**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 PROVIDE THAT BEGINNING FOR FISCAL YEAR 2012‑2013, THE GENERAL RESERVE FUND MUST BE INCREASED EACH YEAR BY ONE PERCENT OF THE GENERAL FUND REVENUE OF THE LATEST COMPLETED FISCAL YEAR UNTIL IT EQUALS EIGHTEEN PERCENT OF SUCH REVENUES, AND TO PROVIDE THAT FOR FISCAL YEAR 2026‑2027 AND THEREAFTER, THE GENERAL RESERVE FUND MUST BE EIGHTEEN PERCENT OF THE GENERAL FUND REVENUE OF THE LATEST COMPLETED FISCAL YEAR.

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 provided, that beginning for fiscal year 2012‑2013, the general reserve fund must be increased each year by one percent of the general fund revenue of the latest completed fiscal year until it equals eighteen percent of such revenues, and for fiscal year 2026‑2027 and thereafter, the general reserve fund must be eighteen 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 Funds may be withdrawn from the reserve only for the purpose of covering operating deficits of state government. The General Assembly must provide for the orderly restoration of funds withdrawn from the reserve from future revenues and out of funds accumulating in excess of annual operating expenditures.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~~ applicable 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~~ applicable percent ~~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, Article III of the Constitution of this State, relating to the general reserve fund and the capital reserve fund, be amended so as to provide that each year beginning for fiscal year 2012‑2013, the general reserve fund must be increased by one percent of the general fund revenue of the latest completed fiscal year until it equals eighteen percent of such revenues, and to provide that for fiscal year 2026‑2027 and thereafter, the general reserve fund must be eighteen percent of the general fund revenue of the latest completed fiscal year?

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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