P-card testing. The director of each governmental body employing P-card holders shall ensure the governmental body develops, implements, and provides the Division with documentation of an internal P-card annual training program for employees with supervisory or oversight of P-card programs and for all P-card holders. The director of each governmental body employing P-card holders shall obtain an annual compliance ~~audit~~ review of the governmental body’s P-card program ~~conducted by an independent third-party entity qualified to conduct such an audit~~ in accordance with guidance published by the Division and shall provide ~~audit~~ a report of the results and corrective action plans, if any, to the Division no later than ~~October 1, 2025~~ December 1, 2026. The Division shall compile a summary of all such audit report results into a single report and provide the report to the State Fiscal Accountability Authority (Authority) ~~at its first~~ no later than its second regularly scheduled meeting of each calendar year. In each audit of the procurement system of a governmental body pursuant to Section 11-35-1230, the Division shall also audit the governmental body’s P-card program to determine whether internal controls of the governmental body’s P-Card program are adequate to ensure compliance, in all material respects, with the Manual, applicable laws and regulations, and internal policies. The Division shall include its findings and recommendations in the audit report submitted to the Authority. The Authority shall impose administrative

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penalties for repeat or egregious violations of the Manual, including but not limited to, reduction or suspension of the governmental body's P-Card program, reduction in procurement certification granted pursuant to Section 11-35-1210, removal of authority to conduct sole source procurements, or directing that all or a portion of any P-Card rebates due the governmental body be deposited in the General Fund. The Authority is authorized to request in-person reports from governmental body leadership on corrective actions being taken to rectify such repeat or egregious violations of the Manual and may exempt any governmental body from any requirement of this proviso.

**SECTION 105 - F270 - SFAA, OFFICE OF STATE AUDITOR**

**105.7 AMEND** (SFAA-AUD: Auditing Moratorium) Allows the State Auditor or a member of his staff to conduct an audit of program, activity, or agency for which he managed or was employed by after one year has passed.

**WMC:** AMEND proviso to update fiscal year reference.

**HOU:** ADOPT proviso as amended.

**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT proviso as amended.

**105.7.** (SFAA - AUD: Auditing Moratorium) For Fiscal Year ~~2025-26~~ 2026-27, if a minimum of one year has passed, the State Auditor or a member of his staff may conduct an audit of a program, activity, or agency for which he had management responsibility or by which he was employed.

**105.8 AMEND** (SFAA-AUD: Carry Forward) Authorizes the State Auditor to carry forward all funds from the prior fiscal year.

**WMC:** AMEND proviso to update fiscal year reference. Requested by SFAA, Office of State Auditor.

**HOU:** ADOPT proviso as amended.

**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT proviso as amended.

**105.8.** (SFAA - AUD: Carry Forward) For Fiscal Year ~~2025-26~~ 2026-27, the Office of the State Auditor is authorized to carry forward all funds from the prior fiscal year to ensure that the office can perform operations and conduct audits as needed.

**SECTION 112 - V040 - DEBT SERVICE**

**112.1 AMEND** (DS: Excess Debt Service) Directs that excess debt service funds available in FY 2025-26 may be used to pay down general obligation bond debt. Requires the Treasurer to notify the Chairman and the Vice Chairman of JBRC before funds are used.

**WMC:** AMEND proviso to update fiscal year reference.

**HOU:** ADOPT proviso as amended.

**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT proviso as amended.

**112.1.** (DS: Excess Debt Service) Excess debt service funds available in Fiscal Year ~~2025-26~~ 2026-27 may be expended in the fiscal year to pay down general obligation bond debt for which the State (1) is paying the highest rate of interest; (2) will achieve relief in constrained debt capacity; or (3) reduce the amount of debt issued. Prior to the use of these funds, the Office of the State Treasurer shall notify the Chairman and Vice Chairman of the Joint Bond Review Committee.

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**SECTION 113 - X220 - AID TO SUBDIVISIONS, STATE TREASURER**

- 113.2**    **AMEND** (AS-TREAS: Quarterly Distributions) Provides for the quarterly distribution of Aid to Subdivisions Local Government Fund.  
**WMC:** AMEND proviso to update fiscal year reference.  
**HOU:** ADOPT proviso as amended.  
**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT proviso as amended.

