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AMENDED--NOT PRINTED IN THE HOUSE

Amt. No.1 (Doc. Path council\bbm\9615htc10)

March 3, 2010

**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, Toole, Neilson, Bales, T.R. Young and Wylie

S. Printed 1/28/10--S.

Read the first time April 14, 2009.

**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.

Amend Title To Conform

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 percent of the general fund revenue of the latest completed fiscal year plus an additional cumulative one half of one percent of such revenue in each fiscal year succeeding the last fiscal year to which the three percent applied and in which the full three percent balance was actually maintained until the percentage of such revenues equals five percent, which shall then and thereafter apply. Funds may be withdrawn from the reserve only for the purpose of covering operating deficits of state government. The General Assembly must provide for the orderly restoration of funds withdrawn from the reserve from future revenues and out of funds accumulating in excess of annual operating expenditures.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~~ full amount required to be maintained in the General Reserve Fund for the fiscal year is again reached and maintained. ~~Provided that~~ However, 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~~ ~~percent~~ full amount required to be maintained in the General Reserve Fund is restored.”

SECTION 2. The proposed amendment must be submitted to the qualified electors at the next general election for representatives. Ballots must be provided at the various voting precincts with the following words printed or written on the ballot:

“Must Section 36(A), Article III of the Constitution of this State, relating to the General Reserve Fund, be amended so as to increase from three to five percent in cumulative increments of one half of one percent each fiscal year the amount of state general fund revenue in the latest completed fiscal year required to be maintained in the General Reserve Fund and to provide that the increase begins after the last state fiscal year to which the three percent amount applied and in which that full three percent balance was actually maintained?

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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