

CONFERENCE REPORT

S. 22

The General Assembly, Columbia, S.C., January 16, 2014

The COMMITTEE OF CONFERENCE, to whom was referred:

S. 22 -- Senators Sheheen, Massey, L. Martin, Hayes, Campsen, Nicholson, Young and Alexander: A BILL TO ENACT THE "SOUTH CAROLINA RESTRUCTURING ACT OF 2013" INCLUDING PROVISIONS TO AMEND SECTION 1-30-10 OF THE 1976 CODE, RELATING TO THE AGENCIES OF THE EXECUTIVE BRANCH OF STATE GOVERNMENT BY ADDING THE DEPARTMENT OF ADMINISTRATION; BY AMENDING SECTION 1-11-10, TO DIVEST THE BUDGET AND CONTROL BOARD OF CERTAIN PROGRAMS, POWERS, DUTIES, AND RESPONSIBILITIES AND TRANSFER THOSE PROGRAMS, POWERS, DUTIES, AND RESPONSIBILITIES TO OTHER GOVERNMENT AGENCIES; BY AMENDING SECTION 1-11-20, TO ESTABLISH THE DEPARTMENT OF ADMINISTRATION AS AN AGENCY OF THE EXECUTIVE BRANCH OF STATE GOVERNMENT TO BE HEADED BY A DIRECTOR APPOINTED BY THE GOVERNOR UPON THE ADVICE AND CONSENT OF THE SENATE, AND TO TRANSFER TO THIS NEWLY CREATED DEPARTMENT CERTAIN OFFICES AND DIVISIONS OF THE STATE BUDGET AND CONTROL BOARD, OFFICE OF THE GOVERNOR, AND OTHER AGENCIES, AND TO PROVIDE FOR THE TRANSITION; BY ADDING ARTICLE 2 TO CHAPTER 3, TITLE 1, TO ESTABLISH THE EXECUTIVE BUDGET AND STRATEGIC PLANNING OFFICE WITHIN THE DEPARTMENT OF ADMINISTRATION, AND TO PROVIDE FOR THE POWERS, DUTIES, AND AUTHORITY OF THE OFFICE; BY ADDING CHAPTER 2 TO TITLE 2 TO PROVIDE FOR LEGISLATIVE OVERSIGHT OF EXECUTIVE DEPARTMENTS AND THE PROCESSES AND PROCEDURES TO BE FOLLOWED IN CONNECTION WITH THIS OVERSIGHT; BY ADDING CHAPTER 55 TO TITLE 11 TO ESTABLISH THE STATE FISCAL ACCOUNTABILITY AUTHORITY, TO PROVIDE FOR THE MEMBERSHIP OF THE AUTHORITY, AND TO PROVIDE FOR THE POWERS, DUTIES, AND AUTHORITY TO BE EXERCISED BY THE AUTHORITY; TO AMEND CHAPTER 35, TITLE 11 BY ADDING SECTION 11-35-315 TO ESTABLISH THE PROCUREMENT OVERSIGHT BOARD, THE MEMBERSHIP ON THE BOARD, AND THE POWERS, DUTIES, AND AUTHORITY TO BE EXERCISED BY THE BOARD; TO AMEND CHAPTER 3, TITLE 2 BY ESTABLISHING THE LEGISLATIVE FISCAL OFFICE, AND TO PROVIDE FOR THE POWERS, DUTIES, AND AUTHORITY TO BE EXERCISED BY THE OFFICE, TO AMEND TITLE 2 BY ADDING CHAPTER 79 TO ENACT THE STATE AGENCY DEFICIT PREVENTION AND RECOGNITION ACT, AND TO PROVIDE FOR THE PROCESSES AND PROCEDURES TO BE FOLLOWED IN CONNECTION WITH AGENCY DEFICIT PREVENTION AND RECOGNITION; TO AMEND CHAPTER 17, TITLE 60 TO ESTABLISH THE CONFEDERATE RELIC ROOM AND MILITARY MUSEUM COMMISSION, TO PROVIDE FOR THE MEMBERSHIP OF THE COMMISSION AND THE POWERS, DUTIES, AND AUTHORITY TO BE EXERCISED BY THE COMMISSION; TO AMEND TITLE 2 BY ADDING A CHAPTER 9 TO ESTABLISH THE JOINT STRATEGIC TECHNOLOGY COMMITTEE, TO PROVIDE FOR THE MEMBERS ON THE COMMITTEE AND THE POWERS, DUTIES, AND AUTHORITY TO BE EXERCISED BY THE COMMITTEE; TO ESTABLISH THE CHARLESTON NAVY BASE

MUSEUM AUTHORITY, TO PROVIDE THAT THE AUTHORITY MAY EXERCISE ALL POWERS AND AUTHORITY GRANTED TO THE HUNLEY COMMISSION BY SPECIFIC STATUTORY AUTHORITY REFERENCED IN SECTIONS 54-7-100 AND 54-7-110; BY ADDING SECTION 1-11-185, TO PROVIDE FOR APPROVALS FOR PERMANENT IMPROVEMENT PROJECTS; BY ADDING SECTION 11-31-5, TO PROVIDE THAT STATE BOARD MEANS THE GOVERNING BODY OF THE STATE FISCAL AFFAIRS AUTHORITY; BY ADDING SECTION 11-50-65, TO PROVIDE THAT THE STATE FISCAL AFFAIRS AUTHORITY MUST PROVIDE ADMINISTRATIVE SUPPORT TO THE RURAL INFRASTRUCTURE AUTHORITY; TO AMEND SECTIONS 1-11-20, 1-11-25, 1-11-26, 1-11-55, 1-11-56, 1-11-58, 1-11-65, 1-11-67, 1-11-70, 1-11-80, 1-11-90, 1-11-100, 1-11-110, 1-11-140, 1-11-180, 1-11-220, 1-11-225, 1-11-250, 1-11-260, 1-11-270, 1-11-280, 1-11-290, 1-11-300, 1-11-310, 1-11-315, 1-11-320, 1-11-335, 1-11-340, 1-11-435, 1-11-440, 1-15-10, CHAPTER 47, TITLE 2, 2-7-72, 2-7-73, 2-7-74, 2-7-76, 2-13-240, 2-15-50, 2-59-10, CHAPTER 9, TITLE 3; 10-1-10, 10-1-30, 10-1-130, 10-1-190, CHAPTER 9, TITLE 10, 10-11-50, 10-11-90, 10-11-110, 10-11-140, 10-11-330; 11-9-610, 11-9-620, 11-9-630, 11-9-665, 11-9-670, 11-9-680, 11-9-820, 11-9-825, 11-9-830, 11-9-880, 11-9-890, 11-18-20, 11-27-10, 11-35-310, 11-35-3820, 11-35-3840, 11-35-5270, 11-37-30, 11-37-200, 11-38-20, 11-40-20, 11-40-250, 11-41-70, 11-41-80, 11-41-90, 11-41-100, 11-42-30, 11-42-40, 11-42-60, 11-43-510, 11-45-30, 11-45-55, 11-45-105, 11-49-40, 11-50-50, 11-49-100, 11-51-30, 11-51-125, 11-51-190, 11-53-20, 13-7-10, 13-7-30, 13-7-810, 13-7-830, 13-7-860, 15-78-140, 16-3-1620, 16-3-1680, 25-11-10, 25-11-80, 25-11-90, 25-11-310, 44-38-380, 44-53-530, 44-96-140; 48-46-30, 48-46-40, 48-46-50, 48-46-60, 48-46-90, 48-52-410, 48-52-440, 48-52-460, 48-52-635, 48-52-680, 59-109-30, 59-109-40, 59-115-20, 59-115-40, 63-11-500, 63-11-700, 63-11-730, 63-11-1110, 63-11-1140, 63-11-1310, 63-11-1340, 63-11-1360, 63-11-1510 RELATING TO VARIOUS AGENCY OR DEPARTMENT PROVISIONS SO AS TO CONFORM THEM TO THE ABOVE PROVISIONS PERTAINING TO THE DEPARTMENT OF ADMINISTRATION, STATE FISCAL ACCOUNTABILITY AUTHORITY, AND OTHER STATE AGENCIES, AND TO SUPPLEMENT SUCH PROVISIONS; AND TO REPEAL SECTIONS 1-30-110, 1-11-22, AND 11-11-90.

Beg leave to report that they have duly and carefully considered the same and recommend:

That the same do pass with the following amendments: (Reference is to Printer's Version 05/15/13.)

Amend the bill, as and if amended, by striking all after the enacting words and inserting:

/ Part I

Citation

SECTION 1. This act may be cited as the "South Carolina Restructuring Act of 2014".

Part II

Budget and Control Board Abolished

SECTION 2. A. Effective July 1, 2015, the State Budget and Control Board, and its related divisions and offices, is abolished and its functions, powers, duties, responsibilities, and authority, except as otherwise provided by law:

(1) related to the issuance of bonds and bonding authority, generally found in Title 11 of the 1976 Code but also contained in certain other provisions of South Carolina law are devolved upon the State Fiscal Accountability Authority;

(2) related to grants, loans, and other forms of financial assistance to other entities, generally found in Title 11 of the 1976 Code but also contained in certain other provisions of South Carolina law, exercised by the former Budget and Control Board are devolved upon the State Fiscal Accountability Authority; and

(3) related to executive functions within the former Budget and Control Board not identified in items (1) or (2) are devolved upon the Department of Administration.

B. After determining how many vacant FTE's at the State Budget and Control Board shall be used to fill needed positions in the Executive Budget Office as provided in Section 1-30-125, to be done in consultation with the Office of the Governor, the Executive Director of the State Budget and Control Board, upon approval of the board, prior to July 1, 2014, shall eliminate at least sixty vacant FTE's within the board or its divisions, components, or offices prior to the devolvement of specified duties and functions of the board upon the Department of Administration as provided in this act.

