

PROVISO

SUBCOMMITTEE

RECOMMENDATIONS

~~~

**ECONOMIC DEVELOPMENT**

**AND**

**NATURAL RESOURCES**

**PROVISO SUBCOMMITTEE  
ECONOMIC DEVELOPMENT AND NATURAL RESOURCES  
RECOMMENDATIONS FOR FY 2013-14  
TO THE HOUSE WAYS AND MEANS COMMITTEE**

**SECTION 44 - P16-DEPARTMENT OF AGRICULTURE**

- 44.1**     **AMEND** (Market Bulletin) Authorizes the department to charge \$10 for a yearly subscription to the Market Bulletin; to charge up to \$5 per classified ad printed in the bulletin; and to retain the generated revenue to defray the costs of the publication.

**PROVISO SUBCOMMITTEE RECOMMENDATION:** AMEND proviso to delete the specific amounts that may be charged. *Allowing the department to increase the fee would help offset increasing charges for printing and postage and help make the Bulletin self sufficient.* Fiscal Impact: \$10 has been charged since 2002. The department indicates that revenue received in FY 11-12 was \$184,480. Current year operating costs are estimated to be \$247,000. A \$5 increase per subscriber should generate approximately \$80,000 per fiscal year. No impact on the General Fund since these fees are retained by the department. Requested by Department of Agriculture.

**44.1.** (AGRI: Market Bulletin) The Market Bulletin shall be mailed only to those persons who request it in writing and a record of each request shall be maintained by the department. Provided further, that the Department of Agriculture is authorized to charge a yearly subscription ~~rate of \$10.00 fee~~ to each person requesting the bulletin and may charge ~~up to \$5.00 per~~ for classified ~~advertisement~~ advertisements printed in the bulletin. The funds collected pursuant to this provision shall be retained by the department to defray the costs of publication and related incidental expenses.

- 44.9**     **DELETE** (Pesticide Disposal) Directs the department to use up to \$100,000 to continue the pesticide disposal program.

**PROVISO SUBCOMMITTEE RECOMMENDATION:** DELETE proviso.

**44.9.** (AGRI: Pesticide Disposal) ~~Of the funds appropriated to or authorized for the Department, up to \$100,000 shall be used to continue the pesticide disposal program.~~

**SECTION 45 - P20-CLEMSON UNIVERSITY - PSA**

- 45.8**     **AMEND** (CU-PSA: ~~Meat Inspection Program~~ Livestock-Poultry Health Programs) Directs Clemson PSA to maintain operations of the state Meat Inspection Program and to retain all revenues from USDA Food Safety Inspection Services for the Livestock-Poultry Health Program.

**PROVISO SUBCOMMITTEE RECOMMENDATION:** AMEND proviso to change "Meat Inspection Program" reference to "Livestock-Poultry Health Programs."

**45.8.** (CU-PSA: ~~Meat Inspection Program~~ Livestock-Poultry Health Programs) For the current fiscal year Clemson University Public Service Activities shall maintain operation of the state Meat Inspection Program. All revenues and recoveries from USDA Food Safety Inspection Services for Clemson University PSA's ~~Meat and Poultry Inspection Department~~ Livestock-Poultry Health Programs and its departments shall be retained by Clemson University-PSA's Livestock-Poultry Health Program for purposes of carrying out the operation of ~~that program~~ its programs.

**PROVISO SUBCOMMITTEE  
ECONOMIC DEVELOPMENT AND NATURAL RESOURCES  
RECOMMENDATIONS FOR FY 2013-14  
TO THE HOUSE WAYS AND MEANS COMMITTEE**

**SECTION 50 - P32-DEPARTMENT OF COMMERCE**

- 50.11 DELETE** (Community Development Corporation Carry Forward) Allows Community Development Corporation Initiative committed and uncommitted funds from the prior fiscal year to be carried forward and used for the same purpose  
**PROVISO SUBCOMMITTEE RECOMMENDATION:** DELETE proviso. *Proviso is not needed since these funds have been expended.* Requested by Department of Commerce.

