**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING ARTICLE 5 TO CHAPTER 11, TITLE 57 SO AS TO ENACT THE “STATE BONDS FOR COUNTY TRANSPORTATION INFRASTRUCTURE ACT”, TO AUTHORIZE THE ISSUE OF FIVE HUNDRED MILLION DOLLARS IN GENERAL OBLIGATIONS OF THIS STATE FOR FINANCING COUNTY TRANSPORTATION INFRASTRUCTURE, AND TO PROVIDE THE TERMS, CONDITIONS, USES AND ALLOCATION OF THE BONDS AND THEIR PROCEEDS.

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

SECTION 1. Chapter 11, Title 57 of the 1976 Code is amended by adding:

“Article 5

State Bonds for County Transportation Infrastructure Act

Section 57‑11‑510. This article may be cited as the ‘State Bonds for County Transportation Infrastructure Act’.

Section 57‑11‑520. It is declared that, for the benefit of the people of the State, the increase of their commerce, welfare, and prosperity, and the improvement of their health and living conditions, it is essential that additional funds be made available for transportation infrastructure projects approved by the county transportation committee of each county of this State. It is the purpose of this article to provide a measure of assistance to county transportation committees in this State to provide the transportation infrastructure needed to accomplish the purposes of this article, all to the public benefit and good, to the extent and manner provided in this article.

Section 57‑11‑530. As used in this article:

(1) ‘County transportation committee’ (CTC) means a public body corporate and politic operating in each county of this State pursuant to Section 12‑28‑2740.

(2) ‘Department’ means the South Carolina Department of Transportation.

(3) ‘Highway transportation purposes’ means those projects for which ‘C’ fund revenue may be expended pursuant to Section 12‑28‑2740 limited to expenditures on the state highway system or the construction of roads and bridges for inclusion in the state highway system.

(4) State bonds for county transportation infrastructure’ (SBCTI) means general obligation bonds of the State of South Carolina issued under the authority of this article.

Section 57‑11‑540. In order to obtain funds for allocation to CTC’s for highway transportation purposes, there must be issued from time to time SBCTI bonds under the conditions prescribed by this article.

Section 57‑11‑550. The maximum principal amount of SBCTI bonds that may be issued pursuant to this article may not exceed five hundred million dollars except that this limitation does not apply to any SBCTI bonds issued for the purpose of refunding issues of such bonds. The General Assembly directs the Department of Transportation to allocate five hundred million dollars pursuant to Section 12‑28‑2740(A) and to inform each CTC of its individual allocation. The authority to issue bonds under this article expires four years from the effective date of this article. The four‑year limitation, however, does not apply to bonds issued to retire bond anticipation notes or for the purpose of refunding issues of such bonds.

Section 57‑11‑560. The South Carolina Department of Transportation, by resolution, shall notify the State Budget and Control of the following:

(1) the amount then required for allocation of counties for highway transportation purposes for the next fiscal year;

(2) a tentative time schedule setting forth the period of time during which the sum requested will be expended;

(3) a debt service table showing the annual principal and interest requirements for all SBCTI bonds then outstanding; and

(4) the total amount of all SBCTI bonds issued.

This notification must be presented to the State Budget and Control Board by January first of each year.

Section 57‑11‑570. Following the receipt of the notification presented pursuant to Section 57‑11‑560, the State Budget and Control Board, by resolution duly adopted, shall effect the issuance of SBCTI, or pending the issuance thereof, effect the issuance of bond anticipation notes pursuant to Chapter 17, Title 11.

Section 57‑11‑580. Pursuant to the provisions of Section 13(6)(c), Article X of the Constitution of this State, as amended, and by enactment of this article, the General Assembly provides that general obligation debt may be issued pursuant to this article only at such times as the maximum annual debt service on all general obligation bonds of the State, including the bonds issued pursuant to this article, and bonds issued pursuant to Chapters 41 and 51, Title 11, outstanding and being issued, but excluding highway bonds, state institution bonds, tax anticipation notes, and bond anticipation notes, will not exceed six percent of the general revenues of the State for the fiscal year next preceding, excluding revenues that are authorized to be pledged for state highway bonds and state institution bonds. The State may not issue general obligation bonds, including the bonds issued pursuant to this article, excluding bonds authorized pursuant to Chapters 41 and 51, Title 11, highway bonds, state institution bonds, tax anticipation notes, and bond anticipation notes, if at the time of issuance the maximum annual debt service on these general obligation bonds, outstanding and being issued, exceeds five percent of the general revenues of the State for the fiscal year next preceding, excluding revenues that are authorized to be pledged for state highway bonds and state institution bonds.