**113.2.** (AS-TREAS: Quarterly Distributions) For the current fiscal year, one quarter of the amount appropriated in Part IA for Aid to Subdivisions-Local Government Fund shall be distributed as soon after the beginning of each quarter as practical with the four distributions together totaling the Fiscal Year ~~2025-26~~ 2026-27 Part IA appropriation for the Local Government Fund.

- 113.11**    **ADD** (AS-TREAS: Employment Contracts and Political Subdivisions) **WMC:** ADD proviso to prevent a political subdivision that receives Local Government Funds from entering settlements for mutual dissolution contracts of employment that exceed one year's salary or remainder of the contract value, whichever is less.  
**HOU:** ADOPT new proviso.  
**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT new proviso.

*113.11. (AS-TREAS: Employment Contracts and Political Subdivisions) A political subdivision receiving aid from the Local Government Fund may not include a term in any contract of employment allowing for a settlement amount to be paid by the subdivision as part of the mutual dissolution of the contract that exceeds one year's salary or the remainder of the contract value, whichever is less.*

**SECTION 117 - X900 - GENERAL PROVISIONS**

- 117.2**    **AMEND** (GP: Appropriations From Funds) Directs that funds appropriated from the General Fund, EIA Fund, Highways and Public Transportation Fund and other applicable funds are to meet the ordinary expenses of the State.  
**WMC:** AMEND proviso to update fiscal year reference.  
**HOU:** ADOPT proviso as amended.  
**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT proviso as amended.

**117.2.** (GP: Appropriations From Funds) Subject to the terms and conditions of this act, the sums of money set forth in this part, if so much is necessary, are appropriated from the General Fund of the State, the Education Improvement Act Fund, the Highways and Public Transportation Fund, and other applicable funds, to meet the ordinary expenses of the state government for Fiscal Year ~~2025-26~~ 2026-27, and for other purposes specifically designated.

- 117.3**    **AMEND** (GP: Fiscal Year Definitions) Defines current and prior fiscal year time frames.  
**WMC:** AMEND proviso to update calendar year references.  
**HOU:** ADOPT proviso as amended.  
**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT proviso as amended.

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**117.3.** (GP: Fiscal Year Definitions) For purposes of the appropriations made by this part, “current fiscal year” means the fiscal year beginning July 1, ~~2025~~ 2026, and ending June 30, ~~2026~~ 2027, and “prior fiscal year” means the fiscal year beginning July 1, ~~2024~~ 2025, and ending June 30, ~~2025~~ 2026.

**117.138 CONFORM TO FUNDING / AMEND** (GP: Employee Compensation) Provides a plan to distribute employee pay increases for FY 2025-26. Directs EBO to review Executive Branch agencies to determine whether their budgets warrant an increase in other fund authorization due to the pay raise and if so, to work with the Comptroller General to increase the authorization for the affected agencies. Directs that allocations associated with the increases for retirement employer contributions be based on the rate of the retirement system in which employees participate. Authorizes the use of excess funding for statewide employer contributions for other statewide purposes and allow the unexpended funds to be carried forward.

**WMC:** AMEND proviso to delete language regarding the hiring of a consultant by DOA to study the State’s classification and compensation system and pay increases for classified employees of institutions of higher education and technical colleges. Updates fiscal year reference. Sponsors: Reps. Bannister, Whitmire, Stavrinakis, Lowe, Ballentine, Crawford, Moss, Hewitt, and Caskey

**HOU:** ADOPT proviso as amended.

**SFC SUBCOMMITTEE RECOMMENDATION:** CONFORM TO FUNDING.

~~**117.138.** (GP: Employee Compensation) (A) The Department of Administration was appropriated funds to engage an external consultant for a study and to provide expert recommendations to reform the State’s Classification and Compensation system. A consultant was retained and recommendations made to reform the State’s compensation structure and pay grades for state agency employees in classified full-time equivalent (FTE) positions. The amounts appropriated to F300-Statewide Employee Benefits for Employee Pay Increases must be allocated by the Department of Administration, Executive Budget Office to the various state agencies to provide for employee pay increases in accordance with the following plan:~~

~~(1) With respect to classified and non-judge judicial classified employees, effective on the first pay date that occurs on or after July first of the current fiscal year, the compensation of all classified employees shall be increased to either the minimum of the new State pay grades established by the Department of Administration, or by 2 percent, whichever is greater.~~