Part III

Establishing the Department of Administration

SECTION 3. Section 1-30-10(A) of the 1976 Code, as last amended by Act 146 of 2010, is further amended to read:

“(A) There are hereby created, within the executive branch of the state government, the following departments:

1. Department of Administration
2. Department of Agriculture
- ~~2-3.~~ Department of Alcohol and Other Drug Abuse Services
- ~~3-4.~~ Department of Commerce
- ~~4-5.~~ Department of Corrections
- ~~5-6.~~ Department of Disabilities and Special Needs
- ~~6-7.~~ Department of Education
- ~~7-8.~~ Department of Health and Environmental Control
- ~~8-9.~~ Department of Health and Human Services
- ~~9-10.~~ Department of Insurance
- ~~10-11.~~ Department of Juvenile Justice
- ~~11-12.~~ Department of Labor, Licensing and Regulation
- ~~12-13.~~ Department of Mental Health
14. Department of Motor Vehicles
- ~~13-15.~~ Department of Natural Resources
- ~~14-16.~~ Department of Parks, Recreation and Tourism
- ~~15-17.~~ Department of Probation, Parole and Pardon Services
- ~~16-18.~~ Department of Public Safety
- ~~17-19.~~ Department of Revenue
- ~~18-20.~~ Department of Social Services
- ~~19-21.~~ Department of Transportation
- ~~20-22.~~ Department of Employment and Workforce.”

SECTION 4. A. Section 1-11-10 of the 1976 Code is amended to read:

“Section 1-11-10. ~~(A) The State Budget and Control Board shall be comprised of the Governor, ex officio, who shall be chairman, the State Treasurer, ex officio, the Comptroller General, ex officio, and the chairman of the Senate Finance Committee, ex officio, and the chairman of the Ways and Means Committee of the House of Representatives, ex officio.~~ There is hereby created, within the executive branch of the state government, the Department of Administration, headed by a director appointed by the

Governor upon the advice and consent of the Senate who may only be removed pursuant to Section 1-3-240(B). Effective July 1, 2015, the following offices, divisions, or components of the former State Budget and Control Board, Office of the Governor, or other agencies are transferred to, and incorporated into, the Department of Administration:

(1) the Division of General Services, including Business Operations, Facilities Management, State Building and Property Services, and Agency Services, including surplus property, intrastate mail, parking, state fleet management, except that the Division of General Services shall not be transferred to the Department of Administration until the Director of the Department of Administration enters into a memorandum of understanding with appropriate officials of applicable legislative and judicial agencies or departments meeting the requirements of this subsection. There shall be a single memorandum of understanding involving the Department of Administration and the legislative and judicial branches with appropriate officials of each to be signatories to the memorandum of understanding.

(a) The memorandum of understanding shall provide for:

(i) continued use of existing office space;
(ii) a method for the allocation of new, additional, or different office space;
(iii) adequate parking;
(iv) a method for the allocation of new, additional, or different parking;
(v) the provision of appropriate levels of electrical, mechanical, maintenance, energy management, fire protection, custodial, project management, safety and building renovation, and other services currently provided by the General Services Division of the State Budget and Control Board;

(vi) the provision of water, electricity, steam, and chilled water to the offices, areas, and facilities occupied by the applicable agencies;

(vii) the ability for each agency or department to maintain building access control for its allocated office space; and

(viii) access control for the Senate and House chambers and courtrooms as appropriate.

(b) The parties may modify the memorandum of understanding by mutual consent at any time.

(c) The General Services Division must provide the services described in subsection (a) and any other maintenance and support, at a level that is greater than or equal to what is provided prior to the effective date of this act, to each building on the Capitol Complex, including the Supreme Court, without charge. The General Services Division must coordinate with the appropriate officials of applicable legislative and judicial agencies or departments when providing these services to the buildings and areas controlled by those agencies;

(2) the State Office of Human Resources;

(3) the Guardian Ad Litem Program as established in Article 5, Chapter 11, Title 63;

(4) the Office of Economic Opportunity, the office designated by the Governor to be the state administering agency that is responsible for the receipt and distribution of the federal funds as allocated to South Carolina for the implementation of Title VI, Public Law 97-35;

(5) the Developmental Disabilities Council as established by Executive Order in 1971 and reauthorized in 2010;

(6) the Continuum of Care for Emotionally Disturbed Children as established in Article 13, Chapter 11, Title 63;

(7) the Division for Review of the Foster Care of Children as established by Article 7, Chapter 11, Title 63;

(8) the Children's Case Resolution System as established by Article 11, Chapter 11, Title 63;

(9) the Client Assistance Program;

(10) the Division of Veterans' Affairs as established by Chapter 11, Title 25;

(11) the Commission on Women as established by Chapter 15, Title 1;

(12) the Office of Victims Assistance, including the South Carolina Victims Advisory Board and the Victims Compensation Fund, both as established by Article 13, Chapter 3, Title 16;

(13) the Crime Victims' Ombudsman as established by Article 16, Chapter 3, Title 16;

(14) the Governor's Office of Ombudsman;

(15) the Division of Small and Minority Business Contracting and Certification, as established pursuant to Article 21, Chapter 35, Title 11, formerly known as the Small and Minority Business Assistance Office;

(16) the Division of State Information Technology, including the Data Center, Telecommunications and Information Technology Services, the South Carolina Enterprise Information System, and the Division of Information Security; and

(17) the Nuclear Advisory Council as established in Article 9, Chapter 7, Title 13.

(B)(1) The Division of State Information Technology must submit the Statewide Strategic Information Technology Plan to the Director of the Department of Administration by September 1, 2015, and biennially thereafter. The director shall review the Statewide Strategic Information Technology Plan and recommend to the Governor priorities for state government enterprise information technology projects and resource requirements. The director shall also review information technology spending by state agencies and evaluate whether greater efficiencies, more effective services, and cost savings can be achieved through streamlining, standardizing, and consolidating agency information technology.

(2) All oversight concerning the South Carolina Enterprise Information System must remain as provided in Chapter 53, Title 11.

(C) The Department of Administration shall use the existing resources of each division, insofar as it promotes efficiency and effectiveness, transferred to the department including, but not limited to, funding, personnel, equipment, and supplies from the board's administrative support units, including, but not limited to, the Office of the Executive Director, Office of General Counsel, and the Office of Internal Operations. 'Funding' means state, federal, and other funds. Vacant FTE's at the State Budget and Control Board also may be used to fill needed positions at the department. No new FTE's may be assigned to the department without authorization from the General Assembly.

(D) No later than December 31, 2015, the department's director shall submit a report to the President Pro Tempore of the Senate and the Speaker of the House of Representatives that contains an analysis of and recommendations regarding the most appropriate organizational placement for each component of the Office of Executive Policy and Programs as of the effective date of this act. The department shall solicit input from and consider the recommendation of affected constituencies while developing its report.

(E) The Department of Administration shall, during the absence of the Governor from Columbia, be placed in charge of the records and papers in the executive chamber kept pursuant to Section 1-3-30."

B. Section 1-11-20 of the 1976 Code, as last amended by Act 164 of 2005, is further amended to read:

~~"Section 1-11-20. The functions of the State Budget and Control Board must be performed, exercised, and discharged under the supervision and direction of the board through three divisions, the Finance Division (embracing the work of the State Auditor, the former State Budget Commission, the former State Finance Committee and the former Board of Claims for the State of South Carolina), the Purchasing and Property Division (embracing the work of the former Commissioners of the Sinking Fund, the former Board of Phosphate Commissioners, the State Electrician and Engineer, the former Commission on State House and State House Grounds, the central purchasing functions, the former Surplus Procurement Division of the State Research, Planning and Development Board and the Property Custodian) and the Division of Personnel Administration (embracing the work of the former retirement board known as the South Carolina Retirement System and the administration of all laws relating to personnel), each division to consist of a director and clerical, stenographic and technical employees necessary, to be employed by the respective directors with the approval of the board. The directors of the divisions must be employed by the State Budget and Control Board for that time and compensation as may be fixed by the board in its judgment. Effective July 1, 2015:~~

(A) The South Carolina Confederate Relic Room and Military Museum is transferred from the State Budget and Control Board and is governed by the South Carolina Confederate Relic Room and Military Museum Commission, as established in Section 60-17-10.

(B) The State Energy Office is transferred from the State Budget and Control Board to the Office of Regulatory Staff.

(C) The offices, divisions, or components of the State Budget and Control Board named in this subsection are transferred to, and incorporated into, the Rural Infrastructure Authority as established in Section 11-50-30. All functions, powers, duties, responsibilities, and authority vested in the agencies and authorities, including their governing boards, if any, named in this subsection are devolved upon the Rural Infrastructure Authority and the authority shall constitute the agencies and authorities, including their governing boards, if any, named in this subsection:

(1) Local Government Division in support of the local government loan program as established in Section 1-11-25;

(2) Water Resources Coordinating Council as established in 11-37-200(A); and

(3) Division of Regional Development as established in Section 11-42-40.

(D) The regulation of minerals and mineral interests on public land, and the regulation of Geothermal Resources as provided in Chapter 9, Title 10 is transferred to, and incorporated into, the Department of Health and Environmental Control.

(E) The Procurement Services Division of the State Budget and Control Board is transferred to, and incorporated into, the State Fiscal Accountability Authority.

(F) The State Auditor is transferred to, and incorporated into, the State Fiscal Accountability Authority.

(G) South Carolina Infrastructure Facilities Authority as established in Chapter 40, Title 11 and the South Carolina Water Quality Revolving Fund Authority in support of water quality projects and federal loan programs as established in Chapter 5, Title 48 are transferred to, and incorporated into, the State Fiscal Accountability Authority.”

