**South Carolina General Assembly**

126th Session, 2025-2026

**S. 438**

**STATUS INFORMATION**

General Bill

Sponsors: Senators Peeler, Alexander, Jackson and Cromer

Document Path: SR-0262KM25.docx

Introduced in the Senate on March 11, 2025

Currently residing in the Senate Committee on **Finance**

Summary: Joint Bond Review Committee

**HISTORY OF LEGISLATIVE ACTIONS**

 Date Body Action Description with journal page number

 3/11/2025 Senate Introduced and read first time (Senate Journal‑page 9)

 3/11/2025 Senate Referred to Committee on **Finance** (Senate Journal‑page 9)

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**VERSIONS OF THIS BILL**

[03/11/2025](https://www.scstatehouse.gov/sess126_2025-2026/prever/438_20250311.docx)

A bill

TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY AMENDING SECTIONS 2‑47‑30 THROUGH 2‑47‑52, ALL RELATING TO THE JOINT BOND REVIEW COMMITTEE, SO AS TO CLARIFY THE RESPONSIBILITIES OF THE COMMITTEE, THE STATE FISCAL ACCOUNTABILITY AUTHORITY, AND THE DEPARTMENT OF ADMINISTRATION IN THE ESTABLISHMENT, REVIEW, AND APPROVAL OF PERMANENT IMPROVEMENT PROJECTS, AND TO REFINE CERTAIN REQUIREMENTS, DEFINITIONS, AND EXEMPTIONS FOR THE ESTABLISHMENT, REVIEW, AND APPROVAL THEREOF; BY AMENDING SECTION 2‑47‑56, RELATING TO THE ACCEPTANCE OF GIFTS‑IN‑KIND FOR ARCHITECTURAL AND ENGINEERING SERVICES, SO AS TO CLARIFY THAT ONLY GIFTS‑IN‑KIND ARE EXEMPT FROM THE PROCUREMENT CODE; BY AMENDING SECTION 10‑1‑180, RELATING TO EXPENDITURE OF FUNDS BY STATE AGENCIES, SO AS TO REMOVE A PROVISION REQUIRING APPROVAL AND TO REQUIRE CERTAIN PROJECTS BE IN COMPLIANCE WITH NATIONALLY RECOGNIZED CODES; AND BY AMENDING SECTION 1‑11‑185, RELATING TO POWERS OF THE DEPARTMENT OF ADMINISTRATION, SO AS TO DELETE A PROVISION REQUIRING APPROVAL OF CERTAIN PERMANENT IMPROVEMENT PROJECTS.

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

SECTION 1. Sections 2‑47‑30 through 2‑47‑52 of the S.C. Code are amended to read:

 Section 2‑47‑30. The committee is specifically charged with, but not limited to, the following responsibilities, without limitation, to:

 (1) to review, prior to approval by the State Fiscal Accountability Authority, the establishment of implementation, any permanent improvement project and the source of funds for any such project not previously authorized not specifically authorized by the General Assembly;

 (2) to study the amount and nature of existing general obligation and institutional bond obligations and the capability of the State to fulfill such obligations based on current and projected revenues;

 (3) to recommend priorities of future bond issuance based on the social and economic needs of the State;

 (4) to recommend prudent limitations of bond obligations related to present and future revenue estimates;

 (5) to consult with independent bond counsel, advisors, and other nonlegislative authorities on such matters and with fiscal officials to develop a body of other states to gain in‑depth knowledge that of promotes prudent and efficient administration and management of capital managementassets and investments, and assist in the formulation of short‑ and long‑term recommendations for the General Assembly;

 (6) to carry out all of the above assigned responsibilities in consultation and cooperation with the executive branch of government and the authority, the Department of Administration, and the State Fiscal Accountability Authority; and

 (7) to report its findings and recommendations to the General Assembly annually or more frequently if deemedon such matters and at such times as are appropriate and advisable by the committee.

 Section 2‑47‑35. No project authorized in whole or in part for capital improvement bond funding under the provisions of Act 1377 of 1968, as amended, may be implemented until funds can be have been made available and until the Joint Bond Review Committeecommittee, in consultation with the authority, establishes has established priorities for the funding of the projects. The Joint Bond Review Committeecommittee shall must report its priorities determinations to the members of the General Assembly within thirty days of the establishment of the funding priorities.