~~(2) With respect to unclassified and non-judge judicial unclassified state agency employees or unclassified executive compensation system employees not elsewhere covered in this act, effective on the first pay date that occurs on or after July first of the current fiscal year the compensation of all unclassified employees shall be increased by 2 percent. Any employee subject to the provisions of this paragraph shall not be eligible for compensation increases provided in paragraphs 1, 3, 4, 5, or 6.~~

~~(3) With respect to classified employees of institutions of higher education and technical colleges eligible in this item, effective on the first pay date that occurs on or after July first of the current fiscal year, the compensation of all classified higher education employees shall be increased by 2 percent for FTEs. With respect to unclassified employees of institutions of higher education and technical colleges eligible in this item, institutions and technical colleges are authorized to allot the total funds for compensation increases among individual employees without uniformity. The funds provided for compensation increases for any employee subject to the provisions of this item are based on an annual average of 2 percent and may be based on performance.~~

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(4) Effective on the first pay date that occurs on or after July first of the current fiscal year, agency heads not covered by the Agency Head Salary Commission, shall receive an annualized base pay increase of 2 percent for FTEs.

(5) With respect to Transformation Coaches at the Department of Education, compensation shall be increased by 2 percent for FTEs making over \$50,000.

(6) With respect to local health care providers compensated by the Department of Behavioral Health and Developmental Disabilities, Office of Substance Use Services, compensation increases shall be 2 percent effective on the first pay date that occurs on or after July first of the current fiscal year. School Bus Driver salary and fringe funding to school districts shall be increased by 2 percent.

(7) Effective on the first pay date that occurs on or after July first of the current fiscal year, the Chief Justice and other judicial officers shall receive an annualized base pay increase of 2 percent for FTEs.

(8) Effective on the first pay date that occurs on or after July first of the current fiscal year, county auditors and county treasurers shall receive an annualized base pay increase of 2 percent.

(B) For Fiscal Year ~~2025-26~~ 2026-27, the Executive Budget Office is directed to review Executive Branch agencies to determine whether their budgets warrant another fund authorization increase due to the 2 percent compensation increase for all full-time employees. If so warranted, the Executive Budget Office shall work with the Office of the Comptroller General to increase such authorization for the affected agencies.

(C) The Department of Administration shall allocate associated compensation increases for retirement employer contributions based on the retirement rate of the retirement system in which individual employees participate.

(D) The Executive Director of the State Fiscal Accountability Authority is authorized to use excess appropriations for the current fiscal year designated for statewide employer contributions for other statewide purposes. At the discretion of the Executive Director of the State Fiscal Accountability Authority, such action may be considered a permanent transfer into the receiving agency's base budget.

(E) Funds appropriated in Part IA, F300, Section 106, Statewide Employee Benefits may be carried forward from the prior fiscal year into the current fiscal year.

**117.156 AMEND** (GP: Millage Calculations) Allows a municipality additional and permanent adjustment to its general operating millage rate increase limitation due to population growth for any increase that would have happened in FY 2021-22 but was not known because of the delayed Census release. Directs the calculation to be made from the July 1, 2020 census population estimates.

**WMC:** AMEND proviso to update fiscal year reference.

**HOU:** ADOPT proviso as amended.

**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT proviso as amended.

**117.156.** (GP: Millage Calculation) For Fiscal Year ~~2025-26~~ 2026-27, a municipality is allowed an additional and permanent adjustment to its general operating millage rate increase limitation for population growth, calculated pursuant to Section 6-1-320, for any increase that would have been allowed in Fiscal Year 2021-2022 but was not known because of the delayed release of the 2020 Census. This adjustment must be calculated using the July 1, 2020 census population estimates, as originally published based on the 2020 Census, instead of the July 1, 2019 population estimates based on the 2010 Census.

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**117.168 AMEND** (GP: Credit Unions) Allows a federal or state credit union headquartered in SC to act as a qualified public depository for deposits held by a municipality if it meets certain criteria. Directs that the credit union must comply with Section 6-5-15 and be insured by the National Credit Union Share Insurance Fund.

**WMC:** AMEND proviso to update fiscal year reference.

**HOU:** ADOPT proviso as amended.

**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT proviso as amended.

**117.168.** (GP: Credit Unions) For Fiscal Year ~~2025-26~~ 2026-27, a federal or state credit union that is headquartered in the State may act as a qualified public depository for deposits held by a municipality if the population of the municipality is less than five thousand, the municipality is not part of a federally recognized metropolitan statistical area, is located at least ten miles from a bank or credit union branch, and occupies and supports a full-service branching facility in the defined area. The credit union must comply with all other provisions of Section 6-5-15, and its deposits must be insured by the National Credit Union Share Insurance Fund.

