

REPORT OF THE LEGISLATIVE SUBCOMMITTEE

(Cobb-Hunter, Simrill, Huggins, & Stavrinakis - Staff Contact: AJ Newton)

HOUSE BILL 3927

H. 3927 -- Reps. Simrill, Herbkersman, J.E. Smith and Bernstein: A BILL TO AMEND SECTION 41-43-100, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE REQUIREMENT THAT THE STATE FISCAL ACCOUNTABILITY AUTHORITY APPROVE INTEREST RATES ON BONDS ISSUED TO FINANCE INDUSTRIAL DEVELOPMENT PROJECTS UNDER THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT FUND ACT, SO AS TO DELETE THE REQUIREMENT AND TO SPECIFY APPROVAL OF THESE INTEREST RATES BY THE SOUTH CAROLINA COORDINATING COUNCIL FOR ECONOMIC DEVELOPMENT IS NOT REQUIRED; AND TO AMEND SECTION 41-43-110, AS AMENDED, RELATING TO THE POWER OF THE AUTHORITY TO ISSUE CERTAIN BONDS, SO AS TO MAKE CONFORMING AND RELATED CHANGES.

Summary of Bill:

- The bill deletes references to the State Fiscal Accountability Authority and replaces it with the South Carolina Coordinating Council for Economic Development in Section 41-13-100 and Section 41-43-110(A).
- The bill adds the word "not" to Section 41-13-100 and Section 41-43-110(A) so that the interest rates of JEDA bonds are not subject to approval to by the South Carolina Coordinating Council for Economic Development.
- The deletion of State Fiscal Accountability Authority and inserting of South Carolina Coordinating Council for Economic Development in Section 41-43-110(A) moves the approval of JEDA bonds from SFAA to the SCCCED.

Estimated Revenue Impact:

The bill will have no expenditure impact to the General Fund, Other Funds, or Federal Funds.

Subcommittee Recommendation:

Favorable



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: H. 3927 Introduced on March 7, 2017
Author: Simrill
Subject: South Carolina Coordinating Council for Economic Development
Requestor: House Ways and Means
RFA Analyst(s): Kokolis and Heineman
Impact Date: March 15, 2017

Estimate of Fiscal Impact

	FY 2017-18	FY 2018-19
State Expenditure		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Full-Time Equivalent Position(s)	0.00	0.00
State Revenue		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Local Expenditure	\$0	\$0
Local Revenue	\$0	\$0

Fiscal Impact Summary

This bill will have no expenditure impact to the General Fund, Other Funds, or Federal Funds. The transfer of authority to approve specific bond transactions from one agency to another is not anticipated to incur any additional expenditures.

Explanation of Fiscal Impact

State Expenditure

This bill changes the entity that must approve bonds issued by the Jobs-Economic Development Authority (JEDA) to provide funds for its programs. The bill requires approval by the Coordinating Council for Economic Development instead of the State Fiscal Accountability Authority. The bill also eliminates provisions requiring approval of interest rates on bonds JEDA issues for its programs and on behalf of local government projects.

State Fiscal Accountability Authority. The department indicates this bill will have no expenditure impact to the General Fund, Other Funds, or Federal Funds. The bill removes the authority for the five-member board to approve JEDA transactions, and will not have any expenditure impact on the agency.

Jobs-Economic Development Authority. The change in the bond approval process will have no financial impact on the authority. Therefore, there will be no expenditure impact to the General Fund, Other Funds, or Federal Funds.

Department of Commerce. The department indicates that any additional workload related to SCCCED's role in approving bond issuances and sale is not expected to require additional staffing or incur additional costs. Therefore, there will be no expenditure impact to the General Fund, Federal Funds, or Other Funds.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director

South Carolina General Assembly
122nd Session, 2017-2018

H. 3927

STATUS INFORMATION

General Bill

Sponsors: Reps. Simrill, Herbkersman, J.E. Smith, Bernstein, G.M. Smith and Weeks

Document Path: I:\council\bill\agm\19136wab17.docx

Introduced in the House on March 7, 2017

Currently residing in the House Committee on **Ways and Means**

Summary: Interest rates on bonds approved by Fiscal Accountability Authority

HISTORY OF LEGISLATIVE ACTIONS

<u>Date</u>	<u>Body</u>	<u>Action Description with journal page number</u>
3/7/2017	House	Introduced and read first time (House Journal-page 77)
3/7/2017	House	Referred to Committee on Ways and Means (House Journal-page 77)
3/7/2017	House	Member(s) request name added as sponsor: J.E.Smith, Bernstein
3/8/2017	House	Member(s) request name added as sponsor: G.M.Smith, Weeks