SECTION 5. (A) Where the provisions of this act transfer offices, or portions of offices, of the Budget and Control Board, Office of the Governor, or other agencies to the Department of Administration or other entities, including those newly created by the provisions of this act, the employees, authorized appropriations, and assets and liabilities of the transferred offices are also transferred to and become part of the Department of Administration or other entities, including those newly created by the provisions of this act. All classified or unclassified personnel employed by these offices on the effective date of this act, either by contract or by employment at will, shall become employees of the Department of Administration or other entities, including those newly created by the provisions of this act, with the same employment status, compensation, classification, and grade level, as applicable.

(B) The Code Commissioner is directed to change all references in Chapter 35, Title 11 of the 1976 Code, the South Carolina Consolidated Procurement Code, from the “Budget and Control Board”, the “State Budget and Control Board” or the “Board” to the “State Fiscal Accountability Authority”, the “authority”, or the “Division of Procurement Services” of the “State Fiscal Accountability Authority”, as appropriate.

(C) Regulations promulgated by these transferred offices as they existed under the former Budget and Control Board, Office of the Governor, or other agencies are continued and are considered to be promulgated by these offices under the Department of Administration or other entities, including those newly created by the provisions of this act.

(D)(1) The Code Commissioner is directed to change or correct all references to these offices of the former Budget and Control Board in the 1976 Code, Office of the Governor, or other agencies to reflect the transfer of them to the Department of Administration or other entities, including those newly created by the provisions of this act. References to the names of these offices in the 1976 Code or other provisions of law are considered to be and must be construed to mean appropriate references.

(2) On or before July 1, 2014, the Code Commissioner also shall prepare and deliver a report to the President Pro Tempore of the Senate and the Speaker of the House of Representatives concerning appropriate and conforming changes to the 1976 Code of Laws reflecting the provisions of this act.

Part IV

Legislative Oversight of Executive Departments

SECTION 6. A.Subsections (B) through (H) of Section 1-30-10 of the 1976 Code, as last amended by Act 222 of 2012, are amended to read:

“(B)(1) The governing authority of each department shall be ~~either~~:

(i) a director, ~~and in the case of the Department of Commerce, the~~ or a secretary, who must be appointed by the Governor with the advice and consent of the Senate, subject to removal from office by the Governor pursuant to provisions of Section 1-3-240(B); or

(ii) a board to be appointed and constituted in a manner provided for by law; or

(iii) in the case of the Department of Agriculture and the Department of Education, the State Commissioner of Agriculture and the State Superintendent of Education, respectively, elected to office under the Constitution of this State; or

(iv) in the case of the Department of Transportation, a seven member commission constituted in a manner provided by law, and a Secretary of Transportation appointed by and serving at the pleasure of the Governor.

(2) In making ~~appointments to boards and for department directors~~, an appointment for a governing authority of a department, race, gender, and other demographic factors should be considered to assure nondiscrimination, inclusion, and representation to the greatest extent possible of all segments of the population of this State; however, consideration of these factors in no way creates a cause of action or basis for an employee grievance for a person appointed or for a person who fails to be appointed. The Governor in making the appointments provided for by this section shall endeavor to appoint individuals who have demonstrated exemplary managerial skills in either the public or private sector.

(C) Each department shall be organized into appropriate ~~divisions~~ subdivisions by the governing authority of the department through further consolidation or further subdivision. The power to organize and reorganize the department ~~supersedes any provision of law to the contrary pertaining to individual divisions; provided, however, the~~ into divisions lies with the General Assembly in furtherance of its mandate pursuant to Article XII of the South Carolina Constitution. The dissolution of any division must receive legislative approval by authorization included in the annual general appropriations act likewise be statutorily approved by the General Assembly.

~~Any other approval procedures for department reorganization in effect on the effective date of this act no longer apply.~~

(D) The governing authority of a department is vested with the duty of overseeing, managing, and controlling the operation, administration, and organization of the department. The governing authority has the power to create and appoint standing or ad hoc advisory committees in its discretion or at the direction of the Governor to assist the department in particular areas of public concern or professional expertise as is deemed appropriate. Such committees shall serve at the pleasure of the governing authority and committee members shall not receive salary or per diem, but shall be entitled to reimbursement for actual and necessary expenses incurred pursuant to the discharge of official duties not to exceed the per diem, mileage, and subsistence amounts allowed by law for members of boards, commissions, and committees.

(E) The governing authority of a department ~~director~~ may appoint ~~deputy directors~~ deputies to head the divisions of their department, with each deputy ~~director~~ managing one or more of the divisions; in the case of the Department of Commerce, the Secretary of Commerce may appoint a departmental executive director and also may appoint directors to manage the various divisions of the Department of Commerce. In making appointments race, gender, and other demographic factors should be considered to assure nondiscrimination, inclusion, and representation to the greatest extent possible of all segments of the population of this State; however, consideration of these factors in making an appointment in no way creates a cause of action or basis for an employee grievance for a person appointed or for a person who

fails to be appointed. ~~Deputy directors~~ Deputies serve at the will and pleasure of the ~~department director~~ governing authority. The ~~deputy director~~ of a division is vested with the duty of overseeing, managing, and controlling the operation and administration of the division under the direction and control of the ~~department director~~ department's governing authority and performing such other duties as delegated by the ~~department director~~ department's governing authority.

(F)(1) In the event a vacancy ~~should occur~~ occurs in the office of ~~department director~~ the department's governing authority at a time when the General Assembly is not in session, the Governor may temporarily fill the vacancy pursuant to Section 1-3-210.

(2) ~~Notwithstanding the provisions of subitem (F)(1), as of July 1, 1993, for each department created pursuant to the provisions of this act which must be governed by a single director, an initial interim director shall serve as the governing authority, serving until January 31, 1994. During that period the following departments must be governed by the director or interim director of the following agencies as of June 30, 1993:~~

(i) ~~Department of Corrections, created pursuant to Section 1-30-30, by the director of the former Department of Corrections;~~

(ii) ~~Department of Juvenile Justice created pursuant to Section 1-30-60, by the interim director of the former Department of Youth Services;~~

(iii) ~~Department of Probation, Parole, and Pardon Services created pursuant to Section 1-30-85 by the director of the former Department of Probation, Pardon and Parole;~~

(iv) ~~Department of Social Services created pursuant to Section 1-30-100, by the director of the former Department of Social Services;~~

(v) ~~Department of Parks, Recreation and Tourism created pursuant to Section 1-30-80, by the director of the former Department of Parks, Recreation and Tourism;~~

(vi) ~~Department of Commerce created pursuant to Section 1-30-25, by the Executive Director of the former State Development Board;~~

(vii) ~~Department of Alcohol and Other Drug Abuse Services created pursuant to Section 1-30-20, by the director of the former South Carolina Commission on Alcohol and Drug Abuse.~~

(3) ~~As of December 1, 1993, the Governor must submit to the Senate the names of appointees to the permanent department directorships for those departments created on July 1, 1993 and February 1, 1994. If no person has been appointed and qualified for a directorship as of February 1, 1994, the Governor may appoint an interim director to serve pursuant to the provisions of (F)(1).~~

(4) ~~Notwithstanding provisions of (2) and (3) to the contrary, the initial interim director of the Department of Public Safety shall be appointed by the Budget and Control Board. The initial interim director may be appointed as the permanent director of the department by the Governor.~~

(G)(1) Department and agency governing authorities must, no later than the first day of the 1994 2015 Legislative Session and every twelve months thereafter for the following three years, submit to the Governor and General Assembly reports giving detailed and comprehensive recommendations for the purposes of merging or eliminating duplicative or unnecessary divisions, programs, or personnel within each department to provide a more efficient administration of government services. If an agency or department has no recommendations for restructuring of divisions, programs, or personnel, its report must contain a statement to that effect. Upon their receipt by the President of the Senate and the Speaker of the House of Representatives, these reports must be referred as information to the standing committees of the respective bodies most jurisdictionally related in subject matter to each agency. Alternatively, the House and Senate may provide by rule for the referral of these reports. Thereafter, The Governor shall must periodically consult with the governing authorities of the various departments and upon such consultation, the Governor shall must submit a report of any restructuring recommendations to the General Assembly for its review and consideration.

(2) ~~The Governor shall report to the General Assembly no later than the second Tuesday in January of 1994, his recommendation for restructuring the following offices and divisions presently under his direct supervision, and as to how each might be restructured within other appropriate departments or divisions amended by this act:~~

- (i) ~~Office of Executive Policy and Programs;~~
- (ii) ~~Office of Energy Programs;~~
- (iii) ~~Office of Personnel and Program Services;~~
- (iv) ~~Office of Research;~~
- (v) ~~Division of Health;~~
- (vi) ~~Division of Economic Opportunity;~~
- (vii) ~~Division of Economic Development;~~
- (viii) ~~Division of Ombudsman and Citizens' Services;~~
- (ix) ~~Division of Education;~~
- (x) ~~Division of Natural Resources;~~
- (xi) ~~Division of Human Services.~~

Department and agency governing authorities must, no later than the first day of the 2015 Legislative Session, and, as a part of the agency's seven-year oversight study and investigation conducted pursuant to Chapter 2, Title 2, submit to the Governor and the General Assembly a seven-year plan that provides initiatives and/or planned actions that implement cost savings and increased efficiencies of services and responsibilities within the projected seven-year period.

~~(H) Department governing authorities must submit to the General Assembly by the first day of the 1994 legislative session and every five years thereafter a mission statement that must be approved by the General Assembly by Joint Resolution."~~

B. Section 8-27-10(4) of the 1976 Code is amended to read:

"(4) 'Report' means:

(a) a written document alleging a written or oral allegation of waste or wrongdoing that contains the following information:

~~(a)(i)~~ the date of disclosure;
~~(b)(ii)~~ the name of the employee making the report; and
~~(c)(iii)~~ the nature of the wrongdoing and the date or range of dates on which the wrongdoing allegedly occurred. A report must be made within ~~sixty days~~ one hundred eighty days of the date the reporting employee first learns of the alleged wrongdoing; or

(b) sworn testimony regarding wrongdoing, regardless of when the wrongdoing allegedly occurred, given to any standing committee, subcommittee of a standing committee, oversight committee, oversight subcommittee, or study committee of the Senate or the House of Representatives."

