CHAPTER 47

Joint Bond Review Committee

**SECTION 2-47-10. Declaration of legislative findings.**

 The General Assembly finds that a need exists for careful planning of permanent improvements and of the utilization of state general obligation and institutional bond authority in order to ensure the continued favorable bond credit rating our State has historically enjoyed. It further finds that the responsibility for management of these matters is properly placed upon the legislative and executive branches of government. It is the purpose of this chapter to further ensure the proper legislative and executive response in the fulfillment of this responsibility.

HISTORY: 1976 Act No. 761, § 1; 1979 Act No. 194, Part I, § 10; 2014 Act No. 121 (S.22), Pt VII, § 18.B, eff July 1, 2015.

**SECTION 2-47-20. Joint Bond Review Committee created; membership; expenses and assistance.**

 There is hereby created a six member joint committee of the General Assembly to be known as the Joint Bond Review Committee to study and monitor policies and procedures relating to the approval of permanent improvement projects and to the issuance of state general obligation and institutional bonds; to evaluate the effect of current and past policies on the bond credit rating of the State; and provide advisory assistance in the establishment of future capital management policies. Three members shall be appointed from the Senate Finance Committee by the chairman thereof and three from the Ways and Means Committee of the House of Representatives by the chairman of that committee corresponding to the terms for which they are elected to the General Assembly. The committee shall elect officers of the committee, but any person so elected may succeed himself if elected to do so.

 The expenses of the committee shall be paid from approved accounts of both houses. The Legislative Council and all other legislative staff organizations shall provide such assistance as the joint committee may request.

HISTORY: 1976 Act No. 761, § 2; 1979 Act No. 194, Part I, § 10; 2014 Act No. 121 (S.22), Pt VII, § 18.B, eff July 1, 2015.

**SECTION 2-47-25. Additional committee members to be appointed.**

 In addition to the members provided for by Section 2-47-20, two additional members shall be appointed by the Chairman of the Ways and Means Committee of the House of Representatives from the membership of that body. Two additional members shall be appointed by the Chairman of the Finance Committee of the Senate from the membership of the Senate. Members shall serve the same terms as the members of the committee provided for in Section 2-47-20.

HISTORY: 1981 Act No. 179, § 14; 2014 Act No. 121 (S.22), Pt VII, § 18.B, eff July 1, 2015.

**SECTION 2-47-30. Powers and duties.**

 The committee is specifically charged with, but not limited to, the following responsibilities:

 (1) to review, prior to approval by the State Fiscal Accountability Authority, the establishment of any permanent improvement project and the source of funds for any such project not previously authorized specifically by the General Assembly;

 (2) to study the amount and nature of existing general obligation and institutional bond obligations and the capability of the State to fulfill such obligations based on current and projected revenues;

 (3) to recommend priorities of future bond issuance based on the social and economic needs of the State;

 (4) to recommend prudent limitations of bond obligations related to present and future revenue estimates;

 (5) to consult with independent bond counsel and other nonlegislative authorities on such matters and with fiscal officials of other states to gain in-depth knowledge of capital management and assist in the formulation of short- and long-term recommendations for the General Assembly;

 (6) to carry out all of the above assigned responsibilities in consultation and cooperation with the executive branch of government and the authority;

 (7) to report its findings and recommendations to the General Assembly annually or more frequently if deemed advisable by the committee.

HISTORY: 1976 Act No. 761, § 3; 1979 Act No. 194, Part I, § 10; 2014 Act No. 121 (S.22), Pt VII, § 18.B, eff July 1, 2015.

**SECTION 2-47-35. Establishment of funding priorities.**

 No project authorized in whole or in part for capital improvement bond funding under the provisions of Act 1377 of 1968, as amended, may be implemented until funds can be made available and until the Joint Bond Review Committee, in consultation with the authority, establishes priorities for the funding of the projects. The Joint Bond Review Committee shall report its priorities to the members of the General Assembly within thirty days of the establishment of the funding priorities.

HISTORY: 1986 Act No. 547, § 3; 2014 Act No. 121 (S.22), Pt VII, § 18.B, eff July 1, 2015.