**50.11.** (CMRC: Community Development Corporation Carry Forward) ~~The Department of Commerce shall be authorized to carry forward Community Development Corporation Initiative committed and uncommitted funds from the prior fiscal year and to use these funds for the same purpose.~~

- 50.14 DELETE** (Civil Air Patrol Transfer) Directs the department to transfer \$50,000 to the Civil Air Patrol, within the Adjutant General's office.  
**PROVISO SUBCOMMITTEE RECOMMENDATION:** DELETE proviso. *Agency states that deletion will ensure more funds are available for recruiting jobs and investment to South Carolina rather than transferring funds to a program which does not contribute toward the agency's mission.* Requested by Department of Commerce.

**50.14.** (CMRC: Civil Air Patrol Transfer) ~~Of the funds appropriated to or authorized for the Department of Commerce, the department shall transfer \$50,000 to the Adjutant's General Office for the Civil Air Patrol.~~

- 50.15 DELETE** (Regional Economic Development Organizations Carry Forward) Allows unexpended funds transferred to the department for Regional Economic Development Organizations to be carried forward and used for the same purposes.  
**PROVISO SUBCOMMITTEE RECOMMENDATION:** DELETE proviso. *Agency states the proviso is not needed since no funds remain.* Requested by Department of Commerce.

**50.15.** (CMRC: Regional Economic Development Organizations Carry Forward) ~~Any unexpended funds transferred to the Department of Commerce for Regional Economic Development Organizations by Part III of Act 23 of 2009 shall be carried forward from the prior fiscal year into the current fiscal year and used for the same purposes as originally intended.~~

- 50.16 DELETE** (Savannah Valley Development Division) Transfers all Savannah Valley Development Division assets and obligations to appropriate state and local authorities upon State B&C Board approval.  
**PROVISO SUBCOMMITTEE RECOMMENDATION:** DELETE proviso. *Proviso is not needed since the transfer of all assets and obligations have occurred.* Requested by Department of Commerce.

**50.16.** (CMRC: Savannah Valley Development Division) ~~The Department of Commerce is authorized to transfer any and all assets and obligations of its Savannah Valley Development Division, including, but not limited to, accounts, notes payable, contracts, licenses, leases, real property, rights of way, and easements, to appropriate state and local authorities upon the approval of the State Budget and Control Board.~~

**PROVISO SUBCOMMITTEE  
ECONOMIC DEVELOPMENT AND NATURAL RESOURCES  
RECOMMENDATIONS FOR FY 2013-14  
TO THE HOUSE WAYS AND MEANS COMMITTEE**

**50.17 AMEND** (Regional Economic Development Organizations) Directs the department to use the \$5,000,000 appropriated for Regional Economic Development Organizations to provide funds to the designated organizations and counties and provides a mechanism by which the funds should be distributed. Requires a 1:1 private fund match and requires the receiving organization to certify that the private funds match are new dollars specifically designated for this purpose. Directs the organizations provide an annual expenditure report and outcome measures to the Chairmen of the Senate Finance and House Ways and Means Committees and the Secretary of Commerce by November 1<sup>st</sup>. Directs unexpended or undistributed funds be transferred to the Rural Infrastructure Fund at the Department of Commerce.

**PROVISO SUBCOMMITTEE RECOMMENDATION:** AMEND proviso to update fiscal year reference to "2013-14" and add the "Beaufort and Sumter Economic (BASE) Alliance. Change the amount which must be disbursed equally to the "7" organizations from "\$4,475,000" to "\$4,700,000." Change the amount remaining which is to be provided to various counties from "\$525,000" to \$300,000" and delete Saluda, Lee, Sumter, and Beaufort Counties from that distribution.

**50.17.** (CMRC: Regional Economic Development Organizations) The Department of Commerce shall utilize the \$5,000,000 appropriated in Fiscal Year ~~2012-13~~ 2013-14 for Regional Economic Development Organizations to provide funds to the following ~~six~~ seven economic development organizations:

- (1) Central SC Economic Development Alliance;
- (2) Charleston Regional Development Alliance;
- (3) Economic Development Partnership;
- (4) North Eastern Strategic Alliance (NESA);
- (5) Southern Carolina Alliance; ~~and~~
- (6) Upstate Alliance; and
- (7) Beaufort and Sumter Economic (BASE) Alliance.

