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COMMITTEE REPORT

January 28, 2015

**S. 76**

Introduced by Senators Massey, Matthews and Setzler

S. Printed 1/28/15--S.

Read the first time January 13, 2015.

**THE COMMITTEE ON FINANCE**

To whom was referred a Bill (S. 76) to amend Section 12‑10‑85 of the 1976 Code, relating to Rural Infrastructure Fund grants, to provide that grants may also be awarded to counties with a population, etc., respectfully

**REPORT:**

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

HUGH K. LEATHERMAN, SR. for Committee.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

**Fiscal Impact Summary**

This bill would have no revenue impact on the general fund or other funds. Allocations from the Rural Infrastructure Fund (RIF) may be impacted by the increased number of counties and municipalities eligible for the grants.

**Explanation of Fiscal Impact**

**State Expenditure**

This bill would allow counties with populations of less than forty thousand and the municipalities located in these counties, with rankings of Tier I and Tier II for purposes of the new job tax credit, to receive RIF grants. Four counties, Calhoun, Edgefield, Newberry, and Saluda would become eligible under the new population criteria. Municipalities in these counties include:

Calhoun County - Cameron, St. Matthews,

Edgefield County - Edgefield, Johnston, Trenton,

Newberry County - Little Mountain, Newberry, Peak, Pomaria, Prosperity, Siverstreet, Whitmire, and

Saluda County - Ridge Spring, Saluda, and Ward.

The Board of Economic Advisors expects that the RIF will receive approximately $25,000,000 from the job development credits of businesses in Tier I, Tier II, and Tier III counties. The RIF does not receive any funds from businesses in Tier IV counties since they receive 100% of the job development credits, while businesses in the other three tiers are limited to 55% to 85% of the job development credits. The RIF is allocated the difference between the full job development credits in these counties and the tier limitations in the Tier I, Tier II, and Tier III counties.

The amount of revenue allocated to the RIF is not expected to change due to this bill. However, future allocations by the Coordinating Council for Economic Development of the Department of Commerce may change due to the eligibility of these additional counties and municipalities. Availability of the RIF grants are based on guidelines established by the Coordinating Council for Economic Development.

Frank A. Rainwater, Executive Director

Revenue and Fiscal Affairs Office

**A** **BILL**

TO AMEND SECTION 12‑10‑85 OF THE 1976 CODE, RELATING TO RURAL INFRASTRUCTURE FUND GRANTS, TO PROVIDE THAT GRANTS MAY ALSO BE AWARDED TO COUNTIES WITH A POPULATION OF LESS THAN FORTY THOUSAND RESIDENTS AND MUNICIPALITIES LOCATED IN COUNTIES WITH A POPULATION OF LESS THAN FORTY THOUSAND RESIDENTS.

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

SECTION 1. Section 12‑10‑85(B) of the 1976 Code is amended to read:

“(B) Rural Infrastructure Fund grants must be available to benefit counties or municipalities designated as ‘Tier IV’ or ‘Tier III’ as defined in Section 12‑6‑3360 according to guidelines established by the council, counties with a population of less than forty thousand residents, according to the latest official United States Census, and municipalities located in a county with less than forty thousand residents, according to the latest official United States Census, except that up to twenty‑five percent of the funds annually available in excess of ten million dollars must be set aside for grants to areas of ‘Tier II’ and ‘Tier I’ counties. A governing body of a ‘Tier II’ or ‘Tier I’ county must apply to the council for these set‑aside grants stating the reasons that certain areas of the county qualify for these grants because the conditions in that area of the county are comparable to those conditions qualifying a county as ‘Tier IV’ or ‘Tier III’.”

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

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