**SECTION 2-47-40. Information to be furnished by agencies and institutions.**

 (A) To assist the authority and the Joint Bond Review Committee in carrying out their respective responsibilities, any agency or institution requesting or receiving funds from any source for use in the financing of any permanent improvement project, as a minimum, shall provide to the authority, in such form and at such times as the authority, after review by the committee, may prescribe:

 (1) a complete description of the proposed project;

 (2) a statement of justification for the proposed project;

 (3) a statement of the purposes and intended uses of the proposed project;

 (4) the estimated total cost of the proposed project;

 (5) an estimate of the additional future annual operating costs associated with the proposed project;

 (6) a statement of the expected impact of the proposed project on the five-year operating plan of the agency or institution proposing the project;

 (7) a proposed plan of funding for the project, specifically identifying funds proposed from sources other than capital improvement bond authorizations; and

 (8) the specification of the priority of each project among those proposed.

 (B) The authority shall forward a copy of each project proposal and justification statement and supporting documentation received together with the authority's recommendations on such projects to the committee for its review and action.

 (C) No provision in this section or elsewhere in this chapter, shall be construed to limit in any manner the prerogatives of the committee and the General Assembly with regard to recommending or authorizing permanent improvement projects and the funding such projects may require.

HISTORY: 1980 Act No. 518, § 11; 2014 Act No. 121 (S.22), Pt VII, § 18.B, eff July 1, 2015; 2024 Act No. 214 (S.314), § 1, eff July 2, 2024.

**SECTION 2-47-50. Establishment of permanent improvement projects by authority; review of proposed revisions; "permanent improvement project" defined.**

 (A) The authority shall establish formally each permanent improvement project before actions of any sort which implement the project in any way may be undertaken and no expenditure of any funds for any services or for any other project purpose contracted for, delivered, or otherwise provided prior to the date of the formal action of the authority to establish the project shall be approved. State agencies and institutions may advertise and interview for project architectural and engineering services for a pending project so long as the architectural and engineering contract is not awarded until after a state project number is assigned. After the committee has reviewed the form to be used to request the establishment of permanent improvement projects and has reviewed the time schedule for considering such requests as proposed by the authority, requests to establish permanent improvement projects shall be made in such form and at such times as the authority may require.

 (B) Any proposal to finance all or any part of any project using any funds not previously authorized specifically for the project by the General Assembly or using any funds not previously approved for the project by the authority and reviewed by the committee shall be referred to the committee for review prior to approval by the authority.

 (C) Any proposed revision of the scope or of the budget of an established permanent improvement project deemed by the authority to be substantial shall be referred to the committee for its review prior to any final action by the authority. In making their determinations regarding changes in project scope, the authority, and the committee shall utilize the permanent improvement project proposal and justification statements, together with any supporting documentation, considered at the time the project was authorized or established originally. Any proposal to increase the budget of a previously approved project using any funds not previously approved for the project by the authority and reviewed by the committee shall in all cases be deemed to be a substantial revision of a project budget which shall be referred to the committee for review. The committee shall be advised promptly of all actions taken by the authority which approve revisions in the scope of or the budget of any previously established permanent improvement project not deemed substantial by the authority.

 (D) For purposes of this chapter, a permanent improvement or a permanent improvement project is any improvement meeting the definition of a capital improvement under generally accepted accounting principles including, without limitation:

 (1) acquisition of land;

 (2) acquisition, as opposed to the construction, of buildings or other structures;

 (3) capital lease purchase of any facility acquisition or construction;

 (4) new construction;

 (5) work on existing facilities including their renovation, repair, maintenance, alteration, or demolition;

 (6) architectural and engineering and other types of planning and design work that is intended to result in a permanent improvement project; excluding, however, master plans and feasibility studies;

 (7) equipment that either becomes a permanent fixture of a facility or does not become permanent but is included in the construction contract; and

 (8) any project authorized by the General Assembly including, without limitation, any project funded by appropriated capital improvement bond funds, capital reserve funds, state appropriated funds, or state infrastructure bond funds.

 (E) Any capital improvement that meets the above definition must be established as a permanent improvement project in accordance with the provisions of this chapter, regardless of the source of funds.

HISTORY: 1980 Act No. 518, § 11; 1993 Act No. 178, § 4; 2004 Act No. 187, § 10, eff March 17, 2004; 2005 Act No. 143, § 3, eff June 7, 2005; 2011 Act No. 74, Pt IV, § 4, eff August 1, 2011; 2014 Act No. 121 (S.22), Pt VII, § 18.B, eff July 1, 2015; 2024 Act No. 214 (S.314), § 2, eff July 2, 2024.

**SECTION 2-47-52. Permanent improvement project limits.**

 (A) For purposes of this chapter, except as provided in subsection (B), permanent improvement projects are subject to review by the committee and approval by the authority where the costs of the permanent improvements exceed two hundred fifty thousand dollars; provided, however, that acquisitions of land, buildings or other structures, and capital lease purchases of facility acquisitions or construction as defined in items (1), (2), and (3) of Section 2-47-50(D) are subject to review by the committee regardless of cost.