Of the \$5,000,000 appropriated for this purpose, ~~\$4,475,000~~ \$4,700,000 must be disbursed equally to each organization. Each dollar of state funds must be matched with one dollar of private funds. The organization receiving state funds must certify that the private funds are new dollars specifically designated for the purpose of matching state funds and have not been previously allocated or designated for economic development.

The remaining ~~\$525,000~~ \$300,000 shall be provided to Chester County, Lancaster County, ~~Saluda County, Lee County, Sumter County, Beaufort County,~~ and York County provided they meet the requirements established above.

Upon receipt of the request for the funds and certification of the matching funds, the Department of Commerce shall disburse the funds to the requesting organization.

Funds recipients shall provide an annual report by November first, to the Chairmen of the Senate Finance Committee and the House Ways and Means Committee and the Secretary of Commerce on the expenditure of the funds and on the outcome measures.

Any unexpended or undistributed funds appropriated in prior fiscal years for Regional Economic Development Organizations shall be transferred to the Rural Infrastructure Fund at the Department of Commerce.

**PROVISO SUBCOMMITTEE  
ECONOMIC DEVELOPMENT AND NATURAL RESOURCES  
RECOMMENDATIONS FOR FY 2013-14  
TO THE HOUSE WAYS AND MEANS COMMITTEE**

**SECTION 54 - P45 - RURAL INFRASTRUCTURE AUTHORITY**

- 54.ri**     **ADD** (Rural Infrastructure Fund Carry Forward)     **PROVISO SUBCOMMITTEE RECOMMENDATION:** ADD new proviso to allow Rural Infrastructure Fund monies to be retained, carried forward, and expended in the current fiscal year.

*54.ri. (RIA: Rural Infrastructure Fund Carry Forward) The Rural Infrastructure Authority may carry forward from the prior fiscal year into the current fiscal year, funds appropriated to the Rural Infrastructure Fund. The authority shall retain any unexpended funds at the close of the fiscal year and these funds shall be carried forward from the prior fiscal year into the current fiscal year.*

**SECTION 88 - Y14-STATE PORTS AUTHORITY**

- 88.1**     **AMEND** (Charleston Cooper River Bridge Project) Directs the State Ports Authority to pay the State Transportation Infrastructure Bank \$1,000,000 before June 30, 2012 to continue the Charleston Cooper River Bridge Project.

**PROVISO SUBCOMMITTEE RECOMMENDATION:** AMEND original proviso to change July 1, "2012" to "2013" and June 30, "2013" to "2014." *Meets the obligations of the State Ports Authority and the State Infrastructure Bank's financial agreement.* Fiscal Impact: No impact on the General Fund. The funds used to pay the Transportation Infrastructure Bank are operating funds of the Ports Authority, none of which are state appropriated funds. Generates \$1,000,000 for the State Transportation Infrastructure Bank. Per the Ports Authority, the commitment of the agency is to provide \$1,000,000 per year for 25 years, until 2027.

**88.1.** (SPA: Charleston Cooper River Bridge Project) The State Ports Authority shall, from other general fund or operating fund surplus available and any funds appropriated to the authority in prior fiscal years and left unexpended as of July 1, ~~2012~~ 2013, pay to the State Transportation Infrastructure Bank one million dollars before June 30, ~~2013~~ 2014, to continue the Charleston Cooper River Bridge Project.

- 88.3**     **AMEND** (Harbor Deepening Reserve Fund) Creates the Harbor Deepening Reserve Fund within the State Ports Authority, with the fund retaining accrued interest. Requires the fund be used for activities associated with deepening the state's harbors; requires a comprehensive plan for using the fund be presented to JBRC for review and comment prior to expending any monies from the fund; and allows unexpended funds to be carried forward and used for the same purpose.