Section 57‑11‑590. In order to effect the issuance of SBCTI bonds, the State Budget and Control Board shall adopt a resolution providing for the issuance of SBCTI bonds pursuant to the provisions of this article. The authorizing resolution must include:

(1) schedules setting forth the aggregate of all general obligation debt of the State (excluding bonds issued pursuant to Chapters 41 and 51, Title 11, highway bonds, state institution bonds, tax anticipation notes, and bond anticipation notes) together with certificates of the State Treasurer and State Auditor evidencing compliance with the provisions of Section 13(6)(c), Article X of the South Carolina Constitution;

(2) a schedule showing the aggregate of SBCTI bonds issued, the purposes for which they were issued, the annual payments required to retire the SBCTI bonds, the interest thereon, and the amount of any special funds applicable to the retirement of the outstanding SBCTI bonds;

(3) the amount of SBCTI bonds to be issued; and

(4) a schedule showing future annual principal requirements and estimated annual interest requirements on the SBCTI bonds to be issued.

Section 57‑11‑600. The SBCTI bonds must bear the date and mature at the time that the resolution provides, except that no SBCTI bond may mature more than thirty years from its date of issue. The SBCTI bonds may be in the denominations, be payable in the medium of payment, be payable at the place and at the time, and be subject to redemption or repurchase and contain other provisions determined by the State Budget and Control Board before their issuance. The bonds may bear interest payable at the times and at the rates as determined by the State Budget and Control Board.

Section 57‑11‑610. All SBCTI bonds issued under this article are exempt from taxation as provided in Section 12‑2‑50.

Section 57‑11‑620. All SBCTI bonds issued under this article must be signed by the Governor and the State Treasurer. The Governor and the State Treasurer may sign these obligations by a facsimile of their signatures. The Great Seal of the State must be affixed to, impressed on, or reproduced upon each of them and each must be attested by the Secretary of State. The delivery of the SBCTI bonds executed and authenticated is valid notwithstanding changes in officers or seal occurring after the execution or authentication.

Section 57‑11‑630. For the payment of the principal and interest on all SBCTI bonds issued and outstanding pursuant to this article there is pledged the full faith, credit, and taxing power of the State of South Carolina, and in accordance with the provisions of Section 13(4), Article X of the South Carolina Constitution, the General Assembly allocates on an annual basis sufficient tax revenues to provide for the punctual payment of the principal and interest on the debt authorized by this article.

Section 57‑11‑640. SBCTI bonds must be sold by the Governor and the State Treasurer upon sealed proposals, after publication of notice of the sale one or more times at least seven days before the sale, in a financial paper which regularly publishes notices of sale of state or municipal bonds. The SBCTI bonds may be awarded only to the lowest interest cost bidder, but the right is reserved to reject all bids and to readvertise the SBCTI bonds for sale. For the purpose of bringing about successful sales of the bonds, the State Budget and Control Board may do all things ordinarily and customarily done in connection with the sale of state or municipal bonds. All expenses incident to the sale of the bonds must be paid from the proceeds of the sale of the bonds.

Section 57‑11‑650. The proceeds of the sale of SBCTI bonds must be received by the State Treasurer and applied by the State Treasurer to the purposes for which issued, except that the accrued interest, if any, must be used to discharge in part the first interest to become due on the bonds, but the purchasers of the bonds are not liable for the proper application of the proceeds to the purposes for which they are intended.

Section 57‑11‑660. It is lawful for all executors, administrators, guardians, and other fiduciaries to invest any monies in their hands in bonds issued pursuant to this article.

Section 57‑11‑670. The proceeds received from the issuance of SBCTI bonds, after deducting the costs of issuance, must be allocated to the CTC’s in the same manner ‘C’ funds are allocated pursuant to Section 12‑28‑2740(A), and used as if those proceeds are ‘C’ fund revenues. However, provisions in Section 12‑29‑2740, relating to the issuing of bonds, payment of CTC administrative costs or amounts paid or reimbursed to CTC members and supplements to ‘donor’ counties, and expenditures for any projects not included currently or scheduled for inclusion in the state highway system do not apply to SBCTI revenues.

Section 57‑11‑680. The responsibilities and duties of the South Carolina Department of Transportation and CTC’s are as provided in Section 12‑28‑2740, except as revised pursuant to Section 57‑11‑670.

Section 57‑11‑690. To qualify for the bond proceeds available pursuant to this article, each CTC must meet the requirements of this article and any guidelines prescribed pursuant to this article.”

SECTION 2. This act takes effect July 1, 2013.

‑‑‑‑XX‑‑‑‑