C. Chapter 27, Title 8 of the 1976 Code is amended by adding:

"Section 8-27-60. Each public body must make a summary of this chapter available on the public body's Internet website. The summary must include an explanation of the process required to report wrongdoing, an explanation of what constitutes wrongdoing, and a description of the protections available to an employee who reports wrongdoing. If the public body does not maintain an Internet website, the public body must annually provide a written summary of this chapter to its employees and maintain copies of the summary at all times."

D. Title 2 of the 1976 Code is amended by adding:

"CHAPTER 2

Legislative Oversight of Executive Departments

Section 2-2-5. The General Assembly finds and declares the following to be the public policy of the State of South Carolina:

(1) Section 1 of Article XII of the State Constitution requires the General Assembly to provide for appropriate agencies to function in the areas of health, welfare, and safety and to determine the activities, powers, and duties of these agencies and departments.

(2) This constitutional duty is a continuing and ongoing obligation of the General Assembly that is best addressed by periodic review of the programs of the agencies and departments and their responsiveness to the needs of the state's citizens by the standing committees of the State Senate or House of Representatives.

Section 2-2-10. As used in this chapter:

(1) 'Agency' means an authority, board, branch, commission, committee, department, division, or other instrumentality of the executive or judicial departments of state government, including administrative bodies. 'Agency' includes a body corporate and politic established as an instrumentality of the State. 'Agency' does not include:

- (a) the legislative department of state government; or
- (b) a political subdivision.

(2) 'Investigating committee' means any standing committee or subcommittee of a standing committee exercising its authority to conduct an oversight study and investigation of an agency within the standing committee's subject matter jurisdiction.

(3) 'Program evaluation report' means a report compiled by an agency at the request of an investigating committee that may include, but is not limited to, a review of agency management and organization, program delivery, agency goals and objectives, compliance with its statutory mandate, and fiscal accountability.

(4) 'Request for information' means a list of questions that an investigating committee serves on a department or agency under investigation. The questions may relate to any matters concerning the department or agency's actions that are the subject of the investigation.

(5) 'Standing committee' means a permanent committee with a regular meeting schedule and designated subject matter jurisdiction that is authorized by the Rules of the Senate or the Rules of the House of Representatives.

Section 2-2-20. (A) Beginning January 1, 2015, each standing committee shall conduct oversight studies and investigations on all agencies within the standing committee's subject matter jurisdiction at least once every seven years in accordance with a schedule adopted as provided in this chapter.

(B) The purpose of these oversight studies and investigations is to determine if agency laws and programs within the subject matter jurisdiction of a standing committee:

(1) are being implemented and carried out in accordance with the intent of the General Assembly; and

(2) should be continued, curtailed, or eliminated.

(C) The oversight studies and investigations must consider:

(1) the application, administration, execution, and effectiveness of laws and programs addressing subjects within the standing committee's subject matter jurisdiction;

(2) the organization and operation of state agencies and entities having responsibilities for the administration and execution of laws and programs addressing subjects within the standing committee's subject matter jurisdiction; and

(3) any conditions or circumstances that may indicate the necessity or desirability of enacting new or additional legislation addressing subjects within the standing committee's subject matter jurisdiction.

Section 2-2-30. (A) The procedure for conducting the oversight studies and investigations is provided in this section.

(B)(1) The President Pro Tempore of the Senate, upon consulting with the chairmen of the standing committees in the Senate and the Clerk of the Senate, shall determine the agencies for which each

standing committee must conduct oversight studies and investigations. A proposed seven year review schedule must be published in the Senate Journal on the first day of session each year.

(2) In order to accomplish the requirements of this chapter, the chairman of each standing committee must schedule oversight studies and investigations for the agencies for which his standing committee is the investigating committee and may:

(a) coordinate schedules for conducting oversight studies and investigations with the chairmen of other standing committees; and

(b) appoint joint investigating committees to conduct the oversight studies and investigations including, but not limited to, joint committees of the Senate and House of Representatives or joint standing committees of concurrent subject matter jurisdiction within the Senate or within the House of Representatives.

(3) Chairmen of standing committees having concurrent subject matter jurisdiction over an agency or the programs and law governing an agency by virtue of the Rules of the Senate or Rules of the House of Representatives, may request that a joint investigating committee be appointed to conduct the oversight study and investigation for an agency.

(C)(1) The Speaker of the House of Representatives, upon consulting with the chairmen of the standing committees in the House of Representatives and the Clerk of the House of Representatives, shall determine the agencies for which each standing committee must conduct oversight studies and investigations. A proposed seven year review schedule must be published in the House Journal on the first day of session each year.

(2) In order to accomplish the requirements of this chapter, the chairman of each standing committee must schedule oversight studies and investigations for the agencies for which his standing committee is the investigating committee and may:

(a) coordinate schedules for conducting oversight studies and investigations with the chairmen of other standing committees; and

(b) appoint joint investigating committees to conduct the oversight studies and investigations including, but not limited to, joint committees of the Senate and House of Representatives or joint standing committees of concurrent subject matter jurisdiction within the Senate or within the House of Representatives.

(3) Chairmen of standing committees having concurrent subject matter jurisdiction over an agency or the programs and law governing an agency by virtue of the Rules of the Senate or Rules of the House of Representatives, may request that a joint investigating committee be appointed to conduct the oversight study and investigation for the agency.

(D) The chairman of an investigating committee may vest the standing committee's full investigative power and authority in a subcommittee. A subcommittee conducting an oversight study and investigation of an agency: (1) must make a full report of its findings and recommendations to the standing committee at the conclusion of its oversight study and investigation, and (2) must not consist of fewer than three members.

Section 2-2-40. (A) In addition to the scheduled seven year oversight studies and investigations, a standing committee of the Senate or House of Representatives may initiate an oversight study and investigation of an agency within its subject matter jurisdiction. The motion calling for the oversight study and investigation must state the subject matter and scope of the oversight study and investigation. The oversight study and investigation must not exceed the scope stated in the motion or the scope of the information uncovered by the investigation.

(B) Nothing in the provisions of this chapter prohibits or restricts the President Pro Tempore of the Senate, the Speaker of the House of Representatives, or chairmen of standing committees from fulfilling their constitutional obligations by authorizing and conducting legislative investigations into agencies' functions, duties, and activities.

Section 2-2-50. When an investigating committee conducts an oversight study and investigation or a legislative investigation is conducted pursuant to Section 2-2-40(B), evidence or information related to the investigation may be acquired by any lawful means, including, but not limited to:

(A) serving a request for information on the agency being studied or investigated. The request for information must be answered separately and fully in writing under oath and returned to the investigating committee within forty-five days after being served upon the department or agency. The time for answering a request for information may be extended for a period to be agreed upon by the investigating committee and the agency for good cause shown. The head of the department or agency must sign the answers verifying them as true and correct. If any question contains a request for records, policies, audio or video recordings, or other documents, the question is not considered to have been answered unless a complete set of records, policies, audio or video recordings, or other documents is included with the answer;

(B) deposing witnesses upon oral examination. A deposition upon oral examination may be taken from any person that the investigating committee has reason to believe has knowledge of the activities under investigation. The investigating committee shall provide the person being deposed and the agency under investigation with no less than ten days notice of the deposition. The notice to the agency shall state the time and place for taking the deposition and name and address of each person to be examined. If a subpoena duces tecum is to be served on the person to be examined, the designation of the materials to be produced as set forth in the subpoena must be attached to or included in the notice. The deposition must be taken under oath administered by the chairman of the investigating committee or his designee. The testimony must be taken stenographically or recorded by some other means and may be videotaped. A person may be compelled to attend a deposition in the county in which he resides or in Richland County ;

(C) issuing subpoenas and subpoenas duces tecum pursuant to Title 2, Chapter 69; and

(D) requiring the agency to prepare and submit to the investigating committee a program evaluation report by a date specified by the investigating committee. The investigating committee must specify the agency program or programs or agency operations that it is studying or investigating and the information to be contained in the program evaluation report.

Section 2-2-60. (A) An investigating committee's request for a program evaluation report must contain:

- (1) the agency program or operations that it intends to investigate;
- (2) the information that must be included in the report; and
- (3) the date that the report must be submitted to the committee.

(B) An investigating committee may request that the program evaluation report contain any of the following information:

- (1) enabling or authorizing law or other relevant mandate, including any federal mandates;
- (2) a description of each program administered by the agency identified by the investigating committee in the request for a program evaluation report, including the following information:
 - (a) established priorities, including goals and objectives in meeting each priority;
 - (b) performance criteria, timetables, or other benchmarks used by the agency to measure its progress in achieving its goals and objectives;
 - (c) an assessment by the agency indicating the extent to which it has met the goals and objectives, using the performance criteria. When an agency has not met its goals and objectives, the agency shall identify the reasons for not meeting them and the corrective measures the agency has taken to meet them in the future;
- (3) organizational structure, including a position count, job classification, and organization flow chart indicating lines of responsibility;
- (4) financial summary, including sources of funding by program and the amounts allocated or appropriated and expended over the last ten years;

(5) identification of areas where the agency has coordinated efforts with other state and federal agencies in achieving program objectives and other areas in which an agency could establish cooperative arrangements including, but not limited to, cooperative arrangements to coordinate services and eliminate redundant requirements;

(6) identification of the constituencies served by the agency or program, noting any changes or projected changes in the constituencies;

(7) a summary of efforts by the agency or program regarding the use of alternative delivery systems, including privatization, in meeting its goals and objectives;

(8) identification of emerging issues for the agency;

(9) a comparison of any related federal laws and regulations to the state laws governing the agency or program and the rules implemented by the agency or program;

(10) agency policies for collecting, managing, and using personal information over the internet and non-electronically, information on the agency's implementation of information technologies;

(11) a list of reports, applications, and other similar paperwork required to be filed with the agency by the public. The list must include:

(a) the statutory authority for each filing requirement;

(b) the date each filing requirement was adopted or last amended by the agency;

(c) the frequency that filing is required;

(d) the number of filings received annually for the last seven years and the number of anticipated filings for the next four years;

(e) a description of the actions taken or contemplated by the agency to reduce filing requirements and paperwork duplication;

(12) any other relevant information specifically requested by the investigating committee.