**117.179 DELETE** (GP: Transfer of Physical Assets) Directs DOA to transfer responsibility for building and grounds located at 1 National Guard Road in Columbia to the Office of the Adjutant General. Directs that the Adjutant General shall assume financial and administrative responsibility for the building and grounds to include maintenance, improvements, and operational costs. Directs that DOA shall not collect rent or be responsible for any future maintenance or repairs after the transfer.

**WMC:** DELETE proviso. Requested by the Adjutant General's Office.

**HOU:** ADOPT deletion.

**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT deletion.

**117.179.** (GP: Transfer of Physical Assets) ~~In the current fiscal year, the Department of Administration shall transfer the financial and administrative responsibility for the building and grounds located at 1 National Guard Road in Columbia to the Office of the Adjutant General. The Office of the Adjutant General is thereafter responsible for such building and grounds to include maintenance of necessary reserves for deferred and future depreciation and maintenance, assuming improvement obligations, and other costs of operation including, but not limited to, building maintenance, systems and equipment maintenance, custodial services, horticulture and grounds maintenance, insurance, and utilities. The Department of Administration shall not collect rent, and after the transfer, the Department of Administration shall have no responsibility for any deferred or future maintenance or repair of the building and grounds.~~

**117.182 DELETE** (GP: FTE Management) Directs EBO, in consultation with DSHR, to eliminate 25% of each agency's vacant FTE positions as of February 1, 2025, unless exempted. This reduction, due by 90 days after the budget's passage or by October 1, whichever is later, will account for FTEs added in recent budget acts. Agencies will work with EBO and DSHR to identify positions for elimination based on funding source. Agencies with fewer than five vacancies or special circumstances may be exempt. EBO must report reductions by December 1. This provision does not override provisos 57.15 or 91.23.

**WMC:** DELETE proviso. Requested by the Department of Administration.

**HOU:** ADOPT deletion.

**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT deletion.

**117.182.** (GP: FTE Management) ~~In order to better manage the number of full-time equivalent (FTE) positions across state government, not later than ninety days after the passage~~

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~~of the General Appropriations Act or by October 1, whichever comes later, the Executive Budget Office (EBO), in consultation with the State Division of Human Resources (DSHR) shall eliminate 25% of each agency's vacant FTE positions as of February 1, 2025, unless specifically exempted elsewhere in this act. The elimination of 25% of vacant FTE positions will be adjusted to reflect FTE positions received in the Fiscal Year 2023-24 General Appropriations Act or the Fiscal Year 2024-25 General Appropriations Act. Agencies shall consult with EBO and DSHR to identify which vacant positions should be eliminated, but the eliminations must align to the funding source for the identified vacant FTE positions. During agency consultations, EBO and DSHR shall determine if agencies have fewer than 5 vacancies or other extenuating circumstances and exempt those agencies from the required reduction. Extenuating circumstances may include that the agency or institution has reduced its authorized FTE count in the last several fiscal years or that it is in the process of hiring positions essential to the health, safety, and welfare of the public and/or critical operations of the State and the reduction would interfere with filling those positions. EBO must report the number of FTEs deleted by agency, program, and funding source to the Senate Finance Committee and the House Ways and Means Committee by December 1st of the current fiscal year. This proviso does not supersede proviso 57.15 or proviso 91.23.~~

- 117.193 DELETE** (GP: Aid to Fire District Planning) Directs RFA and EBO to develop and submit options on addressing the Aid to Fire District open-ended status by December 31. Provides the requirements of the options. Requires the Department of Insurance and the State Treasurer to cooperate with any requests for information.

**WMC:** DELETE proviso.

**HOU:** ADOPT deletion.

**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT deletion.

~~**117.193.** (GP: Aid to Fire District Planning) The South Carolina Revenue and Fiscal Affairs Office, in conjunction with the Executive Budget Office, shall develop and submit options, including details, to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee by December 31, 2025, to address the Aid to Fire District open-ended status as defined by the Office of the Comptroller General. The options shall ensure that all collections are disbursed to fire districts as prescribed by statute, other sources of collections are not altered, and disbursements are not reliant upon budgetary surpluses. The Department of Insurance and the Office of the State Treasurer shall cooperate with any requests for information from the Revenue and Fiscal Affairs Office.~~

- 117.194 AMEND** (GP: AI Appropriations) Requires any agency or institution to coordinate their AI efforts and budget requests with DOA's AI Center of Excellence.