**PROVISO SUBCOMMITTEE RECOMMENDATION:** AMEND proviso to delete reference to creating the Harbor Deepening Reserve Fund and instead direct the State Ports Authority to "maintain" the fund.

**88.3.** (SPA: Harbor Deepening Reserve Fund) ~~There is created within the~~ The State Ports Authority shall maintain the Harbor Deepening Reserve Fund. This fund shall be separate and distinct from the General Fund and interest accrued by the fund must remain in the fund. This fund must be used exclusively by the South Carolina Ports Authority for the activities associated with deepening the state's harbors. Prior to expending any amount from the fund, the State Ports Authority must present a comprehensive plan for the use of the fund for harbor deepening to the Joint Bond Review Committee for review and comment. These

**PROVISO SUBCOMMITTEE  
ECONOMIC DEVELOPMENT AND NATURAL RESOURCES  
RECOMMENDATIONS FOR FY 2013-14  
TO THE HOUSE WAYS AND MEANS COMMITTEE**

funds shall be carried forward from the prior fiscal year into the current fiscal year and must be used for the same purpose.

**SECTION 106 - R44-DEPARTMENT OF REVENUE**

- 106.3**     **AMEND** (Rural Infrastructure Fund Transfer) Authorizes DOR to deposit Rural Infrastructure Fund revenues in excess of \$12,000,000 to the Rural Infrastructure Bank Trust Fund under the B&C Board, Office of Local Government and to deposit revenue in excess of \$17,000,000 to the Rural Infrastructure Fund under the Department of Commerce, Coordinating Council. Requires all funds in the Rural Infrastructure Bank Trust Fund under the B&C Board, Office of Local Government be transferred during FY 11-12 to the S.C. Rural Infrastructure Authority, Rural Infrastructure Fund.

**PROVISO SUBCOMMITTEE RECOMMENDATION:** AMEND proviso to change "Budget and Control Board, Office of Local Government" reference to "Rural Infrastructure Authority" and delete language pertaining to the transfer of funds from the Office of Local Government to the Rural Infrastructure Fund. *The transfer of funds will occur in FY 2012-13. The purposes for the Rural Infrastructure Fund as defined in this proviso are also defined in its enabling legislation and this language is no longer needed.* Requested by Budget and Control Board.

**106.3.** (DOR: Rural Infrastructure Fund Transfer) Notwithstanding Section 12-10-85, the Department of Revenue is authorized to deposit revenues from the Rural Infrastructure Fund in excess of \$12 million dollars to the Rural Infrastructure ~~Bank Trust Fund under the Budget and Control Board, Office of Local Government~~ Rural Infrastructure Authority. Any revenues in excess of \$17 million shall be deposited in the Rural Infrastructure Fund under the Department of Commerce, Coordinating Council. ~~All monies in the Rural Infrastructure Bank Trust Fund under the Budget and Control Board, Office of Local Government, including those deposited in the fund pursuant to the provisions of this paragraph, must be transferred during Fiscal Year 2011-12 to the Rural Infrastructure Fund of the South Carolina Rural Infrastructure Authority established pursuant to Chapter 50 of Title 11 to be used for the purposes of the Rural Infrastructure Authority, which involve providing financial assistance for qualified rural infrastructure projects to include facilities and appurtenances to meet public health and environmental standards, to develop trade, commerce, and industry, to provide for potable water and wastewater services, and to provide for emergency preparedness infrastructure.~~

- 106.ftr**     **ADD** (Fraudulent Tax Return Program)     **PROVISO SUBCOMMITTEE RECOMMENDATION:** ADD new proviso to authorize the department to establish and implement a Fraudulent Tax Return Detection Program for the purpose of preventing the payment of fraudulent tax refunds and to contract with information and technology entities to provide detection capabilities. Direct the department and to pay for the program from savings realized through implementaton.

*106.ftr. (DOR: Fraudulent Tax Return Program) The Department of Revenue may establish a Fraudulent Tax Return Detection Program to prevent payment of fraudulent tax refunds. To implement the program the department may contract with information and technology entities to provide the necessary detection capabilities. The department shall pay for the program from the savings realized by implementation.*