**A** **BILL**

TO AMEND ARTICLE 11, CHAPTER 9, TITLE 11 OF THE 1976 CODE, RELATING TO THE REVENUE AND FISCAL AFFAIRS OFFICE, TO PROVIDE FOR MEMBERSHIP ON THE GOVERNING BOARD OF THE REVENUE AND FISCAL AFFAIRS OFFICE, TO PROVIDE FOR THE POWERS, DUTIES, AND AUTHORITY OF THE OFFICE, TO CLARIFY THAT MEMBERSHIP ON THE BOARD OF ECONOMIC ADVISORS INCLUDES MEMBERS OF THE REVENUE AND FISCAL AFFAIRS OFFICE; TO AMEND SECTION 11‑9‑820 TO CONFORM MEMBERSHIP ON THE BOARD OF ECONOMIC ADVISORS WITH THE MEMBERSHIP ON THE BOARD GOVERNING THE REVENUE AND FISCAL AFFAIRS OFFICE; TO AMEND SECTIONS 11‑9‑825 THROUGH 11‑9‑840 TO MAKE TECHNICAL AND CONFORMING AMENDMENTS RELATED TO MONTHLY REVENUE ANALYSES ADVICE CONCERNING ECONOMIC TRENDS, AND REVENUE FORECASTS; TO AMEND SECTION 11‑9‑880(A) TO MODIFY THE DATES BY WHICH THE BOARD OF ECONOMIC ADVISORS MUST MAKE INITIAL AND ADJUSTED ECONOMIC FORECASTS AND REVENUE PROJECTIONS; TO AMEND SECTION 11‑9‑890 TO MAKE TECHNICAL CHANGES; TO AMEND SECTION 2‑7‑71 TO PROVIDE THAT THE EXECUTIVE DIRECTOR, OR HIS DESIGNEE, MUST CERTIFY REVENUE IMPACT STATEMENTS; TO AMEND SECTION 2‑7‑73, TO PROVIDE THAT THE DIRECTOR OF THE DEPARTMENT INSURANCE MUST CONDUCT AND SIGN A FINANCIAL IMPACT ANALYSIS ON CERTAIN BILLS RELATED TO HEALTH INSURANCE; TO AMEND SECTION 2‑7‑78 TO PROVIDE THAT THE EXECUTIVE DIRECTOR OF THE REVENUE AND FISCAL AFFAIRS OFFICE, OR HIS DESIGNEE, MUST CERTIFY REVENUE IMPACT STATEMENTS RELATED TO CERTAIN AMENDMENTS TO THE ANNUAL APPROPRIATIONS ACT; TO AMEND SECTION 4‑10‑790, TO PROVIDE THAT THE DEPARTMENT OF REVENUE SHALL FURNISH DATA TO THE STATE TREASURER AND TO THE APPLICABLE POLITICAL SUBDIVISIONS RECEIVING REVENUES FOR THE PURPOSE OF CALCULATING DISTRIBUTIONS AND ESTIMATING REVENUES AND TO PROVIDE THAT THE OFFICE SHALL ASSIST POLITICAL SUBDIVISIONS; TO AMEND SECTION 6‑1‑50, TO PROVIDE THAT MUNICIPALITIES RECEIVING REVENUE FROM STATE AID MUST SUBMIT FINANCIAL REPORTS TO THE REVENUE AND FISCAL AFFAIRS OFFICE BY MARCH FIFTEENTH, AND TO PROVIDE THAT NOTICE OF LATE REPORTS MUST BE MADE TO THE STATE TREASURER; TO AMEND SECTION 23‑47‑65, TO PROVIDE THAT THE DIRECTOR OF THE REVENUE AND FISCAL AFFAIRS OFFICE SHALL APPOINT A MEMBER TO THE 911 ADVISORY COMMITTEE; TO AMEND SECTION 44‑6‑170(A), (B), AND (H), TO PROVIDE THAT THE REVENUE AND FISCAL AFFAIRS OFFICE IS THE PROPER ENTITY FOR ENFORCEMENT IF A PROVIDER FAILS TO SUBMIT HEALTH CARE DATA, AND TO MAKE TECHNICAL AND CONFORMING AMENDMENTS; AND TO REPEAL SECTION 1‑11‑360 AND SECTION 2‑7‑62.