 Section 2‑47‑40. (A) To assist the authority and the Joint Bond Review Committee in carrying out their respective responsibilities, anyAny agency or institution requesting or receiving funds from any source for use in the financingproposing the establishment of any permanent improvement project, as a minimum, shall that is subject to the review and approval requirements of this chapter must provide, to the authority, in such form and substance and at such times as the authority, after review byDepartment of Administration, in consultation with the committee, and the authority, may prescribe:

 (1) a complete description of the proposed project;

 (2) a statement of justification for the proposed project;

 (3) a statement of the purposes and intended uses of the proposed project;

 (4) the estimated total cost of the proposed project;

 (5) an estimate of the additional future annual operating costs associated with the proposed project;

 (6) a statement of the expected impact of the proposed project on the five‑year operating plan of the agency or institution proposing the project;

 (7) a proposed plan of funding for the project, specifically identifying funds proposed from sources other than capital improvement bond authorizations; and

 (8) the specification of the priority of each project among those proposed.

 (B) The authority shall forward Department of Administration must provide a copy of each project proposal, and justification statement, and supporting documentation received together with the authority's recommendations on such projects to the committee for its any permanent improvement project requiring review and action or approval in accordance with the provisions of this chapter.

 (C) No provision in this section or elsewhere in this chapter, shall may be construed to limit in any manner the prerogatives of the committee and the General Assembly with regard to recommending or authorizing permanent improvement projects and the funding such projects may require.

 Section 2‑47‑50. (A) The authority shall establish formally eachEach permanent improvement project subject to review and approval in accordance with the provisions of this chapter must be formally established before actions of any sort which kind may be undertaken in any way to implement the project in any way may be undertaken and no. No expenditure of any funds for any services or for any other project purpose may be contracted for, delivered, or otherwise provided prior to the date of the formal action of the authority to establish the project shall be approved. State; provided, however, that agencies and institutions may advertise and interview for project architectural and engineering services for a pendingproposed project so long as the architectural and engineering contract is not awarded until after a statethe project number is assigned. After the committee has reviewedformally established in accordance with the form to be used to request the establishmentprovisions of this chapterpermanent improvement projects and has reviewed the time schedule for considering such requests as proposed by the authority, requests to establish permanent improvement projects shall be made in such form and at such times as the authority may require.

 (B) Any proposal to finance fund all or any part of any project using any funds not previously authorized by the General Assembly specifically for the project by the General Assembly or, or otherwise using any funds not previously approved for the project by the authority and reviewed by the committee shall, must be referred to the committee for review prior toand approval by the authorityin accordance with the provisions of this chapter.

 (C) Any proposed revision of the scope or of the budget of an established permanent improvement project deemed by the authority to be substantial shallmust be referred to the committee for its review and approval in accordance with the provisions of this chapter prior to any final action by the authority. In making their determinations regarding changes in project scope, the authority, and the committee shall utilize theimplementing the revision. The permanent improvement project proposal, and justification statements, together withand any supporting documentation, considered at the time the project was originally authorized or established must be utilized in making determinations regarding changes in project scopeoriginally. Any proposal to increase the budget of a previously approved project using any funds not previously approved for the project by the authority and reviewed by the committee shallmust in all cases be deemed to be a substantial revision of a project budget which shall and must be referred to the committee for review. The committee shall be advised promptly of all actions taken by the authority which approve revisions in the scopefor review and approval in accordance with the provisions of this chapteror the budget of any previously established permanent improvement project not deemed substantial by the authority.

 (D) For purposes of this chapter, a permanent improvement or a permanent improvement project is any improvement meeting the definition of a capital improvement under generally accepted accounting principles including, without limitation:

 (1) acquisition of land;

 (2) acquisition, as opposed to the construction, of buildings or other structures;

 (3) capital lease purchase of any facility acquisition or construction any facility acquired or constructed, and financed in whole or in part, by bonds, indebtedness, installment payments, or other borrowed funds, regardless of cost or payment obligation;

 (4) new construction;

 (5) work on existing facilities including their renovation, repair, maintenance, alteration, or demolition;

 (6) architectural and engineering and other types of planning and design work that is intended to result in a permanent improvement project; excluding, however, master plans and feasibility studies;

 (7) equipment that either becomes a permanent fixture of a facility or does not become permanent but is included in the construction contract; and

 (8) any project authorized by the General Assembly including, without limitation, any project funded by appropriated capital improvement bond funds, capital reserve funds, state appropriated funds, or state infrastructure bond funds.

