**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 4‑1‑180 SO AS TO ALLOW COUNTIES TO DESIGNATE ALL OR A PORTION OF A MULTICOUNTY PARK AS A “DESIGNATED ECONOMIC DEVELOPMENT SITE” FOR EXTRAORDINARY COMMERCIAL FACILITIES, TO PROVIDE THE ELIGIBILITY CRITERIA FOR A SITE SO DESIGNATED, TO ALLOW THE AGREEMENT ESTABLISHING THE SITE TO DIRECT THE DEPARTMENT OF REVENUE TO REMIT UP TO THREE‑FOURTHS OF A PORTION OF STATE SALES TAX REVENUE COLLECTED IN THE SITE OTHERWISE CREDITED TO THE GENERAL FUND OF THE STATE TO THE COUNTIES THAT ARE PARTY TO THE AGREEMENT, TO PROVIDE THE USES TO WHICH THIS SALES TAX REVENUE REMITTED TO THE PARTY COUNTIES MUST BE APPLIED, AND TO SUNSET NEW DESIGNATIONS FIVE YEARS AFTER THE EFFECTIVE DATE OF THIS ACT.

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

SECTION 1. The General Assembly recognizes and finds that:

(1) the people of South Carolina are enduring extraordinary levels of unemployment and are likely to do so for the immediately foreseeable future and, further, that the national economy is undergoing changes that affect many of the businesses and industries that have traditionally provided jobs for the citizens and residents of South Carolina;

(2) there is a need for a program to provide inducements for the creation of jobs in the commercial and retail sector under conditions that will ensure: (i) significant capital investment, and (ii) the creation and maintenance of significant new employment, all under conditions that restrict the cost of funding that inducement to sources of funds related to the creation of revenues that do not exist presently;

(3) it has heretofore authorized the creation of industrial or business parks by counties to encourage and promote economic development which creation has been instrumental in the efforts of the State to attract and retain significant investment and employment;

(4) the risks of this existing and time‑tested program are minimized;

(5) by providing counties a means of funding grants to certain private entities for the purpose of defraying a portion of the cost of infrastructure related to these developments after the developments have been constructed, certain initial levels of employment have been satisfied and new sales tax revenue targets have been met and the level of investment and number of jobs required to be created before the provision of the grants is designed to avoid speculative risk and, together with demonstrated revenues, are designed to ensure that the benefit to the public in new investment and jobs will render the public the primary beneficiary of the incentive notwithstanding the incidental benefits that may be derived by the private grantees; and

(6) that the inducement authorized by Section 4‑1‑180 of the 1976 Code, as added by this act, will serve the public welfare by providing for additional employment and will serve the affected counties by additional employment and by an increase in their local tax base.

SECTION 2. Chapter 1, Title 4 of the 1976 Code is amended by adding:

“Section 4‑1‑180. (A)(1) ‘Extraordinary commercial facilities’ means commercial facilities, including facilities for the retail sale of goods, in a designated economic development site that meets the initial qualifying criteria.

(2) ‘New capital investment’ means facilities that either have been placed in service, or for which a certificate of occupancy has been issued, after July 1, 2009.

(3) ‘New job’ means a job created in this State at the time a new facility is initially staffed.

(B) Counties that create a multicounty business park may designate a portion or all of that park as a designated economic development site for extraordinary commercial facilities. Initial qualifying criteria for a designated economic development site are: (i) the value of new capital investment within the designated economic development site, including the value of capital investment in all its components, regardless of how those components are owned or controlled, is not less than an aggregate amount of one hundred million dollars; (ii) there is an aggregate of not fewer than one thousand new jobs measured by number of employees; and (iii) there are total sales tax receipts at a rate of six million dollars each year, which may be based on an annualized number using the two most recent quarters.

(C) The number of new jobs may be based on a quarterly report filed with the South Carolina Employment Security Commission or the Bureau of Labor Statistics; except that a certificate based on those reports need not include copies of the reports so as to ensure the maintenance of privacy of information in the reports.

(D) The counties making a designation of an economic development site shall notify the South Carolina Department of Revenue of the boundaries of the designated site.

(E)(1) In addition to the matters specified in Section 4‑1‑170, the agreement relating to the designated economic development site may provide that an amount equal to three‑fourths of the revenues collected in the designated economic development site from sales taxes imposed pursuant to Section 12‑36‑2620(1) must be paid quarterly by the Department of Revenue from the general fund of the State to the counties and allocated in accordance with the provisions of the agreement for the qualifying period, except during a suspension period.

(2) The qualifying period must begin no earlier than the first day of the third calendar month after the counties creating a designated economic development site: (i) provide the department with a certificate satisfactory to the department that contains information that the extraordinary commercial facilities in a designated economic development site meet the initial qualifying criteria; and (ii) provide the department with a copy of the agreement specifying the percentage of funds to be remitted to the counties. The qualifying period must end at the end of the fifteenth year after the commencement of the qualifying period.

(3) To maintain receipt of payments, the counties must file with the department an annual report showing the number of employees at the site for the most recent four quarters. If the report does not show an average of five hundred jobs during the reporting period, quarterly payments must be suspended until the next annual report shows an average of five hundred jobs during that reporting period. A suspension period is the time between the two filings, and payments must not be made to the counties during the suspension period.

(4) A county that receives revenues from this source may treat those revenues in the same fashion as fees in lieu of taxes and issue special sources revenue bonds or provide for credits or payments as provided in Section 4‑1‑175.

(5) If a county uses funds to reimburse another governmental or private entity for expenditures incurred by it, the county must have a grant agreement with each recipient. Each grant agreement must contain provisions relating to the grantee’s obligation to provide jobs and require an annual certification of compliance. The grant agreement must require that, if a grantee fails to satisfy the conditions of a grant, then all future payments must be suspended until the grantee certifies compliance with the terms. Copies of all grant agreements must be provided to the department.

(F) The provisions of this section expire with respect to new site designations five years after the effective date of this section.”

SECTION 3. This act takes effect upon approval by the Governor.

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