**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 11‑11‑240 SO AS TO CREATE THE RURAL COUNTY TRANSFORMATION FUND, TO PROVIDE THAT THE FUND IS TO BE USED ONLY TO PROVIDE FINANCIAL ASSISTANCE TO RURAL COUNTIES, TO PROVIDE FOR THE DISBURSEMENT OF FUNDS, TO REQUIRE EACH ELIGIBLE COUNTY TO FORM A PROJECT COMMITTEE TO SUBMIT PROJECTS TO THE COUNTY COUNCIL FOR APPROVAL, AND TO PROVIDE FOR REPORTING.

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

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

“Section 11‑11‑240. (A) There is created the ‘Rural County Transformation Fund’. This fund is separate and distinct from the general fund of the State and all other funds. Earnings on this fund must be credited to it and any balance in this fund at the end of a fiscal year carries forward in the fund in the succeeding fiscal year. The General Assembly shall appropriate funds annually, and the State Treasurer shall disburse the funds only to provide financial assistance to rural counties. For the purposes of this section, ‘rural county’ means a county which has a population of less than sixty thousand, according to the latest official United States Decennial Census.

(B)(1) The funds must be disbursed to counties with a population of less than sixty thousand as follows:

(a) three hundred thousand dollars to a county designated as Tier I or Tier II, pursuant to Section 12‑6‑3360;

(b) nine hundred thousand dollars to a county designated as Tier III, pursuant to Section 12‑6‑3360; and

(c) one million dollars to a county designated as Tier IV, pursuant to Section 12‑6‑3360.

(2) If the amount available in the fund does not provide in any year an amount sufficient to make all necessary disbursements from that fund, the funds available must be prorated.

(3) For purposes of this section, a county is considered to be the tier in which it is designated on January first immediately preceding the beginning of the fiscal year in which the funds are distributed.

(C) Each eligible county shall form a project committee with at least one representative from a municipality located within the county and one representative from a school district located within the county. The members of the project committee must be appointed by the county council. The committee, in consultation with the Department of Commerce, shall develop a list of projects for submission to the county council for approval. Approved projects must be submitted to the State Treasurer for funding. Each county council receiving a disbursement from the fund shall provide a report of all funded projects within its county to the Chairman of the House Ways and Means Committee and the Chairman of the Senate Finance Committee for the previous fiscal year by September first of each year.”

SECTION 2. This act takes effect upon approval by the Governor. The provisions of this act are repealed on June 30, 2022.

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