(C) All information contained in a program evaluation report must be presented in a concise and complete manner.

(D) The chairman of the investigating committee may direct the Legislative Audit Council to perform a study of the program evaluation report and report its findings to the investigating committee. The chairman also may direct the Legislative Audit Council to perform its own audit of the program or operations being studied or investigated by the investigating committee.

(E) A state agency that is vested with revenue bonding authority may submit annual reports and annual external audit reports conducted by a third party in lieu of a program evaluation report.

Section 2-2-70. All testimony given to the investigating committee must be under oath.

Section 2-2-80. Any witness testifying before the investigating committee may have counsel present to advise him. The witness or his counsel may, during the time of testimony, claim any legal privilege recognized by the laws of this State in response to any question and is entitled to have a ruling by the chairman on any objection. In making his ruling, the chairman of the investigating committee shall follow as closely as possible the statutory law and the decisions of the courts of this State regarding legal privileges. The ruling of the chair may not be reviewed by the courts of this State except in a separate proceeding for contempt of the General Assembly.

Section 2-2-90. A witness shall be given the benefit of any privilege at law which he may have in court as a party to a civil action.

Section 2-2-100. Any person who appears before a committee or subcommittee of either house, pursuant to this chapter, and wilfully gives false, materially misleading, or materially incomplete testimony under oath is guilty of contempt of the General Assembly. A person who is convicted of or pleads guilty to contempt of the General Assembly is guilty of a felony and, upon conviction, must be fined within the discretion of the court or imprisoned for not more than five years, or both.

Section 2-2-110. Whenever any person violates Section 2-2-100 it is the duty of the chair of the committee or subcommittee before which the false, misleading, or incomplete testimony was given, to notify the Attorney General of South Carolina who shall cause charges to be filed in the appropriate county.

Section 2-2-120. A person is guilty of criminal contempt when, having been duly subpoenaed to attend as a witness before either house of the legislature or before any committee thereof, he:

- (1) fails or refuses to attend without lawful excuse; or
- (2) refuses to be sworn; or
- (3) refuses to answer any material and proper question; or
- (4) refuses, after reasonable notice, to produce books, papers, or documents in his possession or under his control which constitute material and proper evidence.

A person who is convicted of or pleads guilty to criminal contempt is guilty of a felony and, upon conviction, must be fined within the discretion of the court or imprisoned for not more than five years, or both.”

E. This part takes effect January 1, 2015.

Part V

Conforming and Miscellaneous Amendments to Divisions, Offices, and Other Entities or Programs Transferred to the Department of Administration

SECTION 7. A. Section 1-11-55 of the 1976 Code, as last amended by Act 31 of 2013, is further amended to read:

“Section 1-11-55. (1) ‘Governmental body’ means a state government department, commission, council, board, bureau, committee, institution, college, university, technical school, ~~legislative body,~~ agency, government corporation, or other establishment or official of the executive, ~~judicial, or legislative branches~~ branch of this State. Governmental body excludes the General Assembly, Legislative Council, the Legislative Services Agency, the judicial department and all local political subdivisions such as counties, municipalities, school districts, or public service or special purpose districts.

(2) The ~~Budget and Control Board~~ Division of General Services of the Department of Administration is hereby designated as the single central broker for the leasing of real property for governmental bodies. No governmental body shall enter into any lease agreement or renew any existing lease except in accordance with the provisions of this section.

(3) When any governmental body needs to acquire real property for its operations or any part thereof and state-owned property is not available, it shall notify the ~~Office~~ Division of General Services of its requirement on rental request forms prepared by the ~~office division~~. Such forms shall indicate the amount and location of space desired, the purpose for which it shall be used, the proposed date of occupancy and such other information as General Services may require. Upon receipt of any such request, General Services shall conduct an investigation of available rental space which would adequately meet the governmental body’s requirements, including specific locations which may be suggested and preferred by the governmental body concerned. When suitable space has been located which the governmental body and the ~~office division~~ agree meets necessary requirements and standards for state leasing as prescribed in procedures of the ~~board department~~ as provided for in subsection (5) of this section, General Services shall give its written approval to the governmental body to enter into a lease agreement. All proposed lease renewals shall be submitted to General Services by the time specified by General Services.

(4) The ~~board department~~ shall adopt procedures to be used for governmental bodies to apply for rental space, for acquiring leased space, and for leasing state-owned space to nonstate lessees.

(5) Any participant in a property transaction proposed to be entered who maintains that a procedure provided for in this section has not been properly followed, may request review of the transaction by the director of the ~~Office~~ Division of General Services of the Department of Administration or his designee.”

B. Sections 1-11-56 and 1-11-58 of the 1976 Code, as last amended by Act 248 of 2004, are amended to read:

“Section 1-11-56. ~~(A) The State Budget and Control Board,~~ Division of General Services of the Department of Administration, in an effort to ensure that funds authorized and appropriated for rent are used in the most efficient manner, is directed to develop a program to manage the leasing of all public and private space of ~~state agencies~~ a governmental body. The department must submit regulations for the implementation of this section to the General Assembly as provided in the Administrative Procedures Act, Chapter 23, Title 1. ~~The board’s~~ department’s regulations, upon General Assembly approval, shall include procedures for:

(1) assessing and evaluating agency needs, including the authority to require agency justification for any request to lease public or private space;

(2) establishing standards for the quality and quantity of space to be leased by a requesting agency;

(3) devising and requiring the use of a standard lease form (approved by the Attorney General) with provisions which assert and protect the state’s prerogatives including, but not limited to, a right of cancellation in the event of:

(a) a nonappropriation for the renting agency,

(b) a dissolution of the agency, and

(c) the availability of public space in substitution for private space being leased by the agency;

(4) rejecting an agency’s request for additional space or space at a specific location, or both;

(5) directing agencies to be located in public space, when available, before private space can be leased;

(6) requiring the agency to submit a multi-year financial plan for review by the ~~board’s budget office~~ department with copies sent to Ways and Means Committee and Senate Finance Committee, before any new lease for space is entered into; ~~and requiring prior review by the Joint Bond Review Committee and the requirement of Budget and Control Board approval before the adoption of any new lease that commits more than one million dollars in a five year period; and~~

(7) requiring prior review by the Joint Bond Review Committee and the requirement of ~~Budget and Control Board~~ State Fiscal Accountability Authority approval before the adoption of any new or renewal lease that commits more than two hundred thousand dollars annually in rental or lease payments or more than one million dollars in such payments in a five-year period.

(B) Leases or rental agreements involving amounts below the thresholds provided in item (7) of subsection (A) may be executed by the Department of Administration without this prior review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority.

(C) The threshold requirements requiring review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority as contained in item (7) of subsection (A) also apply to leases or rental agreements with nonstate entities whether or not the state or its agencies or departments is the lessee or lessor.

Section 1-11-58. ~~(A)(1)~~ Every state agency, as defined by law, shall annually perform an inventory and prepare a report of all residential and surplus real property owned by it. The report shall be submitted to the ~~State Budget and Control Board~~ Department of Administration, ~~Office~~ Division of General Services, on or before June thirtieth and shall indicate current use, current value, and projected use of the property. Property not currently being utilized for necessary agency operations shall be made available for sale and funds received from the sale of the property shall revert to the general fund.

(2) The ~~Office~~ Division of General Services ~~will~~ shall review the annual reports addressing real property submitted to it and determine the real property which is surplus to the State. A central listing of

such property will be maintained for reference in reviewing subsequent property acquisition needs of agencies.

(3) Upon receipt of a request by an agency to acquire additional property, the Office Division of General Services shall review the surplus property list to determine if the agency's needs ~~can~~ may be met from existing state-owned property. If such property is identified, the Office division of General Services shall act as broker in transferring the property to the requesting agency under terms and conditions that are mutually agreeable to the agencies involved.

(4) The ~~Budget and Control Board~~ department may authorize the Office Division of General Services to sell any unassigned surplus real property. The Office of General Services division shall have the discretion to determine the method of disposal to be used, which possible methods include: auction, sealed bids, listing the property with a private broker or any other method determined by the Office of General Services division to be commercially reasonable considering the type and location of property involved.

(B) The procedures involving surplus real property sales under this section are also subject to the approvals required in Section 1-11-65 for surplus real property sales above five hundred thousand dollars."

C. Sections 1-11-65, 1-11-67, 1-11-70, 1-11-80, 1-11-90, 1-11-100, 1-11-110, and 1-11-180 of the 1976 Code are amended to read:

"Section 1-11-65. (A) All transactions involving real property, made for or by any governmental bodies, excluding political subdivisions of the State, must be approved by and recorded with the ~~State Budget and Control Board~~ Department of Administration for transactions of one million dollars or less. For transactions of more than one million dollars, approval of the State Fiscal Accountability Authority is required in lieu of the department, although the recording will be with the department. Upon approval of the transaction ~~by the Budget and Control Board~~, there must be recorded simultaneously with the deed, a certificate of acceptance, which acknowledges the ~~board's~~ department's, and authority's, approval of the transaction as required. The county recording authority cannot accept for recording any deed not accompanied by a certificate of acceptance. The ~~board~~ department and authority may exempt a governmental body from the provisions of this subsection.