**WMC:** AMEND proviso to exempt institutions of higher learning from this provision if they met specified requirements for the purpose of the products and provide monthly reports to the AI Center of Excellence. Exempts funds appropriated to DES for AI modernization from this provision. Sponsors: Reps. Caskey and Ballentine

**HOU:** ADOPT proviso as amended.

**SFC SUBCOMMITTEE RECOMMENDATION:** AMEND proviso further to delete the exemption of funds appropriated to DES for AI modernization from this provision.

**117.194.** (GP: AI Appropriations) ~~Any~~ Any agency or institution that is appropriated or authorized funds for artificial intelligence shall coordinate their efforts and budget requests with the Department of Administration's AI Center of Excellence (*AI COE*). *AI products and services purchased by institutions of higher learning for instructional and/or research purposes are*

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exempt from this provision provided that institutions provide monthly informational reports to the AI COE detailing the type, purpose, and cost of such purchases. Nothing herein exempts institutions of higher learning from complying with institutional and/or state procurement policies for such purchases as may otherwise be applicable.

~~(B) For the current fiscal year, any funds appropriated to the Department of Environmental Services for the purpose of AI Modernization and reducing permitting timeframes are exempt from the requirements of this proviso.~~

- 117.196 ADD** (GP: Town of Summerton Audit) **WMC:** ADD proviso to direct the Office of State Auditor and the Office of the Inspector General to contract a firm to conduct a forensic audit on the Town of Summerton and require the findings to be reported.

**HOU:** ADOPT new proviso.

**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT new proviso.

**117.196.** (GP: Town of Summerton Audit) Of the funds appropriated in this act and/or carried forward from the previous fiscal year, the Office of the State Auditor, in coordination with the Office of the Inspector General, is directed to contract a firm to conduct a forensic audit on the finances of the Town of Summerton from Fiscal Year 2015-16 through Fiscal Year 2025-26. The State Auditor shall oversee the auditing process and provide interim and final reports to the Town of Summerton, the Clarendon County Delegation, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee upon completion.

- 117.197 CONFORM TO FUNDING / ADD** (GP: Aid to Fire Districts Fund) **WMC:** ADD proviso to create a separate Aid to Fire Districts Fund within the State Treasury to receive designated fire and broker insurance premium tax revenues for local fire services, and distribute those funds to county treasurers in accordance with existing law, with the Department of Insurance ensuring an appropriate fund balance.

**HOU:** ADOPT new proviso.

**SFC SUBCOMMITTEE RECOMMENDATION:** CONFORM TO FUNDING / ADOPT new proviso.

**117.197.** (GP: Aid to Fire Districts Fund) (A) There is created in the State Treasury by the Comptroller General a fund separate and distinct from the General Fund of the State and all other funds entitled the Aid to Fire Districts Fund. That portion of fire premium tax revenues and the State portion of the broker premium tax revenues that are required by statute to be distributed to county treasurers for local fire service must be deposited in the fund.

(B) Additionally, the Department of Insurance shall ensure that the fund has an appropriate balance. The State Treasurer shall distribute the revenues in the fund to the county treasurers in the same manner and for the same purpose as provided by law.

- 117.203 ADD** (GP: City of North Augusta Primaries) **HOU:** ADD proviso to allow the City of North Augusta to use interest accrued from the Savannah River Site Litigation Settlement Funds to pay for election primaries held within its jurisdiction. Sponsor: Rep. Hixon

**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT new proviso.

**117.203.** (GP: City of North Augusta Primaries) For the current fiscal year, the City of North Augusta may use interest accrued from any Savannah River Site Litigation Settlement Funds to pay the costs of any election primaries held within its jurisdiction through the 2026 calendar year. The State Election Commission and/or the Aiken County Board of Voter Registration & Elections, as appropriate, shall ensure compliance with this provision, and if the

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City of North Augusta is in violation, shall notify the State Treasurer's Office, which shall withhold the City of North Augusta's portion of the Aid to Subdivisions, Local Government Fund.