 (E) Any capital improvement that meets the above definition must be established as a permanent improvement project in accordance withis subject to the provisions of this chapter, regardless of the source of funds.

 Section 2‑47‑52. (A) For purposes of this chapter, exceptExcept as otherwise provided in subsection (B)this section, permanent improvement projects are subject to establishment by and approval of the Department of Administration following review by the committee and approval by the authority where the costs of the permanent improvements exceed two hundred fifty thousand dollars; provided, however, that acquisitions of land, buildings or other structures, and capital lease purchases of facility acquisitionsfacilities acquired or construction constructed, and financed in whole or in part, as defined in items (1), (2), and (3) of Section 2‑47‑50(D)(1), (2), and (3) are subject to establishment by and approval of the Department of Administration following review by the committee, regardless of cost. The committee may assign to its designated staff responsibility for review of new construction, work on existing facilities, planning and design work, and acquisition or replacement of equipment as defined in Section 2‑47‑50(D)(4), (5), (6), and (7), provided the costs of the permanent improvements do not exceed one million dollars.

 (B) Except as otherwise provided in this section, permanent improvement projects are subject to establishment by the Department of Administration following review by the committee and approval of the authority where the costs of the permanent improvements exceed two million five hundred thousand dollars.

 (B)(C) For purposes of this chapter, permanent Permanent improvement projects proposed by public institutions of higher learning as defined in Section 59‑103‑5, including their related public service activities, are exempt from the establishment, review, and approval requirements of Section 2‑47‑50this section where the costs of the permanent improvements, including any proposed revisions to the scope or budget of the project, do not exceed ten million dollars for research universities as identified in Section 11‑51‑30(5) or two million five hundred thousand dollars for all other public institutions of higher learning so long as the institution's governing board votes to approve the project in a public session; provided, however, that acquisitions of land, buildings or other structures, and capital lease purchases of facility acquisitions or construction facilities acquired or constructed, and financed in whole or in part, as defined in items (1), (2), and (3) of Section 2‑47‑50(D)(1), (2), and (3) are subject to review by the committee provisions of this chapter regardless of cost. Institutions shall provide a report of projects approved by their governing boards Any permanent improvement project established pursuant to this subsection, and work on existing facilities including their renovation, repair, maintenance, alteration, or demolition, to the Joint Bond Review Committee and the State Fiscal Accountability Authority of the previous fiscal year's approved projects that meet the same criteria of the exemption provided by this subsection bymust be approved by the governing board of the institution in a public meeting in open session. No later than November fifteenth of each year, the institution must furnish to the Department of Administration, the committee, and the authority a report of all permanent improvement projects established during the immediately preceding fiscal year pursuant to the exemption provided by this subsection. The report must be furnished in such form and substance as may be prescribed by the committee.

 (C) State agencies and institutions may advertise, interview, and engage the services of professional firms for architectural, engineering, planning, and design work as set forth in Section 2‑47‑50(D)(6) to inform the project estimate prior to the review of the committee; provided, however, that the costs of such engagements do not exceed ten million dollars for research universities as identified in Section 11‑51‑30(5), two million five hundred thousand dollars for all other public institutions of higher learning, or two hundred fifty thousand dollars for all other agencies subject to the provisions of this chapter.

 (D) Notwithstanding any other provision of this section, the committee may establish reporting and other requirements.

 (E)(D) Where the funding for a proposed Notwithstanding any other provision of this section, permanent improvement project includes proceeds from the issuance of bonds or other indebtedness, including any obligation for an agency or institution to make payments pursuant to a lease or other agreement securing indebtedness in connectionprojects specifically authorized with or on behalf of the permanent improvement project, approval of the permanent improvement project is the responsibilityfull funding appropriated or designated by the General Assembly must be established by of the Department of Administration, and approval of the issuance of bonds, where required pursuant to the applicable bond enabling act, or other indebtedness in accordance with the provisions of this subsection, is the responsibility of the State Fiscal Accountability Authoritychapter; provided, however, that such permanent improvement projects are not subject to the review and approval requirements of this chapter.