(B) All state agencies, departments, and institutions authorized by law to accept gifts of tangible personal property shall have executed by its governing body an acknowledgment of acceptance prior to transfer of the tangible personal property to the agency, department, or institution.

Section 1-11-67. The ~~State Budget and Control Board~~ Department of Administration shall assess and collect a rental charge from all state departments and agencies that occupy ~~State Budget and Control Board~~ space in state-controlled office buildings under its jurisdiction. The amount charged each department or agency must be calculated on a square foot, or other equitable basis of measurement, and at rates that will yield sufficient total annual revenue to cover the annual principal and interest due or anticipated on the Capital Improvement Obligations for projects administered or planned by the ~~Office of General Services~~ department, and maintenance and operation costs of ~~State Budget and Control Board-controlled~~ department-controlled office buildings ~~under the supervision of the Office of General Services~~. The amount collected must be deposited in a special account and must be expended only for payment on Capital Improvement Obligations and maintenance and operations costs of the buildings under the supervision of the Office of General Services department.

All departments and agencies against which rental charges are assessed and whose operations are financed in whole or in part by federal or other nonappropriated funds are both directed to apportion the payment of these charges equitably among all funds to ensure that each bears its proportionate share.

Section 1-11-70. All vacant lands and lands purchased by the former land commissioners of the State ~~shall be~~ are subject to the directions of the ~~State Budget and Control Board~~ Department of Administration.

Section 1-11-80. The ~~State Budget and Control Board~~ Department of Administration, upon approval of the State Fiscal Accountability Authority, is authorized to grant easements and rights of way to any person for construction and maintenance of power lines, pipe lines, water and sewer lines and railroad facilities over, on or under such vacant lands or marshland as are owned by the State, upon payment of the reasonable value thereof.

Section 1-11-90. The ~~State Budget and Control Board~~ Department of Administration, upon approval of the State Fiscal Accountability Authority, may grant to agencies or political subdivisions of the State, without compensation, rights of way through and over such marshlands as are owned by the State for the construction and maintenance of roads, streets and highways or power or pipe lines, if, in the judgment of the ~~Budget and Control Board~~ department, the interests of the State will not be adversely affected thereby.

Section 1-11-100. Deeds or other instruments conveying such rights of way or easements over such marshlands or vacant lands as are owned by the State shall be executed by the Governor in the name of the State, when ~~authorized by resolution of the Budget and Control Board, duly recorded in the minutes and records of such board~~ authorized by the Department of Administration, upon approval of the State Fiscal Accountability Authority, and when duly approved by the office of the Attorney General; deeds or other instruments conveying such easements over property in the name of or under the control of State agencies, institutions, commissions or other bodies shall be executed by the majority of the governing body thereof, shall name both the State of South Carolina and the institution, agency, commission or governing body as grantors, and shall show the written approval of the ~~majority of the members of the State Budget and Control Board~~ Director of the Department of Administration and the State Fiscal Accountability Authority.

Section 1-11-110. (1) The ~~State Budget and Control Board~~ Department of Administration, subject to the requirements of Section 1-11-65, is authorized to acquire real property, including any estate or interest therein, for, and in the name of, the State of South Carolina by gift, purchase, condemnation or otherwise.

(2) The ~~State Budget and Control Board~~ Department of Administration shall make use of the provisions of the Eminent Domain Procedure Act (Chapter 2, of Title 28) if it is necessary to acquire real property by condemnation. The actions must be maintained by and in the name of the ~~board~~ department. The right of condemnation is limited to the right to acquire land necessary for the development of the Capitol Complex ~~and~~ mall grounds in the City of Columbia.

Section 1-11-180. (A) In addition to the powers granted the ~~Budget and Control Board~~ Department of Administration under this chapter or any other provision of law, the ~~board~~ department may:

(1) survey, appraise, examine, and inspect the condition of state property to determine what is necessary to protect state property against fire or deterioration and to conserve the use of the property for state purposes;

(2) ~~approve the destruction or disposal of state agency records;~~

(3) ~~require submission and approval of plans and specifications for permanent improvements by a state department, agency, or institution before a contract is awarded for the permanent improvement;~~

(4) approve blanket bonds for a state department, agency, or institution including bonds for state officials or personnel. However, the form and execution of blanket bonds must be approved by the Attorney General; and

~~(5)(3)~~ contract to develop an energy utilization management system for state facilities under its control and to assist other agencies and departments in establishing similar programs. However, this does not authorize capital expenditures.

(B) The ~~Budget and Control Board~~ may Department of Administration shall promulgate regulations necessary to carry out this section.”

D. Chapter 11, Title 1 of the 1976 Code is amended by adding:

“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) The Department of Administration may promulgate regulations necessary to carry out its duties.

(C) 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.”

E. 1. Section 1-11-220 of the 1976 Code is amended to read:

“Section 1-11-220. There is hereby established within the ~~Budget and Control Board~~ Department of Administration, the ~~Division of Motor Vehicle Management~~ General Services, Program of Fleet Management headed by a ~~Director, hereafter referred to as the ‘State Fleet Manager’~~ appointed by and reporting directly to the ~~Budget and Control Board department, hereafter referred to as the Board.~~ The ~~Board department~~ shall develop a comprehensive state Fleet Management Program. The program shall address acquisition, assignment, identification, replacement, disposal, maintenance, and operation of motor vehicles.

The ~~Budget and Control Board department~~ shall, through ~~their~~ its policies and regulations, seek to achieve the following objectives:

(a) ~~to~~ achieve maximum cost-effectiveness management of state-owned motor vehicles in support of the established missions and objectives of the agencies, boards, and commissions;

(b) ~~to~~ eliminate unofficial and unauthorized use of state vehicles;

(c) ~~to~~ minimize individual assignment of state vehicles;

(d) ~~to~~ eliminate the reimbursable use of personal vehicles for accomplishment of official travel when this use is more costly than use of state vehicles;

(e) ~~to~~ acquire motor vehicles offering optimum energy efficiency for the tasks to be performed;

(f) ~~to~~ insure motor vehicles are operated in a safe manner in accordance with a statewide Fleet Safety Program;

(g) ~~to~~ improve environmental quality in this State by decreasing the discharge of pollutants.”

2. Section 1-11-225 of the 1976 Code is amended to read:

“Section 1-11-225. The ~~Division of Operations~~ Department of Administration shall establish a cost allocation plan to recover the cost of operating the comprehensive statewide Fleet Management Program.

The division shall collect, retain, and carry forward funds to ensure continuous administration of the program.”

3. Sections 1-11-250, 1-11-260, 1-11-270(A), 1-11-280, 1-11-290; 1-11-300, 1-11-310, as last amended by Act 203 of 2008, 1-11-315, 1-11-320; 1-11-335, and 1-11-340 of the 1976 Code are amended to read:

“Section 1-11-250. For purposes of Sections 1-11-220 to 1-11-330:

(a) ‘State agency’ means all officers, departments, boards, commissions, institutions, universities, colleges, and all persons and administrative units of state government that operate motor vehicles purchased, leased, or otherwise held with the use of state funds, pursuant to an appropriation, grant or encumbrance of state funds, or operated pursuant to authority granted by the State.

(b) ‘Board Department’ means ~~State Budget and Control Board~~ the South Carolina Department of Administration.

Section 1-11-260. (A) The Fleet Manager shall report annually to the ~~Budget and Control Board and~~ the General Assembly concerning the performance of each state agency in achieving the objectives enumerated in Sections 1-11-220 through 1-11-330 and include in the report a summary of the ~~division’s~~ program’s efforts in aiding and assisting the various state agencies in developing and maintaining their management practices in accordance with the comprehensive statewide ~~Motor Vehicle Fleet~~ Management Program. This report also shall contain recommended changes in the law and regulations necessary to achieve these objectives.

(B) The ~~board~~ department, after consultation with state agency heads, shall promulgate and enforce state policies, procedures, and regulations to achieve the goals of Sections 1-11-220 through 1-11-330 and shall recommend administrative penalties to be used by the agencies for violation of prescribed procedures and regulations relating to the Fleet Management Program.

Section 1-11-270. (A) The ~~board~~ department shall establish criteria for individual assignment of motor vehicles based on the functional requirements of the job, which shall reduce the assignment to situations clearly beneficial to the State. Only the Governor, statewide elected officials, and agency heads are provided a state-owned vehicle based on their position.

Section 1-11-280. The ~~Board~~ department shall develop a system of agency-managed and interagency motor pools which are, to the maximum extent possible, cost beneficial to the State. All motor pools shall operate according to regulations promulgated by the ~~Budget and Control Board~~ department. Vehicles shall be placed in motor pools rather than being individually assigned except as specifically authorized by the ~~Board~~ department in accordance with criteria established by the ~~Board~~ department. ~~The motor pool operated by the Division of General Services shall be transferred to the Division of Motor Vehicle Management.~~ Agencies utilizing motor pool vehicles shall utilize trip log forms approved by the ~~Board~~ department for each trip, specifying beginning and ending mileage and the job function performed.

The provisions of this section shall not apply to school buses and service vehicles.

Section 1-11-290. The ~~Board~~ department in consultation with the agencies operating maintenance facilities shall study the cost-effectiveness of such facilities versus commercial alternatives and shall develop a plan for maximally cost-effective vehicle maintenance. The ~~Budget and Control Board~~ department shall promulgate rules and regulations governing vehicle maintenance to effectuate the plan.

The State Vehicle Maintenance program shall include:

- (a) central purchasing of supplies and parts;
- (b) an effective inventory control system;
- (c) a uniform work order and record-keeping system assigning actual maintenance cost to each vehicle; and
- (d) preventive maintenance programs for all types of vehicles.