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

SECTION 1. Article 11, Chapter 9, Title 11 of the 1976 Code, as added by Act 121 of 2014, is amended to read:

“Article 11

Revenue and Fiscal Affairs Office

Section 11‑9‑1110. (A) There is established the Revenue and Fiscal Affairs Office to be governed by ~~the three appointed members of the Board of Economic Advisors pursuant to Section 11‑9‑820. The office is comprised of the Board of Economic Advisors, Office of Research and Statistics, and the Office of State Budget~~ a board comprised of three members as provided in Section 11‑9‑1120. The functions of the office must be performed, exercised, and discharged under the supervision and direction of the board. The board may organize its staff as it considers appropriate to carry out the various duties, responsibilities, and authorities assigned to it and to its various divisions. The board may delegate to one or more officers, agents, or employees the powers and duties it determines are necessary for the effective and efficient operation of the office.

(B) The Department of Administration shall provide such administrative support to the Revenue and Fiscal Affairs Office or any of its divisions or components as they may request and require in the performance of their duties including, but not limited to, financial management, human resources management, information technology, procurement services, and logistical support.

Section 11‑9‑1120. (A) ~~The Board of Economic Advisors division of the office shall maintain the organizational and procedural framework under which it is operating, and exercise its powers, duties, and responsibilities, as of the effective date of this section.~~ The board of the Revenue and Fiscal Affairs Office shall be comprised of:

(1) one member, appointed by, and serving at the pleasure of the Governor, who shall serve as chairman;

(2) one member appointed by, and serving at the pleasure of the Chairman of the Senate Finance Committee;

(3) one member appointed by, and serving at the pleasure of the Chairman of the Ways and Means Committee of the House of Representatives;

(B) The board shall unanimously select an Executive Director of the Revenue and Fiscal Affairs Office who shall serve a four‑year term. The executive director only may be removed for malfeasance, misfeasance, incompetency, absenteeism, conflicts of interest, misconduct, persistent neglect of duty in office, or incapacity as found by the board. The executive director shall have the authority and perform the duties prescribed by law and as may be directed by the board.

(C) The Chairman of the board shall report directly to the Governor, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee to establish policy governing economic trend analysis. The Revenue and Fiscal Affairs Office shall provide for its staffing and administrative support from funds appropriated by the General Assembly.

(D) The Revenue and Fiscal Affairs Office shall assist the Governor, Chairman of the Senate Finance Committee, and Chairman of the Ways and Means Committee of the House of Representatives in providing an effective system for compiling and maintaining current and reliable economic data. The Revenue and Fiscal Affairs Office may establish an advisory board to assist in carrying out its duties and responsibilities. All state agencies, departments, institutions, and divisions shall provide the information and data the office requires. The Revenue and Fiscal Affairs Office is considered a public body for purposes of the Freedom of Information Act, pursuant to Section 30‑4‑20(a).

Section 11‑9‑1130. ~~(A)~~ ~~The Office of Research and Statistics must be comprised of an Economic Research division and an Office of Precinct Demographics division.~~

~~(B~~) ~~The Economic Research division shall maintain the organizational and procedural framework under which it is operating, and exercise its powers, duties, and responsibilities, as of the effective date of this section.~~

~~(C)~~ ~~The Office of Precinct Demographics shall:~~ The Revenue and Fiscal Affairs Office shall:

(1) review existing precinct boundaries and maps for accuracy and develop and rewrite descriptions of precincts for submission to the legislative process;

(2) consult with members of the General Assembly or their designees on matters related to precinct construction or discrepancies that may exist or occur in precinct boundary development in the counties they represent;

(3) develop a system for originating and maintaining precinct maps and related data for the State;

(4) represent the General Assembly at public meetings, meetings with members of the General Assembly, and meetings with other state, county, or local governmental entities on matters related to precincts;

(5) assist the appropriate county officials in the drawing of maps and writing of descriptions or precincts preliminary to these maps and descriptions being filed in this office for submission to the United States Department of Justice;

(6) coordinate with the Census Bureau in the use of precinct boundaries in constructing census boundaries and the identification of effective uses of precinct and census information for planning purposes; and

(7) serve as a focal point for verifying official precinct information for the counties of South Carolina.

