**A** **BILL**

TO AMEND SECTION 11-9-110 OF THE 1976 CODE, RELATING TO THE REPORTING REQUIREMENTS FOR AN ORGANIZATION TO WHICH A CONTRIBUTION IS APPROPRIATED, TO PROVIDE THAT EACH NONPROFIT ORGANIZATION THAT RECEIVES A CONTRIBUTION FROM AN ENTITY THAT RECEIVES A GENERAL APPROPRIATION OF STATE TAXPAYER FUNDS MUST FILE A REPORT, TO PROVIDE THE CONTENTS OF THE REPORT, TO PROVIDE THAT A CONTRIBUTION MUST NOT BE MADE TO AN ORGANIZATION UNTIL IT AGREES IN WRITING TO ALLOW THE STATE AUDITOR TO AUDIT OR CAUSE TO BE AUDITED THE CONTRIBUTED FUNDS, AND TO DEFINE NECESSARY TERMS.

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

SECTION 1. Section 11‑9‑110 of the 1976 Code is amended to read:

“Section 11‑9‑110. (A)(1) Each organization to which a contribution is made in the contributions section of the general appropriation bill shall submit to the Executive Budget Office and the Revenue and Fiscal Affairs Office by the end of the applicable fiscal year a detailed statement explaining the nature and function of the organization as well as a detailed statement explaining the use that was made of the contribution. The statements must be available at the office of the Executive Budget Office and the Revenue and Fiscal Affairs Office for public inspection and given to a member of the General Assembly upon request.

(2) A contribution must not be made to an organization until it agrees in writing to allow the State Auditor to audit or cause to be audited the contributed funds.

(B)(1) Each nonprofit organization that receives a contribution from an entity that receives an appropriation of taxpayer funds in the annual general appropriations act shall submit to the Executive Budget Office and the Revenue and Fiscal Affairs Office, by the end of the fiscal year during which the nonprofit organization received a contribution, a detailed statement explaining the nature and function of the nonprofit organization, including programming descriptions; staffing information, including full and part time positions and the number of positions available versus positions filled; salaries for each position and any supporting documentation; and other information detailing the use of total funds expended by the organization, as well as a detailed statement explaining the use that was made of the contribution. The statements must be available at the Executive Budget Office and the Revenue and Fiscal Affairs Office for public inspection and must be provided to a member of the General Assembly upon request.

(2) For the purposes of this subsection, ‘nonprofit organization’ means an organization recognized by the South Carolina Department of Revenue and the United States Internal Revenue Service as exempt from federal and state income taxation pursuant to Internal Revenue Code Section 501(c)(3), 501(c)(4), 501(c)(6), 501(c)(7), 501(c)(8), 501(c)(10), 501(c)(19), or 501(d).

(3) A contribution must not be made to an organization until it agrees in writing to allow the State Auditor to audit or cause to be audited the contributed funds.”

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

‑‑‑‑XX‑‑‑‑