- 117.205 DELETE** (GP: Administration of Vacant Positions) **HOU:** ADD proviso to require DOA to delete FTE positions in all agencies that have been vacant for over 12 months as of October 31, and to allow each agency to retain a 5% vacancy or minimum of 10 positions, whichever is greater. Allows positions that have been posted for hire to remain, and for the provision not to supersede proviso 57.15 or 91.23. Sponsor: Rep. Ballentine  
**SFC SUBCOMMITTEE RECOMMENDATION:** DELETE proviso.

~~117.205. (GP: Administration of Vacant Positions) Any full-time equivalent (FTE) position in an agency that has been vacant for more than twelve months as of October 31 of the current fiscal year must be deleted by the Department of Administration upon approval by the State Fiscal Accountability Authority. Each agency is allowed to retain a five (5) percent vacancy factor based on the total number of authorized positions or a minimum of ten (10) positions, whichever is greater. Positions that have been posted and/or in the hiring process shall not be deleted. This proviso does not supersede proviso 57.15 or proviso 91.23.~~

- 117.sdi ADD** (GP: Statewide Data Initiative) **SFC SUBCOMMITTEE RECOMMENDATION:** ADD proviso to direct DOA to operate a Statewide Data Initiative (SDI) to enhance data sharing, management, transparency, and the use of artificial intelligence in state government. Requires state agencies to support SDI by contributing to a statewide data inventory, complying with established data standards and policies, participating in data sharing agreements and pilot projects, and designating staff to assist in developing and implementing the statewide data strategy.

117.sdi. (GP: Statewide Data Initiative) From the funds appropriated in Part IA, Section 93, the Department of Administration is directed to operate and support a Statewide Data Initiative (SDI) within the appropriate division of the department. State agencies must coordinate and collaborate with the department as part of the SDI in the establishment of a framework for data sharing, management, and transparency to improve public policy and support the efficient implementation of artificial intelligence. To ensure the coordinated and efficient utilization of state data, state agencies are directed to:

- (1) assist the department in maintaining an enterprise data inventory as part of the SDI by providing descriptions of data created or collected by the agency as requested;
- (2) comply with all rules, standards, plans, policies, and technical terminologies established by the department as part of the SDI regarding data creation, security, and privacy;
- (3) enter into and comply with interagency data sharing agreements and participate in data sharing pilots for identified use cases; and
- (4) designate appropriate personnel to participate in the development of the statewide data strategy and in educational opportunities made available through the SDI.

- 117.rec ADD** (GP: Reconciliation) **SFC SUBCOMMITTEE RECOMMENDATION:** ADD proviso to direct the State Treasurer's Office to implement procedures and reporting to achieve a comprehensive three-way reconciliation of cash and investments across SCEIS systems and external sources, with assistance from the Comptroller General and Department of Administration. Requires the Department of Administration to hire an independent third-party firm to support and verify the reconciliation process, with all relevant state offices participating and reporting outstanding issues. Directs that by December 31 of the current fiscal year, a third-party firm must certify to that the State's reconciliation processes and reporting meet required

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standards and have been implemented by the State Treasurer's Office, Comptroller General's Office, Office of the State Auditor, and the external joint auditing firm.

*117.rec. (GP: Reconciliation) (A) The State Treasurer's Office (STO) shall create procedures and reporting to allow the office to conduct a three-way reconciliation of cash and investments that accomplishes the following: (1) reconciles cash and investments custodied by the STO in the Treasury Management module to external third-party sources, to include reconciliations at an individual account level, as well as at the total pooled cash level; (2) reconciles cash and investments custodied by the STO in the Treasury Management module in SCEIS to cash by fund in the Finance module in SCEIS, ensuring that no treasury only funds balances are needed to reconcile; and (3) reconciles cash and investment portfolios custodied by the STO in the Treasury Management module in SCEIS to the Financial module in SCEIS. The Comptroller General's Office and the Department of Administration shall provide assistance as requested.*

*(B) Using remaining funds as provided in Section 1 of Act 72 of 2025 and proviso 118.22B(68)(b) of Act 69 of 2025, the Department of Administration shall retain an independent third-party firm with relevant subject matter experience to assist the State by working with the STO, the Comptroller General's Office, SCEIS, the Office of the State Auditor, and the external joint audit firm contracted by the State Auditor to ensure that the STO creates procedures and reporting that meets the cash and investment reconciliation requirements of the State. All offices must participate in meetings and provide information and analyses as requested by the independent third-party firm. If an office is aware of any current outstanding reconciling item(s), the office must report the item(s) to the independent third-party firm retained by the Department of Administration.*

