**A** **BILL**

TO AMEND SECTION 12-37-2460 OF THE 1976 CODE, RELATING TO THE CREDITING OF AIRCRAFT PROPERTY TAXES, TO CREDIT THE PROCEEDS OF TAXES TO THE STATE AVIATION FUND; AND TO AMEND SECTION 55-5-280, RELATING TO THE STATE AVIATION FUND, TO MAKE A CONFORMING CHANGE.

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

SECTION 1. Section 12-37-2460 of the 1976 Code is amended to read:

“Section 12-37-2460. The proceeds collected under this article shall be paid into the ~~general fund of the~~ State Aviation Fund.”

SECTION 2. Section 55-5-280 of the 1976 Code is amended to read:

“Section 55-5-280. (A)(1) All monies received from licensing of airports, landing fields, or funds appropriated for aviation grants, the tax on aviation fuel, and fees for other licenses issued under this chapter must be paid into the State Treasury and credited to the fund known as the ‘State Aviation Fund’.

(2) The fund also may receive gifts, grants, and federal funds and shall include earnings from investments of monies from the fund.

(3) A fund balance at the close of the fiscal year shall not lapse but must be carried forward to the next fiscal year.

(4) The revenue credited to the State Aviation Fund pursuant to this subsection must be used solely as provided in subsection (C).

(B) ~~In any fiscal year in which the tax levied by the State pursuant to Section 12‑37‑2410, et seq., exceeds two and one‑half million dollars, the revenues in excess of two and one‑half million dollars must be directed to the State Aviation Fund; however, any revenue in excess of five million dollars must be credited in equal amounts to the general fund and the State Aviation Fund.~~

~~(C)~~ The State Aviation Fund must be used solely for:

(1) maintenance and repairs of the division's aircraft; or

(2) maintenance, rehabilitation, and capital improvements to public use airports, which may include use as matching funds for FAA Airport Improvement Grants, provided that those airports receiving grants meet the requirements set forth by the division.

(3) The State Aviation Fund must not be used for operating expenses of the division.

~~(D)~~(C) The division may promulgate regulations governing the eligibility requirements and procedures for disbursements from the State Aviation Fund.”

SECTION 3. This act takes effect upon approval by the Governor and first applies to Fiscal Year 2018-2019.

‑‑‑‑XX‑‑‑‑