Section 11‑9‑1140. ~~The Office of State Budget division of the office shall maintain the organizational and procedural framework under which it is operating, and exercise its powers, duties, and responsibilities, as of the effective date of this section.~~ The Revenue and Fiscal Affairs Office shall assist the General Assembly with the development of the annual general appropriations act.”

SECTION 2. Section 11‑9‑820 of the 1976 Code is amended to read:

“Section 11‑9‑820. (A)(1) There is created the Board of Economic Advisors, a division of the Revenue and Fiscal Affairs Office, as follows:

(a) one member, appointed by, and serving at the pleasure of the Governor, who shall serve as chairman and shall receive annual compensation of ten thousand dollars;

(b) one member appointed by, and serving at the pleasure of the Chairman of the Senate Finance Committee, who shall receive annual compensation of eight thousand dollars;

(c) one member appointed by, and serving at the pleasure of the Chairman of the Ways and Means Committee of the House of Representatives, who shall receive annual compensation of eight thousand dollars;

(d) the Director of the Department of Revenue, who shall serve ex officio, with no voting rights.

(2) ~~The board shall unanimously select an Executive Director of the Revenue and Fiscal Affairs Office who shall serve a four‑year term. The executive director only may be removed for malfeasance, misfeasance, incompetency, absenteeism, conflicts of interest, misconduct, persistent neglect of duty in office, or incapacity as found by the board. The executive director shall have the authority and perform the duties prescribed by law and as may be directed by the board.~~ The members of the board identified in items (1)(a), (b), and (c) of this subsection shall be the same individuals appointed pursuant to Section 11‑9‑1120.

~~(B)~~ ~~The Chairman of the Board of Economic Advisors shall report directly to the Governor, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee to establish policy governing economic trend analysis. The Board of Economic Advisors shall provide for its staffing and administrative support from funds appropriated by the General Assembly.~~

~~(C)~~ ~~The Executive Director of the Revenue and Fiscal Affairs Office shall assist the Governor, Chairman of the Board of Economic Advisors, Chairman of the Senate Finance Committee, and Chairman of the Ways and Means Committee of the House of Representatives in providing an effective system for compiling and maintaining current and reliable economic data. The Board of Economic Advisors may establish an advisory board to assist in carrying out its duties and responsibilities. All state agencies, departments, institutions, and divisions shall provide the information and data the advisory board requires. The Board of Economic Advisors is considered a public body for purposes of the Freedom of Information Act, pursuant to Section 30‑4‑20(a).~~

~~(D)~~(B) The Department of Commerce shall provide to the ~~Board of Economic Advisors~~ Revenue and Fiscal Affairs Office by November tenth the public document prepared pursuant to Section 12‑10‑100(C) itemizing each revitalization agreement concluded during the previous calendar year. The Department of Revenue shall provide to the ~~Board of Economic Advisors~~ Revenue and Fiscal Affairs Office by November tenth a report of the amount of each tax credit claimed in the previous tax year pursuant to Title 12. The report must list individually the amount claimed and the number of filings for each tax credit. The Department of Revenue also must provide to the ~~Board of Economic Advisors~~ Revenue and Fiscal Affairs Office by November tenth ~~magnetic tapes~~ data files containing data from all state individual and corporate income tax filings from the previous tax year, excluding confidential identifying information.”

SECTION 3. Sections 11‑9‑825 through 11‑9‑840 of the 1976 Code are amended to read:

“Section 11‑9‑825. The staff of the ~~Board of Economic Advisors~~ Revenue and Fiscal Affairs Office must be supplemented by the following officials who each shall designate one professional from their individual staffs to assist the ~~BEA~~ RFA staff on a regular basis: the Governor, the Chairman of the House Ways and Means Committee, the Chairman of the Senate Finance Committee, and the State Department of Revenue director. The ~~BEA~~ RFA staff shall meet monthly with these designees in order to solicit their input on BEA forecasts and monthly revenue analysis.

