~~Indicates Matter Stricken~~

Indicates New Matter

COMMITTEE REPORT

March 21, 2019

**S. 621**

Introduced by Senators Setzler, Campbell and Williams

S. Printed 3/21/19--S.

Read the first time March 6, 2019.

**THE COMMITTEE ON FINANCE**

To whom was referred a Bill (S. 621) to amend Section 41‑43‑100, Code of Laws of South Carolina, 1976, relating to the issuance of bonds for industrial development projects, etc., respectfully

**REPORT:**

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

Amend the bill, as and if amended, by striking SECTION 1 and inserting:

/ SECTION 1. Section 41‑43‑100 of the 1976 Code is 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~~ pursuant to this section after a public hearing is held as required by federal law to enable interest on such bonds to be excluded from gross income for federal tax purposes. Notice of any required public hearing must be provided to the public and to the clerk of the county council or clerk of the municipal council in the county or municipality in which the project is or will be located at the times and in the manner permitted or required by federal tax law. Additionally, a copy of the public hearing notice must be published by the authority in a newspaper of general circulation in the county in which the project is located before the date of the public hearing, if such public hearing is required by federal law; provided however, the notice posted by the authority as required by federal law shall control for the purpose of compliance with any federal law and not the notice published in the newspaper where the project is 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 South Carolina Coordinating Council for Economic Development.” /

Renumber sections to conform.

Amend title to conform.

HUGH K. LEATHERMAN, SR. for Committee.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

**Explanation of Fiscal Impact**

**Introduced on March 6, 2019**

**State Expenditure**

This bill amends Section 41-43-100 regarding the issuance and refunding of bonds by JEDA to conform to recent finalized regulations promulgated by the U.S. Department of the Treasury that modify the requirements for public notice, public hearings, and approval of private activity bonds. These regulations are required as part of the Tax Equity and Fiscal Responsibility Act of 1982. These regulations generally require that the public have a minimum of seven days’ notice of any hearing on the issuance of bonds. In addition, notice may now be posted on the approving governmental entity’s website and other notice methods allowed under State law.

**Jobs-Economic Development Authority**. JEDA indicates that, under the new regulations, they will provide public notice of hearings on bond issuances on their website. JEDA will also hold the public hearings as allowed by federal law. The agency indicates that any expenses associated with these activities can be managed within current appropriations or allocations. Therefore, this bill will not have any expenditure impact on the general fund, other funds, or federal funds of the agency.

**Local Expenditure**

This bill allows JEDA to perform the activities required by federal law for public notice and hearings on the issuance of private activity bonds. This will provide some savings to the counties and municipalities from transferring the public notice and public meeting requirements to JEDA. The amount of savings is undetermined as we are unable to estimate the number bond issuances in future years.

Frank A. Rainwater, Executive Director

Revenue and Fiscal Affairs Office

**A** **BILL**

TO AMEND SECTION 41‑43‑100, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE ISSUANCE OF BONDS FOR INDUSTRIAL DEVELOPMENT PROJECTS, SO AS TO PROVIDE FOR CERTAIN NOTICE REQUIREMENTS BEFORE THE BONDS MAY BE ISSUED.

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

SECTION 1. Section 41‑43‑100 of the 1976 Code is 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~~ pursuant to this section after a public hearing is held as required by federal law to enable interest on such bonds to be excluded from gross income for federal tax purposes. Notice of any required public hearing must be provided to the public and to the clerk of the county council or clerk of the municipal council in the county or municipality in which the project is or will be located at the times and in the manner permitted or required by federal tax law. 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 South Carolina Coordinating Council for Economic Development.”

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

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