~~Indicates Matter Stricken~~

Indicates New Matter

COMMITTEE REPORT

April 20, 2016

**H. 5077**

Introduced by Rep. White

S. Printed 4/20/16--H.

Read the first time March 9, 2016.

**THE COMMITTEE ON WAYS AND MEANS**

To whom was referred a Bill (H. 5077) to amend Section 6-25-113, as amended, Code of Laws of South Carolina, 1976, relating to the payment of bonds by a joint authority water and, etc., respectfully

**REPORT:**

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

Amend the bill, as and if amended, by striking all after the enacting words and inserting:

/ SECTION 1. Section 6‑25‑113 of the 1976 Code, as last amended by Act 59 of 2007, is further amended to read:

“Section 6‑25‑113. The bonds are special obligations of the joint system issuing them. The principal of, premium, if any, and interest on the bonds are not payable from the general funds of the joint system, nor do they constitute a legal or equitable pledge, charge, lien, or encumbrance upon any of its property, except as permitted by Sections 6‑21‑330 through 6‑21‑360 of the Revenue Bond Act for Utilities, or upon any of its income, receipts, or revenues, except the funds which are pledged under the resolution authorizing the bonds or the trust agreement securing the bonds. Neither the faith and credit nor the taxing power of the State or an authority is, or may be, pledged for the payment of the principal of or interest on the bonds, and no holder of the bonds has the right to compel the exercise of the taxing power by the State or an authority or the forfeiture of any of its property in connection with any default. However, the provisions of this section do not affect the ability of any member county or authority from providing a pledge of all or part of any revenues derived as payments in lieu of taxes with respect to a project. Every bond must recite in substance that the principal of and interest on the bond is payable solely from the revenues and other funds pledged to its payment and that the joint system is not obligated to pay the principal or interest except from such revenues and funds so pledged.”

SECTION 2. Section 11‑51‑40 of the 1976 Code is amended to read:

“Section 11‑51‑40. To obtain funds for allocation to the research universities for the financing of research infrastructure projects, and for the other purposes set forth in Section 11‑51‑125, there may be issued general obligation debt pursuant to the conditions prescribed by this chapter~~; provided, however, that the amount of the general obligation debt issued pursuant to this chapter that may be outstanding at any one time shall not exceed two hundred fifty million dollars~~.”

SECTION 3. Paragraph 2. of Section 11‑27‑30 of the 1976 Code is deleted.

SECTION 4. This act takes effect upon approval by the Governor. /

Renumber sections to conform.

Amend title to conform.

W. BRIAN WHITE for Committee.

**A** **BILL**

TO AMEND SECTION 6‑25‑113, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE PAYMENT OF BONDS BY A JOINT AUTHORITY WATER AND SEWER SYSTEM, SO AS TO ALLOW A LIEN TO BE PLACED ON THE AUTHORITY’S PROPERTY IN ACCORDANCE WITH THE REVENUE BOND ACT FOR UTILITIES.

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

SECTION 1. Section 6‑25‑113 of the 1976 Code, as last amended by Act 59 of 2007, is further amended to read:

“Section 6‑25‑113. The bonds are special obligations of the joint system issuing them. The principal of, premium, if any, and interest on the bonds are not payable from the general funds of the joint system, nor do they constitute a legal or equitable pledge, charge, lien, or encumbrance upon any of its property, except as permitted by Sections 6‑21‑330 through 6‑21‑360 of the Revenue Bond Act for Utilities, or upon any of its income, receipts, or revenues, except the funds which are pledged under the resolution authorizing the bonds or the trust agreement securing the bonds. Neither the faith and credit nor the taxing power of the State or an authority is, or may be, pledged for the payment of the principal of or interest on the bonds, and no holder of the bonds has the right to compel the exercise of the taxing power by the State or an authority or the forfeiture of any of its property in connection with any default. However, the provisions of this section do not affect the ability of any member county or authority from providing a pledge of all or part of any revenues derived as payments in lieu of taxes with respect to a project. Every bond must recite in substance that the principal of and interest on the bond is payable solely from the revenues and other funds pledged to its payment and that the joint system is not obligated to pay the principal or interest except from such revenues and funds so pledged.”

SECTION 2. This act takes effect upon approval by the Governor.

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