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COMMITTEE REPORT

March 31, 2009

**H. 3396**

Introduced by Reps. Harrell, Thompson, Scott, Cooper, Erickson, Bingham, A.D. Young, Edge, J.R. Smith, G.R. Smith, Bedingfield, Whitmire, Hiott, D.C. Smith, Bannister, Brady, Cato, Chalk, Forrester, Gambrell, Hamilton, Horne, Long, Nanney, Parker, E.H. Pitts, Rice, Sottile, Stewart, Viers, White, Willis and Toole

S. Printed 3/31/09--H.

Read the first time January 29, 2009.

**THE COMMITTEE ON WAYS AND MEANS**

To whom was referred a Joint Resolution (H. 3396) proposing an amendment to Section 36, Article III of the Constitution of South Carolina, 1895, relating to the General Reserve Fund and the Capital Reserve Fund, so as to increase, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass:

DANIEL T. COOPER for Committee.

**A** **JOINT RESOLUTION**

PROPOSING AN AMENDMENT TO SECTION 36, ARTICLE III OF THE CONSTITUTION OF SOUTH CAROLINA, 1895, RELATING TO THE GENERAL RESERVE FUND AND THE CAPITAL RESERVE FUND, SO AS TO INCREASE FROM THREE TO FIVE PERCENT THE AMOUNT OF STATE GENERAL FUND REVENUE IN THE LATEST COMPLETED FISCAL YEAR REQUIRED TO BE HELD IN THE GENERAL RESERVE FUND.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. It is proposed that Section 36(A), Article III of the Constitution of this State be amended to read:

“(A) The General Assembly shall provide for a General Reserve Fund of ~~three~~ five percent of the general fund revenue of the latest completed fiscal year. Funds may be withdrawn from the reserve only for the purpose of covering operating deficits of state government. The General Assembly must provide for the orderly restoration of funds withdrawn from the reserve from future revenues and out of funds accumulating in excess of annual operating expenditures.

(1) The General Assembly shall provide by law for a procedure to survey the progress of the collection of revenue and the expenditure of funds and to authorize and direct reduction of appropriations as may be necessary to prevent a deficit.

(2) In the event of a year‑end operating deficit, so much of the reserve fund as may be necessary must be used to cover the deficit; and the amount must be restored to the reserve fund within three fiscal years out of future revenues until the ~~three~~ five percent General Reserve Fund is again reached and maintained. Provided that a minimum of one percent of the general fund revenue of the latest completed fiscal year, if so much is necessary, must be restored to the reserve fund each year following the deficit until the ~~three~~ five percent General Reserve Fund is restored.”

SECTION 2. Must Section 36, Article III of the Constitution of this State be amended so as to increase from three to five percent the amount of state general fund revenue in the latest completed fiscal year required to be held in the General Reserve Fund?

Yes 

No 

Those voting in favor of the question shall deposit a ballot with a check or cross mark in the square after the word “Yes” and those voting against the question shall deposit a ballot with a check or cross mark in the square after the word “No”.

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