All motor fuels shall be purchased from state facilities except in cases where such purchase is impossible or not cost beneficial to the State.

All fuels, lubricants, parts, and maintenance costs including those purchased from commercial vendors shall be charged to a state credit card bearing the license plate number of the vehicle serviced and the bill shall include the mileage on the odometer of the vehicle at the time of service.

Section 1-11-300. In accordance with criteria established by the ~~board~~ department, each agency shall develop and implement a uniform cost accounting and reporting system to ascertain the cost per mile of each motor vehicle used by the State under their control. Agencies presently operating under existing systems may continue to do so provided that ~~board departmental~~ approval ~~shall be~~ is required and that the existing systems ~~shall be~~ are uniform with the criteria established by the ~~board~~ department. All expenditures on a vehicle for gasoline and oil shall be purchased in one of the following ways:

(1) from state-owned facilities and paid for by the use of Universal State Credit Cards except where agencies purchase these products in bulk;

(2) from any fuel outlet where gasoline and oil are sold regardless of whether the outlet accepts a credit or charge card when the purchase is necessary or in the best interest of the State; and

(3) from a fuel outlet where gasoline and oil are sold when that outlet agrees to accept the Universal State Credit Card.

These provisions regarding purchase of gasoline and oil and usability of the state credit card also apply to alternative transportation fuels where available. The ~~Budget and Control Board Division of Operations~~ department shall adjust the budgetary appropriation in ~~Part IA, Section 63B~~, for 'Operating Expenses--Lease Fleet' to reflect the dollar savings realized by these provisions and transfer such amount to other areas of the State Fleet Management Program. The ~~Board~~ department shall promulgate regulations regarding the purchase of motor vehicle equipment and supplies to ensure that agencies within a reasonable distance are not duplicating maintenance services or purchasing equipment that is not in the best interest of the State. The ~~Board~~ department shall develop a uniform method to be used by the agencies to determine the cost per mile for each vehicle operated by the State.

Section 1-11-310. (A) The ~~State Budget and Control Board~~ Department of Administration shall purchase, acquire, transfer, replace, and dispose of all motor vehicles on the basis of maximum cost-effectiveness and lowest anticipated total life cycle costs.

(B) The standard state fleet sedan or station wagon must be no larger than a compact model and the special state fleet sedan or station wagon must be no larger than an intermediate model. The ~~director of the Division of Motor Vehicle Management~~ State Fleet Manager shall determine the types of vehicles which fit into these classes. Only these classes of sedans and station wagons may be purchased by the State for nonlaw enforcement use.

(C) The State shall purchase police sedans only for the use of law enforcement officers, as defined by the Internal Revenue Code. Purchase of a vehicle under this subsection must be concurred in by the ~~director of the Division of Motor Vehicle Management~~ State Fleet Manager and must be in accordance with regulations promulgated or procedures adopted under Sections 1-11-220 through 1-11-340 which must take into consideration the agency's mission, the intended use of the vehicle, and the officer's duties. Law enforcement agency vehicles used by employees whose job functions do not meet the Internal Revenue Service definition of 'Law Enforcement Officer' must be standard or special state fleet sedans.

(D) All state motor vehicles must be titled to the State and must be received by and remain in the possession of the ~~Division Program of Motor Vehicle~~ Fleet Management pending sale or disposal of the vehicle.

(E) Titles to school buses and service vehicles operated by the State Department of Education and vehicles operated by the South Carolina Department of Transportation must be retained by those agencies.

(F) Exceptions to requirements in subsections (B) and (C) must be approved by the ~~director of the Division of Motor Vehicle Management~~ State Fleet Manager. Requirements in subsection (B) do not apply to the ~~State Development Board~~ Department of Commerce.

(G) Preference in purchasing state motor vehicles must be given to vehicles assembled in the United States with at least seventy-five percent domestic content as determined by the appropriate federal agency.

(H) Preference in purchasing state motor vehicles must be given to hybrid, plug-in hybrid, bio-diesel, hydrogen, fuel cell, or flex-fuel vehicles when the performance, quality, and anticipated life cycle costs are comparable to other available motor vehicles.

Section 1-11-315. The ~~State Budget and Control Board~~ Department of Administration, Division of General Services, Program of Motor Vehicle Fleet Management, shall determine the extent to which the state vehicle fleet can be configured to operate on alternative transportation fuels. This determination must be based on a thorough evaluation of each alternative fuel and the feasibility of using such fuels to power state vehicles. The state fleet must be configured in a manner that will serve as a model for other corporate and government fleets in the use of alternative transportation fuel. By March 1, 1993, the ~~Division Program~~ of Motor Vehicle Fleet Management must submit a plan to the General Assembly for the use of alternative transportation fuels for the state vehicle fleet that will enable the state vehicle fleet to serve as a model for corporate and other government fleets in the use of alternative transportation fuel. This plan must contain a cost/benefit analysis of the proposed changes.

Section 1-11-320. The ~~Board~~ department shall ensure that all state-owned motor vehicles are identified as such through the use of permanent ~~state government~~ state government license plates and either state or agency seal decals. No vehicles shall be exempt from the requirements for identification except those exempted by the ~~Board~~ department.

This section shall not apply to vehicles supplied to law enforcement officers when, in the opinion of the ~~Board~~ department after consulting with the Chief of the State Law Enforcement Division, those officers are actually involved in undercover law enforcement work to the extent that the actual investigation of criminal cases or the investigators' physical well-being would be jeopardized if they were identified. The ~~Board~~ department is authorized to exempt vehicles carrying human service agency clients in those instances in which the privacy of the client would clearly and necessarily be impaired.

Section 1-11-335. The respective divisions of the ~~Budget and Control Board~~ 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 shall be deposited in the state treasury in a special account and expended only for the costs of providing the goods and services, and such funds may be retained and expended for the same purposes.

Section 1-11-340. The ~~Board~~ department shall develop and implement a statewide Fleet Safety Program for operators of state-owned vehicles which shall serve to minimize the amount paid for rising insurance premiums and reduce the number of accidents involving state-owned vehicles. The ~~Board~~ department shall promulgate ~~rules and~~ regulations requiring the establishment of an accident review board by each agency and mandatory driver training in those instances where remedial training for employees would serve the best interest of the State."

G. Section 1-15-10 of the 1976 Code, as last amended by Act 279 of 2012, is further amended to read:

"Section 1-15-10. There is created a Commission on Women to be composed of sixteen members appointed by the Governor with the advice and consent of the Senate from among persons with a

competency in the area of public affairs and women's activities. One member must be appointed from each congressional district and the remaining members from the State at large. The commission must be under and a part of the ~~Office of the Governor~~ Department of Administration. Members of the commission shall serve for terms of four years and until their successors are appointed and qualify, except of those members first appointed after the expansion of the commission to fifteen members, two members shall serve a term of one year, two members shall serve a term of two years, two members shall serve a term of three years, and two members shall serve a term of four years. Members appointed prior to and after the expansion of the commission to fifteen members must be designated by the Governor as being appointed to serve either from a particular congressional district or at large. The member first appointed from the Seventh Congressional District after the expansion of the commission to sixteen members shall serve a four-year term. Vacancies must be filled in the manner of the original appointment for the unexpired portion of the term only. No member must be eligible to serve more than two consecutive terms.

H. 1. Section 1-30-110 of the 1976 Code is repealed.

2. Section 2-59-10 1. of the 1976 Code is amended to read:

“1. management of the L. Marion Gressette Building and the Senate areas of the State House with sole authority to formulate and implement policies and procedures for the effective utilization of personnel, equipment, and space within the ~~building~~ L. Marion Gressette Building and the Senate areas of the State House;”

I. Chapter 9, Title 3 of the 1976 Code is amended to read:

“CHAPTER 9

Acquisition and Distribution of Federal Surplus Property

Section 3-9-10. (a) The Division of General Services of the ~~State Budget and Control Board~~ Department of Administration is authorized:

(1) to acquire from the United States of America under and in conformance with the provisions of Section 203 (j) of the Federal Property and Administrative Services Act of 1949, as amended, hereafter referred to as the ‘act,’ such property, including equipment, materials, books, or other supplies under the control of any department or agency of the United States of America as may be usable and necessary for purposes of education, public health or civil defense, including research for any such purpose, and for such other purposes as may now or hereafter be authorized by federal law;

(2) to warehouse such property; and

(3) to distribute such property within the State to tax-supported medical institutions, hospitals, clinics, health centers, school systems, schools, colleges and universities within the State, to other nonprofit medical institutions, hospitals, clinics, health centers, schools, colleges and universities which are exempt from taxation under Section 501 (c)(3) of the United States Internal Revenue Code of 1954, to civil defense organizations of the State, or political subdivisions and instrumentalities thereof, which are established pursuant to State law, and to such other types of institutions or activities as may now be or hereafter become eligible under Federal law to acquire such property.

(b) The Division of General Services of the Department of Administration is authorized to receive applications from eligible health and educational institutions for the acquisition of Federal surplus real property, investigate the applications, obtain expression of views respecting the applications from the appropriate health or educational authorities of the State, make recommendations regarding the need of such applicant for the property, the merits of its proposed program of utilization, the suitability of the

property for the purposes, and otherwise assist in the processing of the applications for acquisition of real and related personal property of the United States under Section 203 (k) of the act.

(c) For the purpose of executing its authority under this chapter, the Division of General Services is authorized to adopt, amend or rescind rules and regulations and prescribe such requirements as may be deemed necessary; and take such other action as is deemed necessary and suitable, in the administration of this chapter, to assure maximum utilization by and benefit to health, educational and civil defense institutions and organizations within the State from property distributed under this chapter.

(d) The ~~Budget and Control Board~~ Department of Administration is authorized to appoint advisory boards or committees, and to employ such personnel and prescribe their duties as are deemed necessary and suitable for the administration of this chapter.