Section 11‑9‑830. In order to provide a more effective system of providing advice to the Governor and the General Assembly on economic trends, the ~~Board of Economic Advisors~~ Revenue and Fiscal Affairs Office shall:

(1) compile and maintain in a unified, concise, and orderly form information about total revenues and expenditures which involve the funding of state government operations, revenues received by the State which comprise general revenue sources of all receipts to include amounts borrowed, federal grants, earnings, and the various activities accounted for in other funds;

(2) continuously review and evaluate total revenues and expenditures to determine the extent to which they meet fiscal plan forecasts/projections;

(3) evaluate federal revenues in terms of impact on state programs;

(4) compile economic, social, and demographic data for use in the publishing of economic scenarios for incorporation into the development of the state budget;

(5) bring to the attention of the Governor and the General Assembly the effectiveness, or lack thereof, of the economic trends and the impact on statewide policies and priorities;

(6) establish liaison with the Congressional Budget Office and the Office of Management and Budget at the national level.

Section 11‑9‑840. (A) In the organizational and procedural framework governing the formulation, evaluation, and continuing review of revenues and expenditures, any appropriate governmental entity identifying or requesting a change in the official revenue and expenditure forecast or projection, for a specified period of time, shall first notify the office of the Chairman of the Board of Economic Advisors who must bring it to the attention of the Governor before any independent adjustment in the appropriations or requests of the revenue or expenditures for a particular year. The Ways and Means Committee in the House of Representatives and the Senate Finance Committee must be the first to be notified subsequent to notifying the Governor and must be informed simultaneously.

(B) The ~~Board of Economic Advisors~~ Revenue and Fiscal Affairs Office shall meet on a quarterly basis and at the call of the Governor, the General Assembly, the Chairman of the Board, or at the request of any member of the board who believes a meeting is necessary due to existing financial circumstances.

(C) The ~~Board of Economic Advisors~~ Revenue and Fiscal Affairs Office is the official voice of the State in economic matters and shall speak as one voice through the guidance and direction of the chairman. Individual members shall not speak or report individually on findings and status of economic ~~developments~~ activity.”

SECTION 4. Section 11‑9‑880(A) of the 1976 Code is amended to read:

“Section 11‑9‑880. (A) The Board of Economic Advisors shall make an initial forecast of economic conditions in the State and state revenues for the next fiscal year no later than November ~~tenth~~ fifteenth of each year. Adjustments to the forecast must be considered on December ~~tenth~~ fifteenth and January ~~tenth~~ fifteenth. A final forecast for the next fiscal year must be made on February fifteenth. The February fifteenth forecast may be adjusted monthly if the board determines that changing economic conditions have affected the February fifteenth forecast. Before making or adjusting any forecast, the board must consult with outside economic experts with respect to national and South Carolina economic business conditions. All forecasts and adjusted forecasts must contain:

(1) a brief description of the econometric model and all assumptions and basic decisions underlying the forecasts;

(2) a projection of state revenues on a quarterly basis;

(3) separate discussions of any industry which employs more than twenty percent of the state’s total nonagricultural employment and separate projections for these industries.”

SECTION 5. Section 11‑9‑890 of the 1976 Code, as last amended by Act 121 of 2014, is amended to read:

“Section 11‑9‑890. ~~A.~~ (A) ~~Beginning August 15, 1986, the Board of Economic Advisors shall delineate the official fiscal year 1986‑87 revenue estimates by quarters.~~ In all ~~subsequent~~ revenue estimates made under the provisions of Section 11‑9‑880, the Board of Economic Advisors shall incorporate quarterly revenue estimates within the annual revenue estimate.

~~B.~~(B)(1) If at the end of the first, second, or third quarter of any fiscal year the Board of Economic Advisors reduces the revenue forecast for the fiscal year by three percent or less below the amount projected for the fiscal year in the forecast in effect at the time the general appropriations bill for the fiscal year is ratified, within three days of that determination, the Director of the Executive Budget Office must reduce general fund appropriations by the requisite amount in the manner prescribed by law. Upon making the reduction, the Director of the Executive Budget Office immediately must notify the State Treasurer and the Comptroller General of the reduction, and upon notification, the appropriations are considered reduced. No agencies, departments, institutions, activity, program, item, special appropriation, or allocation for which the General Assembly has provided funding in any part of this section may be discontinued, deleted, or deferred by the Director of the Executive Budget Office. A reduction of rate of expenditure by the Director of the Executive Budget Office, under authority of this section, must be applied as uniformly as shall be practicable, except that no reduction must be applied to funds encumbered by a written contract with the agency, department, or institution not connected with state government.