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VERSIONS OF THIS BILL

3/7/2017

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A BILL

11 TO AMEND SECTION 41-43-100, AS AMENDED, CODE OF
12 LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE
13 REQUIREMENT THAT THE STATE FISCAL
14 ACCOUNTABILITY AUTHORITY APPROVE INTEREST
15 RATES ON BONDS ISSUED TO FINANCE INDUSTRIAL
16 DEVELOPMENT PROJECTS UNDER THE SOUTH
17 CAROLINA JOBS-ECONOMIC DEVELOPMENT FUND ACT,
18 SO AS TO DELETE THE REQUIREMENT AND TO SPECIFY
19 APPROVAL OF THESE INTEREST RATES BY THE SOUTH
20 CAROLINA COORDINATING COUNCIL FOR ECONOMIC
21 DEVELOPMENT IS NOT REQUIRED; AND TO AMEND
22 SECTION 41-43-110, AS AMENDED, RELATING TO THE
23 POWER OF THE AUTHORITY TO ISSUE CERTAIN BONDS,
24 SO AS TO MAKE CONFORMING AND RELATED CHANGES.

25
26 Be it enacted by the General Assembly of the State of South
27 Carolina:

28
29 SECTION 1. Section 41-43-100 of the 1976 Code, as last amended
30 by Act 121 of 2014, is further amended to read:

31
32 “Section 41-43-100. In addition to other powers vested in the
33 authority by existing laws, the authority has all powers granted the
34 counties and municipalities of this State pursuant to the provisions
35 of Chapter 29, Title 4, including the issuance of bonds by the
36 authority and the refunding of bonds issued under that chapter. The
37 authority may issue bonds upon receipt of a certified resolution by
38 the county or municipality in which the project, as defined in
39 Chapter 29, Title 4, is or will be located, containing the findings
40 pursuant to Section 4-29-60 and evidence of a public hearing held
41 not less than fifteen days after publication of notice in a newspaper
42 of general circulation in the county in which the project is or will be

1 located. The authority may combine for the purposes of a single
2 offering bonds to finance more than one project. The interest rate of
3 bonds issued pursuant to this section is not subject to approval by
4 the ~~State Fiscal Accountability Authority~~ South Carolina
5 Coordinating Council for Economic Development.”
6

7 SECTION 2. Section 41-43-110(A) of the 1976 Code, as last
8 amended by Act 121 of 2014, is further amended to read:
9

10 “(A) The authority may issue bonds to provide funds for any
11 program authorized by this chapter. The bonds authorized by this
12 chapter are limited obligations of the authority. The principal and
13 interest are payable solely out of the revenues derived by the
14 authority. The bonds issued do not constitute an indebtedness of the
15 State or the authority within the meaning of any state constitutional
16 provision or statutory limitation. They are an indebtedness payable
17 solely from a revenue producing source or from a special source that
18 does not include revenues from any tax or license. The bonds do not
19 constitute nor give rise to a pecuniary liability of the State or the
20 authority or a charge against the general credit of the authority or
21 the State or taxing powers of the State and this fact must be plainly
22 stated on the face of each bond. The bonds may be executed and
23 delivered at any time as a single issue or from time to time as several
24 issues, may be in such form and denominations, may be of such
25 tenor, may be in coupon or registered form, may be payable in such
26 installments and at such time, may be subject to terms of
27 redemption, may be payable at such place, may bear interest at such
28 rate payable at such place and evidenced in such manner, and may
29 contain such provisions not inconsistent herewith, all of which are
30 provided in the resolution of the authority authorizing the bonds.
31 Subject to approval by the ~~State Fiscal Accountability Authority~~
32 South Carolina Coordinating Council for Economic Development
33 as to their issuance and sale, any bonds issued under this section
34 may be sold at public or private sale as may be determined to be
35 most advantageous. The bonds may be sold at public or private sale
36 and, if by private sale, the authority shall designate the syndicate
37 manager or managers. The authority may pay all expenses,
38 premiums, insurance premiums, and commissions which it
39 considers necessary from proceeds of the bonds or program funds in
40 connection with the sale of bonds. The interest rate of bonds issued
41 pursuant to this section is not subject to approval by the ~~State Fiscal~~
42 ~~Accountability Authority~~ South Carolina Coordinating Council for
43 Economic Development.”

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SECTION 3. This act takes effect upon approval by the Governor.

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