

**ECONOMIC  
DEVELOPMENT  
AND  
NATURAL RESOURCES  
SUBCOMMITTEE  
RECOMMENDATIONS  
TO THE  
PROVISO  
SUBCOMMITTEE**

**ECONOMIC DEVELOPMENT AND NATURAL RESOURCES SUBCOMMITTEE  
RECOMMENDATIONS FOR FY 2012-13  
TO THE PROVISO SUBCOMMITTEE**

**SECTION 32 - L32-HOUSING FINANCE AND DEVELOPMENT AUTHORITY**

- 32.4 AMEND** (Allocation of Indirect Cost Recoveries) Directs the authority to deposit indirect cost recoveries for their portion of the FY 11-12 Statewide Central Services Cost Allocation Plan into the general fund and to retain recoveries in excess of that amount.  
**SUBCOMMITTEE RECOMMENDATION:** AMEND proviso to delete "Fiscal year 2011-12." Fiscal Impact: No impact on the General Fund. Requested by Housing Finance and Development Authority.

**32.4. (HFDA: Allocation of Indirect Cost Recoveries)** The authority shall deposit in the state general fund indirect cost recoveries for the authority's portion of the ~~Fiscal Year 2011-12~~ Statewide Central Services Cost Allocation Plan (SWCAP). The authority shall retain recoveries in excess of the SWCAP amount to be deposited in the state general fund.

**SECTION 34 - P16-DEPARTMENT OF AGRICULTURE**

- 34.6 AMEND** (Farmers Market Revenue) Requires revenues from the sale of the State Farmers Market to be deposited into a special account under the B&C Board; for the account to retain accrued interest; and directs that the funds can only to relocate State Farmers Market after JBRC and B&C Board approval.  
**SUBCOMMITTEE RECOMMENDATION:** AMEND proviso to delete the authorization for the accrued interest to remain in the account. Authorize the funds and accrued interest to be used to also reestablish the State Farmers Market with JBRC and B&C Board approval. Fiscal Impact: No impact on the General Fund. Requested by Department of Agriculture.

**34.6. (AGRI: Farmers Market Revenue)** The revenues associated with the sale of the State Farmers Market shall be deposited into a separate restricted special account under the authority of the Budget and Control Board. ~~Interest accrued on this account must remain in this account.~~ These funds and accrued interest may only be expended for relocating and reestablishing the State Farmers Market after approval by the Joint Bond Review Committee and the Budget and Control Board.

**SECTION 35 - P20-CLEMSON UNIVERSITY - PSA**

- 35.6 DELETE** (Sandhills Revenue) Directs that revenue from the sale of property at the Sandhills Research and Education Center be used to build the new Sandhills facilities and to provide endowments as approved by the Clemson Board of Trustees and the B&C Board. Prohibits these funds from being used to offset FY 04-05 base budget reductions.  
**SUBCOMMITTEE RECOMMENDATION:** DELETE proviso. *Construction has been completed and the endowments have been established.* Fiscal Impact: No impact on the General Fund. Requested by Clemson University-PSA.

**35.6. (CU-PSA: Sandhills Revenue)** ~~The funds retained by Clemson University PSA from the sale of the property at the Sandhills Research and Education Center shall be used to construct the new Sandhills facilities and provide endowments as approved by the Clemson Board of Trustees and the Budget and Control Board. These funds are not to be used to offset base budget reductions in Fiscal Year 2004-2005.~~

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**SECTION 40 - P32 - DEPARTMENT OF COMMERCE**

- 40.3**     **AMEND** (Coordinating Council Funds) Authorizes and provides guidelines for the expenditure of Motor Fuels user fees set aside for economic development pursuant to Section 12-28-2910.

**SUBCOMMITTEE RECOMMENDATION:** AMEND proviso to delete the first two paragraphs which defines eligible expenditures; requires that an annual expenditure report be submitted to the General Assembly; and prohibits the General Assembly from appropriating funds or directing the Coordinating Council to extend or grant loans for any purpose other than those stipulated in this provision. *This language was expanded and added to Section 12-28-2910(E) by the Economic Development Competitiveness Act of 2010.* Fiscal Impact: No impact on the General Fund. Requested by Department of Commerce.