 (B) For purposes of this chapter, permanent improvement projects proposed by public institutions of higher learning as defined in Section 59-103-5, including their related public service activities, are exempt from the requirements of Section 2-47-50 where the costs of the permanent improvements do not exceed ten million dollars for research universities as identified in Section 11-51-30(5) or two million five hundred thousand dollars for all other public institutions of higher learning so long as the institution's governing board votes to approve the project in a public session; provided, however, that acquisitions of land, buildings or other structures, and capital lease purchases of facility acquisitions or construction as defined in items (1), (2), and (3) of Section 2-47-50(D) are subject to review by the committee regardless of cost. Institutions shall provide a report of projects approved by their governing boards pursuant to this subsection, and work on existing facilities including their renovation, repair, maintenance, alteration, or demolition, to the Joint Bond Review Committee and the State Fiscal Accountability Authority of the previous fiscal year's approved projects that meet the same criteria of this subsection by November fifteenth of each year.

 (C) State agencies and institutions may advertise, interview, and engage the services of professional firms for architectural, engineering, planning, and design work as set forth in Section 2-47-50(D)(6) to inform the project estimate prior to the review of the committee; provided, however, that the costs of such engagements do not exceed ten million dollars for research universities as identified in Section 11-51-30(5), two million five hundred thousand dollars for all other public institutions of higher learning, or two hundred fifty thousand dollars for all other agencies subject to the provisions of this chapter.

 (D) Notwithstanding any other provision of this section, the committee may establish reporting and other requirements.

 (E) Where the funding for a proposed permanent improvement project includes proceeds from the issuance of bonds or other indebtedness, including any obligation for an agency or institution to make payments pursuant to a lease or other agreement securing indebtedness in connection with or on behalf of the permanent improvement project, approval of the permanent improvement project is the responsibility of the Department of Administration, and approval of the issuance of bonds, where required pursuant to the applicable bond enabling act, or other indebtedness in accordance with the provisions of this subsection, is the responsibility of the State Fiscal Accountability Authority.

HISTORY: 2024 Act No. 214 (S.314), § 3, eff July 2, 2024.

**SECTION 2-47-55. Comprehensive Permanent Improvement Plan.**

 All state agencies and institutions of higher learning responsible for providing and maintaining physical facilities are required to maintain a Comprehensive Permanent Improvement Plan (CPIP). The CPIP must include all of the agency's or institution's permanent improvement projects anticipated and proposed over the five succeeding years after submission. Agencies and institutions of higher learning must submit a CPIP to the Department of Administration by September first of each year. The department must compile the plans and submit a comprehensive statewide permanent improvement plan to the committee and the authority by January first of each year. The authority and the committee must approve the comprehensive statewide permanent improvement plan after submission and may develop policies and procedures to implement and accomplish the purposes of this section.

HISTORY: 1993 Act No. 178, § 5, eff July 1, 1993; 2003 Act No. 5, § 1; 2014 Act No. 121 (S.22), Pt VII, § 18.B, eff July 1, 2015; 2024 Act No. 214 (S.314), § 4, eff July 2, 2024.

**SECTION 2-47-56. Source of funds; acceptance of gifts-in-kind for architectural and engineering services.**

 For purposes of this chapter, the term "source of funds" includes, without limitation, gifts, gifts-in-kind, and donations; and when used as a financial resource to defray any cost of a permanent improvement project, the amount of the source of funds from such gifts, gifts-in-kind, and donations is the value of the gift, gift-in-kind, or donation. Each state agency and institution may accept gifts-in-kind for architectural and engineering services and construction following review by the committee or its designated staff in accordance with the provisions of Section 2-47-52. Such gifts are exempt from the provisions of Section 11-35-10.

HISTORY: 1993 Act No. 178, § 6; 2014 Act No. 121 (S.22), Pt VII, § 18.B, eff July 1, 2015; 2024 Act No. 214 (S.314), § 4, eff July 2, 2024.

**SECTION 2-47-60. Joint Bond Review Committee to regulate starting date of certain highway projects.**

 The Joint Bond Review Committee is hereby authorized and directed to regulate the starting date of the various projects approved for funding through the issuance of state highway bonds so as to ensure that the sources of revenue for debt service on such bonds shall be sufficient during the current fiscal year.

HISTORY: 1993 Act No. 181, § 32; 2014 Act No. 121 (S.22), Pt VII, § 18.B, eff July 1, 2015.