

**PROVISO SUBCOMMITTEE  
ECONOMIC DEVELOPMENT AND NATURAL RESOURCES  
RECOMMENDATIONS FOR FY 2015-16  
TO THE HOUSE WAYS AND MEANS COMMITTEE**

**SECTION 50 - P32-DEPARTMENT OF COMMERCE**

**50.13 AMEND** (Regional Economic Development Organizations) Directs the department to use the \$5,000,000 appropriated for Regional Economic Development Organizations to provide funds to the designated organizations and counties and provides a mechanism by which the funds should be distributed. Requires a 1:1 private fund match and requires the receiving organization to certify that the private funds match are new dollars specifically designated for this purpose. Directs the organizations provide an annual expenditure report and outcome measures to the Chairmen of the Senate Finance and House Ways and Means Committees and the Secretary of Commerce by November 1<sup>st</sup>. Directs unexpended or undistributed funds from prior fiscal years be transferred to the Rural Infrastructure Fund at the Department of Commerce.  
**SUBCOMMITTEE RECOMMENDATION:** AMEND proviso to update fiscal year reference to 2015-16 and amend allocations distributed to alliances and counties.

**50.13.** (CMRC: Regional Economic Development Organizations) The Department of Commerce shall utilize \$5,000,000 appropriated in Fiscal Year ~~2014-15~~ 2015-16 for Regional Economic Development Organizations to provide funds to the following economic development organizations and must be disbursed as follows:

- (1) Upstate Alliance ..... \$750,000;
- (2) Central SC Economic Development Alliance ..... \$750,000;
- (3) North Eastern Strategic Alliance (NESAs) ..... ~~\$675,000;~~ \$710,000;
- (4) Charleston Regional Development Alliance..... ~~\$675,000;~~ \$670,000;
- (5) I-77 Alliance ..... ~~\$675,000;~~ \$600,000;
- (6) Economic Development Partnership ..... ~~\$500,000;~~ \$450,000;
- (7) Southern Carolina Alliance..... ~~\$475,000;~~ \$450,000; and
- (8) TheLINK Economic Alliance..... ~~\$350,000.~~ \$395,000.

Each dollar of state funds must be matched with one dollar of private funds. The organization receiving state funds must certify that the private funds are new dollars specifically designated for the purpose of matching state funds and have not been previously allocated or designated for economic development. No funds appropriated in this proviso may be used for routine operating costs of the organization as defined by the Department of Commerce.

The remaining ~~\$150,000~~ \$225,000 shall be provided to ~~Beaufort County~~ counties as follows, provided ~~it meets~~ they meet the requirements established above

- (1) Beaufort County..... \$150,000; and
- (2) Lancaster County..... \$ 75,000.

Upon receipt of the request for the funds and certification of the matching funds, the Department of Commerce shall disburse the funds to the requesting organization.

Funds recipients shall provide an annual report by November first, to the Chairmen of the Senate Finance Committee and the House Ways and Means Committee and the Secretary of Commerce on the expenditure of the funds and on the outcome measures.

Any unexpended, unallocated, or undistributed funds appropriated in prior fiscal years for Regional Economic Development Organizations shall be transferred to the Rural Infrastructure Fund at the Department of Commerce.

**50.14 CONFORM TO FUNDING** (Research Funds) Directs the department, upon Secretary of Commerce and Coordinating Council for Economic Development approval, to use “special item” or “non-recurring” funds appropriated for “Research” to fund partnerships between the department, higher education institutions, and S.C. based industry that have significant

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investment in the state. Requires the partnerships create well paying jobs and enhance economic opportunities in the Distribution and Logistics Sciences area, or any other science, technology, research, development, or industry. Authorizes unexpended funds be carried forward and used for the same purpose or to fund economic development projects.

**SUBCOMMITTEE RECOMMENDATION:** CONFORM TO FUNDING.

**50.14.** (CMRC: Research Funds) Funds appropriated to the Department of Commerce as a special item or nonrecurring appropriation for Research shall be used to fund, upon approval of the Secretary of Commerce and the Coordinating Council for Economic Development, partnerships between the Department of Commerce, higher education institutions, either collectively or individually, and South Carolina-based industry with significant investment in the state. These partnerships shall be in Distribution and Logistics Sciences, or any other science, technology, research, development, or industry that creates well-paying jobs and enhanced economic opportunities for the State as determined by the Secretary of Commerce. Unexpended funds shall be carried forward from the prior fiscal year into the current fiscal year and may be used for the same purpose or to fund economic development projects.

**50.16 CONFORM TO FUNDING** (Business Incubator/Innovation Program) Requires funds appropriated for the Business Incubator/Innovation Program be used for eligible projects that address one or more of the S.C. Innovation Plan goals and requires investments to be accompanied by a 1:1 match from non-state appropriated funds. Authorizes the department to use up to \$300,000 for program administrative costs.

**SUBCOMMITTEE RECOMMENDATION:** CONFORM TO FUNDING.

**50.16.** (CMRC: Business Incubator/Innovation Program) Any funds appropriated to the department for the Business Incubator/Innovation Program shall be used for eligible projects that address one or more of the goals in the South Carolina Innovation Plan and any investments must be accompanied by a dollar-for-dollar match from non-state appropriated funds. Up to \$300,000 may be used by the department for administrative costs associated with this program.

**SECTION 54 - P45 - RURAL INFRASTRUCTURE AUTHORITY**

**54.2 AMEND** (Grant Award Calendar) Directs the Rural Infrastructure Authority to establish a schedule for FY 14-15 that includes a spring and fall award period for qualified projects.

**SUBCOMMITTEE RECOMMENDATION:** AMEND proviso to change “Fiscal Year 2014-15” to “the current fiscal year.”

**54.2.** (RIA: Grant Award Calendar) For ~~Fiscal Year 2014-15~~ *the current fiscal year*, the Rural Infrastructure Authority shall establish a schedule that includes, at a minimum, a spring and fall award period for qualified projects.

**SECTION 109 - R44 - DEPARTMENT OF REVENUE**

**109.gdop ADD** (Governmental Debt Offset Program) **SUBCOMMITTEE RECOMMENDATION:** ADD new proviso to authorize the Department of Revenue to contract with technology entities to establish a debt offset program to allow non-tax payments to be used to offset governmental debt. Authorize the department to retain sufficient revenue from the proceeds received from the

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program to offset its administrative costs and to pay for the contractual costs to establish and operate the program. Direct that remaining revenue received be deposited into the general fund.

*109.gdop. (DOR: Governmental Debt Offset Program) The Department of Revenue is authorized to contract with technology entities to provide the necessary capabilities to establish a debt offset program to allow non-tax payments to be used to offset governmental debt. Out of the proceeds received, the department shall retain its administrative costs and shall pay for the contractual costs to establish and operate the program. Remaining revenue shall be deposited into the General Fund of the State.*

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