**40.3.** (CMRC: Coordinating Council Funds) ~~From the amount set aside pursuant to Section 12-28-2910 of the 1976 Code, the council is authorized to expend funds which were not obligated or committed as of July first of the current fiscal year only as necessary for the location or expansion of an industry or business facility in South Carolina. Eligible expenditures include water/sewer projects, road or rail construction/improvement projects, land acquisition, fiber optic cable, relocation of new employees for technology intensive and research and development facilities as defined in S.C. Code Section 12-6-3360, and site preparation. Site preparation is defined as surveying, environmental and geo-technical study and mitigation, clearing, filling, and grading. The Coordinating Council shall annually prepare a detailed report each year for submission to the General Assembly by March fifteenth of each year which itemizes the expenditures from the fund for the preceding calendar year. Such report shall include an identification of the following information: (a) company name or confidential project number; (b) location of the project; (c) amount of grant award; and (d) scope of grant award.~~

~~The General Assembly shall not appropriate funds, and shall not direct the Coordinating Council to extend loans or grants nor shall the Coordinating Council extend any loans or grants from the amount set aside pursuant to Section 12-28-2910 for any purpose other than those listed in this proviso.~~

In order to provide maximum flexibility to encourage the creation of new jobs and capital investment, the Coordinating Council for Economic Development has the authority to transfer economic development funds at its disposal to the Closing Fund, provided the transfer is approved by a majority vote of the Coordinating Council members in a public meeting. Any unexpended balance on June thirtieth, of the prior fiscal year may be carried forward and expended in the current fiscal year by the Department of Commerce for the same purpose.

- 40.10**     **AMEND** (Closing Fund) Directs that \$5,000,000 appropriated for the Closing Fund be used for competitive recruitment purposes as approved by the Coordinating Council for Economic Development and authorizes unexpended funds to be carried forward and used for the same purpose.

**SUBCOMMITTEE RECOMMENDATION:** AMEND proviso to change "\$5,000,000" to "funds." *To conform to whatever amount of funding the General Assembly provides.* Fiscal Impact: No impact on the General Fund. Requested by Department of Commerce.

**40.10.** (CMRC: Closing Fund) In order to encourage and facilitate economic development, \$5,000,000 funds appropriated for the Closing Fund for competitive recruitment purposes shall be used as approved by the Coordinating Council for Economic Development. Any unexpended at the end of the prior fiscal year may be carried forward and expended in the current fiscal year by the Department of Commerce for the same purposes.

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- 40.11 DELETE** (Community Development Corporation Carry Forward) Authorizes Community Development Corporation Initiative funds to be carried forward and used for the same purpose. **SUBCOMMITTEE RECOMMENDATION:** DELETE proviso. Fiscal Impact: No impact on the General Fund. Requested by Department of Commerce.

~~40.11. (CMRC: Community Development Corporation Carry Forward) The Department of Commerce shall be authorized to carry forward Community Development Corporation Initiative committed and uncommitted funds from the prior fiscal year and to use these funds for the same purpose.~~

**SECTION 69 - Y14 - STATE PORTS AUTHORITY**

- 69.1 AMEND** (Charleston Cooper River Bridge Project) Directs the State Ports Authority to pay the State Transportation Infrastructure Bank \$1,000,000 before June 30, 2012 to continue the Charleston Cooper River Bridge Project. **SUBCOMMITTEE RECOMMENDATION:** AMEND proviso to change July 1, "2011" to "2012" and June 30, "2012" to "2013." *Meets the obligations of the State Ports Authority and the State Infrastructure Bank's financial agreement.* Fiscal Impact: No impact on the General Fund. The funds used to pay the Transportation Infrastructure Bank are operating funds of the Ports Authority, none of which are state appropriated funds. Generates \$1,000,000 for the State Transportation Infrastructure Bank. Per the Ports Authority, the commitment of the agency is to provide \$1,000,000 per year for 25 years, until 2027.

**69.1. (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, 2011 2012, pay to the State Transportation Infrastructure Bank one million dollars before June 30, 2012 2013, to continue the Charleston Cooper River Bridge Project.

