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COMMITTEE REPORT

March 22, 2017

**H. 3927**

Introduced by Reps. Simrill, Herbkersman, J.E. Smith, Bernstein, G.M. Smith and Weeks

S. Printed 3/22/17--H. [SEC 3/23/17 5:07 PM]

Read the first time March 7, 2017.

**THE COMMITTEE ON WAYS AND MEANS**

To whom was referred a Bill (H. 3927) to amend Section 41‑43‑100, as amended, Code of Laws of South Carolina, 1976, relating to the requirement that the State Fiscal Accountability Authority approve interest, etc., respectfully

**REPORT:**

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

W. BRIAN WHITE for Committee.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

**Explanation of Fiscal Impact**

**State Expenditure**

This bill changes the entity that must approve bonds issued by the Jobs-Economic Development Authority (JEDA) to provide funds for its programs. The bill requires approval by the Coordinating Council for Economic Development instead of the State Fiscal Accountability Authority. The bill also eliminates provisions requiring approval of interest rates on bonds JEDA issues for its programs and on behalf of local government projects.

**State Fiscal Accountability Authority.** The department indicates this bill will have no expenditure impact to the general fund, other funds, or federal funds. The bill removes the authority for the five-member board to approve JEDA transactions, and will not have any expenditure impact on the agency.

**Jobs-Economic Development Authority.** The change in the bond approval process will have no financial impact on the authority. Therefore, there will be no expenditure impact to the general fund, other funds, or federal funds.

**Department of Commerce.** The department indicates that any additional workload related to SCCCED’s role in approving bond issuances and sale is not expected to require additional staffing or incur additional costs. Therefore, there will be no expenditure impact to the general fund, federal funds, or other funds.

Frank A. Rainwater, Executive Director

Revenue and Fiscal Affairs Office

**A** **BILL**

TO AMEND SECTION 41‑43‑100, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE REQUIREMENT THAT THE STATE FISCAL ACCOUNTABILITY AUTHORITY APPROVE INTEREST RATES ON BONDS ISSUED TO FINANCE INDUSTRIAL DEVELOPMENT PROJECTS UNDER THE SOUTH CAROLINA JOBS‑ECONOMIC DEVELOPMENT FUND ACT, SO AS TO DELETE THE REQUIREMENT AND TO SPECIFY APPROVAL OF THESE INTEREST RATES BY THE SOUTH CAROLINA COORDINATING COUNCIL FOR ECONOMIC DEVELOPMENT IS NOT REQUIRED; AND TO AMEND SECTION 41‑43‑110, AS AMENDED, RELATING TO THE POWER OF THE AUTHORITY TO ISSUE CERTAIN BONDS, SO AS TO MAKE CONFORMING AND RELATED CHANGES.

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

SECTION 1. Section 41‑43‑100 of the 1976 Code, as last amended by Act 121 of 2014, is further amended to read:

“Section 41‑43‑100. In addition to other powers vested in the authority by existing laws, the authority has all powers granted the counties and municipalities of this State pursuant to the provisions of Chapter 29, Title 4, including the issuance of bonds by the authority and the refunding of bonds issued under that chapter. The authority may issue bonds upon receipt of a certified resolution by the county or municipality in which the project, as defined in Chapter 29, Title 4, is or will be located, containing the findings pursuant to Section 4‑29‑60 and evidence of a public hearing held not less than fifteen days after publication of notice in a newspaper of general circulation in the county in which the project is or will be located. The authority may combine for the purposes of a single offering bonds to finance more than one project. The interest rate of bonds issued pursuant to this section is not subject to approval by the ~~State Fiscal Accountability Authority~~ South Carolina Coordinating Council for Economic Development.”

SECTION 2. Section 41‑43‑110(A) of the 1976 Code, as last amended by Act 121 of 2014, is further amended to read:

“(A) The authority may issue bonds to provide funds for any program authorized by this chapter. The bonds authorized by this chapter are limited obligations of the authority. The principal and interest are payable solely out of the revenues derived by the authority. The bonds issued do not constitute an indebtedness of the State or the authority within the meaning of any state constitutional provision or statutory limitation. They are an indebtedness payable solely from a revenue producing source or from a special source that does not include revenues from any tax or license. The bonds do not constitute nor give rise to a pecuniary liability of the State or the authority or a charge against the general credit of the authority or the State or taxing powers of the State and this fact must be plainly stated on the face of each bond. The bonds may be executed and delivered at any time as a single issue or from time to time as several issues, may be in such form and denominations, may be of such tenor, may be in coupon or registered form, may be payable in such installments and at such time, may be subject to terms of redemption, may be payable at such place, may bear interest at such rate payable at such place and evidenced in such manner, and may contain such provisions not inconsistent herewith, all of which are provided in the resolution of the authority authorizing the bonds. Subject to approval by the ~~State Fiscal Accountability Authority~~ South Carolina Coordinating Council for Economic Development as to their issuance and sale, any bonds issued under this section may be sold at public or private sale as may be determined to be most advantageous. The bonds may be sold at public or private sale and, if by private sale, the authority shall designate the syndicate manager or managers. The authority may pay all expenses, premiums, insurance premiums, and commissions which it considers necessary from proceeds of the bonds or program funds in connection with the sale of bonds. The interest rate of bonds issued pursuant to this section is not subject to approval by the ~~State Fiscal Accountability Authority~~ South Carolina Coordinating Council for Economic Development.”

SECTION 3. This act takes effect upon approval by the Governor.

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