SECTION 2. Section 2‑47‑56 of the S.C. Code is amended to read:

 Section 2‑47‑56. For purposes of this chapter, the term “source of funds” includes, without limitation, gifts, gifts‑in‑kind, and donations; and when used as a financial resource to defray any cost of a permanent improvement project, the amount of the source of funds from such gifts, gifts‑in‑kind, and donations is the value of the gift, gift‑in‑kind, or donation. Each state agency and institution may accept gifts‑in‑kind for architectural and engineering services and construction following review by the committee or its designated staff in accordance with the provisions of Section 2‑47‑52. Such gifts areThe acceptance of such gifts‑in‑kind is exempt from the provisions of Section 11‑35‑10.

SECTION 3. Section 10‑1‑180 of the S.C. Code is amended to read:

 Section 10‑1‑180. The expenditure of funds by any state agency, except the Department of Transportation for permanent improvements as defined in the state budget, is subject to approval and regulation of the State Budget and Control Board. The board shall have authority to allot to specific projects from funds made available for such purposes, such amounts as are estimated to cover the respective costs of such projects, to declare the completion of any such projects, and to dispose, according to law, of any unexpended balances of allotments, or appropriations, or funds otherwise provided for such projects, upon the completion thereof. The approval of the Budget and Control Board is not required for minor construction projects, including renovations and alterations, where the cost does not exceed an amount determined by the Joint Bond Review Committee and the Budget and Control Board.

 All construction, improvement, and renovation of state buildings and infrastructure facilities shall comply with the applicable standards and specifications set forth in each of the following nationally recognized codes: The Standard and the standards referenced in those codes: the Building, Code, The Standard Residential, Existing Building, Code, The Standard Fuel, Gas, Code, The Standard Plumbing, Mechanical, Code, The Standard Plumbing Code and The Standard, Fire, Prevention Code, all as adopted by the Southern Building Code Congress Energy, Performance, Swimming Pool and Spa, Wildland and Urban Interface, and Private Sewage Disposal Codes as promulgated, published, or made available by the International Code Council, Inc.; and the National Electrical Code NFPA 70, The National Electrical Safety Code‑ANSI‑C2, Theas published by the National Fire Protection Association Standard‑NFPA 59; and the National Electrical Safety Code as published by the Institute of Electrical and Electronics Engineers, all with the code editions, revision years, and deletions, and adopted South Carolina Building Codes Council modifications as specified in the Manual For Planning and Execution of State Permanent Improvements. The State Engineer shall determine the enforcement and interpretation of the aforementioned codes and referenced standards on state buildings. Any interested local officials shall coordinate their comments related to state buildings through the State Engineer and shall neither delay construction nor delay or deny water, sewer, power, other utilities, or firefighting services. Agencies may appeal to the Executive Director of Office of General Servicesthe State Fiscal Accountability Authority regarding the application of these codes to state buildings.

SECTION 4. Section 1‑11‑185 of the S.C. Code is amended to read:

 Section 1‑11‑185. (A) In addition to the powers granted the Department of Administration pursuant to this chapter or another provision of law, the department may require submission and approval of plans and specifications for a permanent improvement project of a cost of one million dollars or less by a state department, agency, or institution of the executive branch before a contract is awarded for the permanent improvement project. If the cost of the permanent improvement project is more than one million dollars, approval of the State Fiscal Accountability Authority is required, in lieu of the department's approval, before the contract may be awarded and the authority may require submission of the plans and specifications for this purpose. The provisions of this subsection are in addition to any other requirements of law relating to permanent improvement projects, including the provisions of Chapter 47, Title 2.

 (B)(A) The Department of Administration may promulgate regulations necessary to carry out its duties.

 (C)(B) The respective divisions of the Department of Administration are authorized to provide to and receive from other governmental entities, including other divisions and state and local agencies and departments, goods and services as will in its opinion promote efficient and economical operations. The divisions may charge and pay the entities for the goods and services, the revenue from which must be deposited in the state treasury in a special account and expended only for the costs of providing the goods and services, and those funds may be retained and expended for the same purposes.

SECTION 5. This act takes effect upon approval by the Governor.

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