**SECTION 81 - R44-DEPARTMENT OF REVENUE**

- 81.7 AMEND** (Admissions Tax Exemption) Exempts from admissions tax, effective January 1, 2008, the amount that a season ticket holder pays to an accredited college or university's non-profit athletic booster organization for the right to purchase athletic event tickets if that organization is exempt from federal income tax.. **SUBCOMMITTEE RECOMMENDATION:** AMEND proviso to delete the reference to an effective date of January 1, 2008. Fiscal Impact: No impact on the General Fund. Requested by Department of Revenue.

**81.7. (DOR: Admissions Tax Exemption)** ~~Effective January 1, 2008, any~~ Any amount that an accredited college or university requires a season ticket holder to pay to a non-profit athletic booster organization that is exempt from federal income taxation in order to receive the right to purchase athletic event tickets is exempt from admissions tax.

- 81.8 DELETE** (DOR: Penalty Relief) Directs the department to waive interest and penalties on state estimated quarterly individual income tax payments for qualifying individuals and provides qualification guidelines. **SUBCOMMITTEE RECOMMENDATIONS:** DELETE proviso. *The federal legislation was temporary and is no longer applicable.* Fiscal Impact: PENDING. Requested by Department of Revenue.

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**81.8.** (DOR: Penalty Relief) ~~The Department of Revenue will waive interest and penalties for state estimated quarterly individual income tax payments for qualifying individuals who comply with Section 1212 of federal P.L. 111-5. An individual is considered a qualified individual for purposes of South Carolina penalty waiver if the individual meets the adjusted gross income requirement and the fifty percent of gross income from a small business requirement contained in Section 1212 for South Carolina or federal purposes.~~

**SECTION 89 - X90-GENERAL PROVISIONS**

**89.82 DELETE** (Conservation Bank Funding LLR) Directs LLR to transfer \$207,050 of Subfund 3135 carry forward funds to the S.C. Conservation Bank for their personal services and other operating expenses.

**SUBCOMMITTEE RECOMMENDATION:** DELETE proviso. *Transfer was for FY 2011-12 and has been accomplished.* Fiscal Impact: No impact on the General Fund. Requested by S.C. Conservation Bank.

**89.82.** (GP: Conservation Bank Funding LLR) ~~The Department of Labor, Licensing, and Regulation is directed to transfer \$207,050 from carry forward monies in Subfund 3135 to the South Carolina Conservation Bank which shall be used for personal services and other operation expenses.~~

**89.ipt ADD** (Insurance Premium Tax) **SUBCOMMITTEE RECOMMENDATION:** ADD new proviso to direct the Department of Insurance to Transfer \$9,000,000 of the funds collected from insurance premium taxes to the Forestry Commission for firefighting, replacement of firefighting equipment, and forest industry economic enhancement. Prohibit the department from using any tax collections intended for distribution to fire departments in the transfer. Fiscal Impact: PENDING. *Note: The Insurance Premium Tax is currently deposited into the General Fund.*

*89.ipt. (GP: Insurance Premium Tax) The Department of Insurance shall transfer \$9,000,000 from insurance premium tax collections to the South Carolina Forestry Commission to be used for firefighting, firefighting equipment replacement, and forest industry economic enhancement. This transfer shall not include the transfer of any collections intended for distribution to fire departments*

**SECTION 90 - X91-STATEWIDE REVENUE**

**90.15 DELETE** (Excess FY 11-12 Revenue - SC Conservation Bank) Directs that the first \$2,000,000 of any unobligated FY 11-12 surplus revenues above the amount certified by the BEA be transferred to the S.C. Conservation Bank prior to the close of the books on FY 11-12. Authorizes these funds to be carried forward and expended for the same purpose

**SUBCOMMITTEE RECOMMENDATION:** DELETE proviso. *Proviso was for FY 11-12.* Fiscal Impact: No impact on the General Fund. Requested by S.C. Conservation Bank.

**90.15.** (SR: Excess FY 11-12 Revenue - SC Conservation Bank) ~~Prior to the close of the books for Fiscal Year 2011-12, to the extent that unobligated Fiscal Year 2011-12 surplus revenues above the amount certified by the Board of Economic Advisors are available, the State Treasurer is directed to transfer the first \$2,000,000 to the South Carolina Conservation Bank. The South Carolina Conservation Bank may retain and carry forward unexpended funds to succeeding fiscal years and expend these funds for the same purpose.~~