**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 11‑11‑86 SO AS TO PROVIDE FOR A ZERO‑BASE BUDGET REVIEW ON A TEN YEAR SCHEDULE OF EACH STATE AGENCY, BEGINNING WITH APPROPRIATIONS FOR FISCAL YEAR 2018‑2019, TO PROVIDE FOR ESTABLISHING THE SCHEDULE, AND TO PROVIDE DEFINITIONS.

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

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

“Section 11‑11‑86. (A) As used in this section:

(1) ‘Agency’ includes a separate entity of state government however described, including, but not limited to, an office, department, agency, committee, council, commission, and institution in the executive, legislative, or judicial branch.

(2) ‘Zero‑base budget review process’ or ‘review’ is an agency budget developed using a process of preparing an operating budget that starts with no authorized or appropriated funds with each agency activity for which funding is requested, and justified in detail for all particulars.

(B) The House Ways and Means Committee and the Senate Finance Committee shall implement a zero‑base budget review process as part of the annual appropriations process beginning with appropriations for Fiscal Year 2018‑2019. The schedule for the review must be established by the agreement of the chairmen of the two committees in such a manner that each state agency is selected for a review as part of the annual budget process in the House of Representatives and the Senate at least once every ten years. The schedule must provide that each committee shall conduct the review of the same agencies in each year. In setting the schedule, the chairmen shall provide that each year’s subjects for review represent an appropriate range of agencies by functional areas and amount of state revenues expended by the agency. The ten year schedule is a minimum, and the schedule may provide for more often review. The schedule for review, once established, may be revised as the two chairmen may agree.

(C) The Ways and Means Committee and the Senate Finance Committee, with the assistance of the Revenue and Fiscal Affairs Office shall provide guidance to the management of each agency selected for review as to the format and other requirements for the agency’s zero‑base budget review.”

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

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