*(C) Procurements by the Department of Administration made pursuant to this proviso are exempt from the purchasing procedures of the South Carolina Procurement Code in Chapter 35, Title 11. Upon determination of the relevant subject matter experience, the Department of Administration shall contract directly with the independent third-party firm to perform the required services.*

*(D) No later than December 31st of the current fiscal year, the third-party firm will provide verification to the President of the Senate, the Speaker of the House of Representatives, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee that the processes and reporting meet the reconciliation requirements of the State and that the processes and reporting have been adopted for use by the STO, the Comptroller General's Office, the Office of the State Auditor, and the external joint auditing firm contracted by the Office of the State Auditor.*

**117.mrm ADD (GP: Media Reliability Monitoring) SFC SUBCOMMITTEE RECOMMENDATION:** ADD proviso to direct that state agencies are prohibited from using state funds to contract with entities that rate or evaluate the accuracy, bias, or reliability of news and information sources using media reliability monitors, including fact-checking organizations. Directs that this restriction does not apply to contractors that provide audience metrics, demographic data, or media monitoring services for press clipping, aggregation, or public relations purposes.

*117.mrm. (GP: Media Reliability Monitoring) For the current fiscal year, a state agency may not use state funds to contract with an advertising agency or other contractor who acts as or uses the services of media reliability monitors. The term "media reliability monitor" means any contractor whose primary or principal function is to rate or rank news and information services for the factual accuracy of their content, whether the content is published online, in print, by audio, or digitally, or by broadcasting via radio, television, cable, streaming service,*

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or any other way news is delivered to the public; or to provide ratings or a subjective evaluation of news and information services regarding misinformation, bias, adherence to journalistic standards, or ethics. The term includes, but is not limited to, organizations that engage in fact checking. The term does not include any contractor that rates media outlets for audience size, viewership, and demographic information; or that monitors media outlets for the purpose of compiling press or video clippings or aggregating news sources for the purpose of public relations and public awareness.

**SECTION 118 - X910 - STATEWIDE REVENUE**

**118.1. AMEND (SR: Year End Cutoff)** Directs year-end expenditure deadlines.

**WMC:** AMEND proviso to update calendar year reference.

**HOU:** ADOPT proviso as amended.

**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT proviso as amended.

**118.1.** (SR: Year End Cutoff) Unless specifically authorized herein, the appropriations provided in Part IA of this act as ordinary expenses of the State Government shall lapse on July 31, ~~2026~~ 2027. State agencies are required to submit all current fiscal year input documents and all electronic workflow for accounts payable transactions to the Office of Comptroller General by July 14, ~~2026~~ 2027. Appropriations for Permanent Improvements, now outstanding or hereafter provided, shall lapse at the end of the second fiscal year in which such appropriations were provided, unless definite commitments shall have been made, with the approval of the State Fiscal Accountability Authority and Joint Bond Review Committee, toward the accomplishment of the purposes for which the appropriations were provided. Appropriations for other specific purposes aside from ordinary operating expenses, now outstanding or hereafter provided, shall lapse at the end of the second fiscal year in which such appropriations were provided, unless definite commitments shall have been made, with the approval of the State Fiscal Accountability Authority, toward the accomplishment of the purposes for which the appropriations were provided.

**118.9. AMEND (SR: Tax Relief Reserve Fund)** Creates the Tax Relief Reserve Fund; directs that accrued interest remain in the fund; and directs the State Treasurer, on December 31, 2025, to transfer from the General Fund any funds identified in this act designated for the Tax Relief Reserve Fund. Directs that the fund may only be used to provide tax relief to businesses and individuals as provided by law and authorizes these funds to be retained, carried forward, and used for the same purpose.

**WMC:** AMEND proviso to update calendar year reference.

**HOU:** ADOPT proviso as amended.

**SFC SUBCOMMITTEE RECOMMENDATION:** ADOPT proviso as amended.

**118.9.** (SR: Tax Relief Reserve Fund) There is created the Tax Relief Reserve Fund, which shall be separate and distinct from the General Fund. Interest accrued by the fund must remain in the fund. Notwithstanding any other provision of law, on December 31, ~~2025~~ 2026, the State Treasurer shall transfer funds identified in this act from the General Fund to the Tax Relief Reserve Fund. These funds may only be used to provide tax relief to businesses and individuals as provided by law. Funds within the Tax Relief Reserve Fund shall be retained and carried forward to be used for the same purpose.