(2) If at the end of the first, second, or third quarter of any fiscal year the Board of Economic Advisors reduces the revenue forecast for the fiscal year by more than three percent below the amount projected for the fiscal year in the forecast in effect at the time the general appropriations bill for the fiscal year is ratified, the President Pro Tempore of the Senate and the Speaker of the House of Representatives may call each respective house into session to take action to avoid a year‑end deficit. If the General Assembly has not taken action within twenty days of the determination of the Board of Economic Advisors, the Director of the Executive Budget Office must reduce general fund appropriations by the requisite amount in the manner prescribed by law and in accordance with item (1).”

SECTION 6. A. Section 2‑7‑71 of the 1976 Code is amended to read:

“Section 2‑7‑71. When a bill relating to state taxes is reported out of a standing committee of the Senate or House of Representatives for consideration, there must be attached and printed as a part of the committee report a statement of the estimated revenue impact of the bill on the finances of the State certified by the ~~Board of Economic Advisors~~ Executive Director of the Revenue and Fiscal Affairs office, or his designee. As used in this section ‘statement of estimated revenue impact’ means the consensus of the persons executing the required statement as to the increase or decrease in the net tax revenue to the State if the bill concerned is enacted by the General Assembly. In preparing a statement, the ~~Board of Economic Advisors~~ Revenue and Fiscal Affairs Office may request technical advice of the Department of Revenue.”

B. Section 2‑7‑73(A) of the 1976 Code is amended to read:

“Section 2‑7‑73. (A) Any bill or resolution which would mandate a health coverage or offering of a health coverage by an insurance carrier, health care service contractor, or health maintenance organization as a component of individual or group policies, must have attached to it a statement of the financial impact of the coverage, according to the guidelines enumerated in subsection (B). This financial impact analysis must be conducted by the ~~Revenue and Fiscal Affairs Office~~ Department of Insurance and signed by an authorized agent of the Department of Insurance, or his designee. The statement required by this section must be delivered to the Senate or House committee to which any bill or resolution is referred, within thirty days of the written request of the chairman of such committee.”

C. Section 2‑7‑78 of the 1976 Code is amended to read:

“Section 2‑7‑78. This section applies to the annual appropriation recommendation of the Governor and to the report of the conference committee on the annual general appropriations bill. A provision offered for inclusion in the annual general appropriations bill by amendment or otherwise, by the Governor, or which increases or decreases the most recent official projection of general fund revenues of the Board of Economic Advisors must not be included in the bill or recommendation unless the revenue impact is certified by the ~~board~~ Executive Director of the Revenue and Fiscal Affairs Office, or his designee. Changes to the official general fund revenue estimate as a result of the provision may not exceed the amounts certified by the board. The requirements of this section are in addition to the other provisions of law regarding fiscal impact statements.”

SECTION 7. Section 4‑10‑790 of the 1976 Code is amended to read:

“Section 4‑10‑790. The ~~Revenue and Fiscal Affairs Office~~ Department of Revenue shall furnish data to the State Treasurer and to the applicable political subdivisions receiving revenues for the purpose of calculating distributions and estimating revenues. The information that must be supplied to political subdivisions upon request includes, but is not limited to, gross receipts, net taxable sales, and tax liability by taxpayers. Information about a specific taxpayer is considered confidential and is governed by the provisions of Section 12‑54‑240. A person violating this section is subject to the penalties provided in Section 12‑54‑240. The Revenue and Fiscal Affairs Office shall provide technical assistance to the applicable political subdivisions receiving revenues for the purpose of calculating distributions and estimating revenues.”

