**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 59‑150‑420 SO AS TO PROVIDE FOR A SCHOLARSHIP RESERVE ACCOUNT, FUNDED BY UNCLAIMED PRIZE MONEY AND SURPLUS FUNDS, FOR THE EXCLUSIVE PURPOSE OF MAINTAINING FUNDING OF CERTAIN SCHOLARSHIPS, GRANTS, AND ASSISTANCES IF CERTIFIED NET LOTTERY PROCEEDS AND INVESTMENT EARNINGS ARE INSUFFICIENT TO FUND THEM AND TO LIMIT THE AMOUNT OF THE RESERVE TO FIVE PERCENT OF THE EDUCATION LOTTERY ACCOUNT REVENUE FOR THE LATEST COMPLETED FISCAL YEAR.

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

SECTION 1. Chapter 150, Title 59 of the 1976 Code is amended by adding:

“Section 59‑150‑420. (A) There is created a Scholarship Reserve Account, separate and distinct from the general fund, for the exclusive purpose of maintaining funding of the Palmetto Fellows, LIFE, and HOPE scholarships, need‑based and tuition grants, grants to teachers for advanced education, and National Guard and tuition assistance for two‑year institutions if certified net lottery proceeds and investment earnings fall below a level sufficient to fund these scholarships. Expenditure of the funds in the account must be allocated among the scholarships, grants, and assistances based on the respective need in the current fiscal year.

(B) Notwithstanding Section 59‑150‑230, all unclaimed prize money must be deposited in the account, in an amount not to exceed five percent of the Education Lottery Account revenue for the latest completed fiscal year. If the unclaimed prize money does not fully fund the account for the year, the General Assembly shall appropriate funds from the Contingency Reserve Fund or from other certified surplus funds to fully fund the account. Any reduction to the Lottery Reserve Account must be restored by appropriation to ensure that the five percent maximum is reached and maintained within a three‑year period.

(C) This section does not prohibit the appropriation by the General Assembly, in a particular fiscal year, of monies from the state’s general fund to ensure full funding in that year of all Palmetto Fellows and LIFE scholarships, nor does it prohibit the allocation by the General Assembly, in a particular fiscal year, of monies from the Lottery Expenditure Account to the Scholarship Reserve Account, but not to exceed the five percent limit.”

SECTION 2. This act takes effect July 1, 2021.

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