SECTION 8. Section 6‑1‑50 of the 1976 Code is amended to read:

“Section 6‑1‑50. Counties and municipalities receiving revenues from state aid, currently known as Aid to Subdivisions, shall submit annually to the Revenue and Fiscal Affairs Office a financial report detailing their sources of revenue, expenditures by category, indebtedness, and other information as the Revenue and Fiscal Affairs Office requires. The Revenue and Fiscal Affairs Office shall determine the content and format of the annual financial report. The financial report for the most recently completed fiscal year must be submitted to the Revenue and Fiscal Affairs Office by ~~January~~ March fifteenth of each year. If an entity fails to file the financial report by January fifteenth, then the chief administrative officer of the entity shall be notified in writing that the entity has thirty days to comply with the requirements of this section. The Director of the Revenue and Fiscal Affairs Office may, for good cause, grant a local entity an extension of time to file the annual financial report. Notification by the Director of the Revenue and Fiscal Affairs Office to the ~~Comptroller General~~ State Treasurer that an entity has failed to file the annual financial report thirty days after written notification to the chief administrative officer of the entity must result in the withholding of ten percent of subsequent payments of state aid to the entity until the report is filed. The Revenue and Fiscal Affairs Office is responsible for collecting, maintaining, and compiling the financial data provided by counties and municipalities in the annual financial report required by this section.”

SECTION 9. Section 23‑47‑65(A)(1) of the 1976 Code is amended to read:

“Section 23‑47‑65. (A)(1). The South Carolina 911 Advisory Committee is created to assist the Revenue and Fiscal Affairs Office in carrying out its responsibilities in implementing a wireless enhanced 911 system consistent with FCC Docket Number 94‑102. The committee must be appointed by the Governor and shall consist of: ~~a director of a division of the State Budget and Control Board, ex officio~~ an individual with technical or operational knowledge of E‑911 systems who is appointed by the Executive Director of the Fiscal Affairs Office; the Executive Director of the Revenue and Fiscal Affairs Office or his designee; two employees of CMRS providers licensed to do business in the State; two 911 system employees; and one employee of a telephone (local exchange access facility) service supplier licensed to do business in the State; and one consumer. Local governments and related organizations such as the National Emergency Number Association may recommend PSAP Committee members, and industry representatives may recommend wireline and CMRS Committee members to the Governor. There is no expense reimbursement or per diem payment from the fund created by the CMRS surcharge made to members of the committee.”

SECTION 10. A. Section 44‑6‑170(A) and (B) of the 1976 Code is amended to read:

“Section 44‑6‑170. (A) As used in this section:

(1) ‘Office’ means the ~~Office of Research and Statistics of the~~ Revenue and Fiscal Affairs Office.

(2) ‘Council’ means the Data Oversight Council.

(3) ‘Committee’ means the Joint Legislative Health Care Planning and Oversight Committee.

(B) There is established the Data Oversight Council comprised of:

(1) one hospital administrator;

(2) the chief executive officer or designee of the South Carolina Hospital Association;

(3) one physician;

(4) the chief executive officer or designee of the South Carolina Medical Association;

(5) one representative of major third party health care payers;

(6) one representative of the managed health care industry;

(7) one nursing home administrator;

(8) three representatives of nonhealth care‑related businesses;

(9) one representative of a nonhealth care‑related business of less than one hundred employees;

(10) the executive vice president or designee of the South Carolina Chamber of Commerce;

(11) a member of the Governor’s office staff;

~~(12)~~ ~~a representative from the Human Services Coordinating Council;~~

~~(13)~~(12) the director or his designee of the South Carolina Department of Health and Environmental Control;

~~(14)~~(13) the executive director or his designee of the State Department of Health and Human Services~~;~~

~~(15)~~ ~~the chairman or his designee of the State Health Planning Committee created pursuant to Section 44‑7‑180~~.

The members enumerated in items (1) through (10) must be appointed by the Governor for three‑year terms and until their successors are appointed and qualify; the remaining members serve ex officio. The Governor shall appoint one of the members to serve as chairman. The office shall provide staff assistance to the council.”

B. Section 44‑6‑170(H) of the 1976 Code is amended to read:

“(H) If a provider fails to submit the health care data as required by this section or Section 44‑6‑175 or regulations promulgated pursuant to those sections, the ~~Office of Research and Statistics~~ office may assess a civil fine of up to five thousand dollars for each violation, but the total fine may not exceed ten thousand dollars.”

SECTION 11. Section 1‑11‑360 and Section 2‑7‑62 of the 1976 Code are repealed.

SECTION 12. The Code Commissioner is directed to change or correct all similar references in the 1976 Code to the “Office of Research and Statistics of the Revenue and Fiscal Affairs Office” to “the Revenue and Fiscal Affairs Office”.

SECTION 13. This act shall take effect on July 1, 2015.

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