(e) The Director of the Division of General Services is authorized to make such certifications, take such action and enter into such contracts, agreements and undertakings for and in the name of the State (including cooperative agreements with any Federal agencies providing for utilization of property and facilities by and exchange between them of personnel and services without reimbursement), require such reports and make such investigations as may be required by law or regulation of the United States of America in connection with the receipt, warehousing, and distribution of personal property received by him from the United States of America.

(f) The Division of General Services is authorized to act as clearinghouse of information for the public and private nonprofit institutions, organizations and agencies referred to in subparagraph (a) of this section and other institutions eligible to acquire federal surplus personal property, to locate both real and personal property available for acquisition from the United States of America, to ascertain the terms and conditions under which such property may be obtained, to receive requests from the above-mentioned institutions, organizations, and agencies and to transmit to them all available information in reference to such property, and to aid and assist such institutions, organizations, and agencies in every way possible in the consummation of acquisitions or transactions hereunder.

(g) The Division of General Services, in the administration of this chapter, shall cooperate to the fullest extent consistent with the provisions of the act, and with the departments or agencies of the United States of America, ~~and shall~~ file a State plan of operation, and operate in accordance therewith, ~~and~~ take such action as may be necessary to meet the minimum standards prescribed in accordance with the act, ~~and~~ make such reports in such form and containing such information as the United States of America or any of its departments or agencies may from time to time require, and ~~it shall~~ comply with the laws of the United States of America and the rules and regulations of any of the departments or agencies of the United States of America governing the allocation, transfer, use or accounting for, property donable or donated to the State.

Section 3-9-20. The Director of the Division of General Services may delegate such power and authority as he deems reasonable and proper for the effective administration of this chapter. The ~~State Budget and Control Board~~ Department of Administration may require bond of any person in the employ of the Division of General Services receiving or distributing property from the United States under authority of this chapter.

Section 3-9-30. Any charges made or fees assessed by the Division of General Services for the acquisition, warehousing, distribution, or transfer of any property of the United States of America for educational, public health, or civil defense purposes, including research for any such purpose, or for any purpose which may now be or hereafter become eligible under the act, shall be limited to those reasonably related to the costs of care and handling in respect to its acquisition, receipt, warehousing, distribution, or transfer.

Section 3-9-40. The provisions of this chapter shall not apply to the acquisition of property acquired by agencies of the State under the priorities established by Section 308 (b), Title 23, United States Code, Annotated.”

J. Section 10-1-10 of the 1976 Code is amended to read:

“Section 10-1-10. The ~~State Budget and Control Board~~ Department of Administration shall keep, landscape, cultivate, and beautify the State House and State House grounds with authority to expend such amounts as may be annually appropriated therefor. The ~~board~~ department shall employ all help and labor in policing, protecting, and caring for the State House and State House grounds and shall have full authority over them.”

K. Section 10-1-30 of the 1976 Code is amended to read:

“Section 10-1-30. (A) The Director of the Division of General Services ~~of the State Budget and Control Board~~ may authorize the use of the ~~State House lobbies, areas of State House except for those provided in subsection (B), the State House steps and grounds, and other public buildings and grounds except for those provided in subsection (B)~~ in accordance with regulations promulgated by the board department and the laws of this State.

(B) The Clerk of the Senate and the Clerk of the House of Representatives shall provide joint approval for access to or the use of the second and third floors of the State House; provided, that use of the respective chambers of each house shall be the prerogative of that house. The director shall obtain the approval of the Clerk of the Senate before authorizing shall provide prior authorization for any access to or use of the Gressette Senate Office Building and shall obtain the approval of the Clerk of the House of Representatives before authorizing shall provide prior authorization for any access to or use of the Blatt House Office Building. Management and supervision of the office buildings of each house of the General Assembly shall be exercised by each house acting through the respective clerks.

(C) The regulations promulgated pursuant to subsection (A) must contain provisions to ~~insure~~ ensure that the public health, safety, and welfare ~~will be~~ are protected in the use of the areas including reasonable time, place, and manner restrictions and application periods before use. If sufficient measures ~~cannot be~~ are not taken to protect the public health, safety, and welfare, the director shall deny the requested use. Other restrictions may be imposed on the use of the areas as are necessary for the conduct of business in those areas and the maintenance of the dignity, decorum, and aesthetics of the areas.”

L. Section 10-1-130 of the 1976 Code is amended to read:

“Section 10-1-130. The trustees or governing bodies of state institutions and agencies may grant easements and rights of way over any property under their control, upon the ~~concurrence and acquiescence of the State Budget and Control Board~~ recommendation of the Department of Administration and approval of the State Fiscal Accountability Authority, whenever it appears that such easements ~~will do not~~ do not materially impair the utility of the property or damage it and, when a consideration is paid therefor, any ~~such~~ amounts ~~shall~~ must be placed in the State Treasury to the credit of the institution or agency having control of the property involved.”

M. Section 10-1-190 of the 1976 Code is amended to read:

“Section 10-1-190. As part of the approval process relating to trades of state property for nonstate property, the ~~Budget and Control Board~~ Department of Administration is authorized to approve the application of any net proceeds resulting from such a transaction to the improvement of the property held by the ~~board~~ department.”

N. Chapter 9, Title 10 of the 1976 Code is amended to read:

“CHAPTER 9

Minerals and Mineral Interests
in Public Lands

Article 1
General Provisions

Section 10-9-10. The Public Service Authority may, through its board of directors, make and execute leases of gas, oil, and other minerals and mineral rights, excluding phosphate and lime and phosphatic deposits, over and upon the lands and properties owned by said authority; and the ~~State Budget and Control Board~~ Department of Health and Environmental Control and the forfeited land commissions of the ~~several~~ counties of this State may, with the approval of the Attorney General, make and execute such leases over and upon the lands and waters of the State and of the ~~several~~ counties under the ownership, management, or control of ~~such Board~~ the department and commissions respectively.

Section 10-9-20. No such lease shall provide for a royalty of less than twelve and one-half per cent of production of oil and gas from the lease.

Section 10-9-30. Nothing contained in this article shall estop the State from enacting proper laws for the conservation of the oil, gas and other mineral resources of the State and all leases and contracts made under authority of this article shall be subject to such laws; provided, that the ~~State Budget and Control Board~~ Department of Health and Environmental Control may negotiate for leases of oil, gas, and other mineral rights upon all of the lands and waters of the State, including offshore marginal and submerged lands.

Section 10-9-35. In the event that the State of South Carolina is the recipient of revenues derived from offshore oil leases within the jurisdictional limits of the State such revenues shall be deposited with the State Treasurer in a special fund and shall be expended only by authorization of the General Assembly.

Funds so accumulated shall be expended only for the following purposes:

- (1) to retire the bonded indebtedness incurred by South Carolina;
- (2) for capital improvement expenditures.

Section 10-9-40. The authority conferred upon the Public Service Authority, the ~~State Budget and Control Board~~ Department of Health and Environmental Control, and the forfeited land commissions by this article shall be cumulative and in addition to the rights and powers heretofore vested by law in such authority, ~~such State Budget and Control Board~~ the Department of Health and Environmental Control, and such commissions, respectively.

Article 3

Phosphate

Section 10-9-110. The ~~State Budget and Control Board~~ Department of Health and Environmental Control shall be charged with the exclusive control and protection of the rights and interest of the State in the phosphate rocks and phosphatic deposits in the navigable streams and in the marshes thereof.

Section 10-9-120. The ~~Board~~ department may inquire into and protect the interests of the State in and to any phosphatic deposits or mines, whether in the navigable waters of the State or in land marshes or other territory owned or claimed by other parties, and in the proceeds of any such mines and may take such action for, or in behalf of, the State in regard thereto as it may find necessary or deem proper.

Section 10-9-130. The Board department may issue to any person who applies for a lease or license granting a general right to dig, mine, and remove phosphate rock and phosphatic deposits from all the navigable streams, waters, and marshes belonging to the State and also from such of the creeks, not navigable, lying therein as may contain phosphate rock and deposits belonging to the State and not previously granted. Such leases or licenses may be for such terms as may be determined by the Board department. The annual report of the Board department to the General Assembly shall include a list of all effective leases and licenses. The Board department may make a firm contract for the royalty to be paid the State which shall not be increased during the life of the license. Provided, that prior to the grant or issuance of any lease or license, the Board department shall cause to be published a notice of such application in a newspaper having general circulation in the county once a week for three successive weeks prior to the grant or issuance. ~~Provided, further~~ However, the lessee or licensee ~~may shall~~ not take possession if there ~~be is~~ an adverse claim and the burden of proving ownership in the State shall be placed upon the lessee or licensee.

Section 10-9-140. In every case in which ~~such an~~ application ~~shall be is~~ made to the Board department for a license, the Board department may grant or refuse the license as it ~~may deem~~ considers best for the interest of the State and the proper management of the interests of the State in ~~such those~~ deposits.

Section 10-9-150. As a condition precedent to the right to dig, mine, and remove the rocks and deposits granted by ~~any such~~ a license, each licensee shall enter into bond, with security, in the penal sum of five thousand dollars, conditioned for the making at the end of every month of true and faithful returns to the Comptroller General of the number of tons of phosphate rock and phosphatic deposits so dug or mined and the punctual payment to the State Treasurer of the royalty provided at the end of every quarter or three months. ~~Such The~~ bond and sureties ~~thereon shall be~~ are subject to the approval required by law for the bonds of state officers.

Section 10-9-160. Whenever the Board department shall have reason to doubt the solvency of any surety whose name appears upon any bond executed for the purpose of securing the payment of the phosphate royalty by any person digging, mining and removing phosphate rock or phosphatic deposits in any of the territory, the property of the State, under any grant or license, the Board department shall forthwith notify the person giving such bond and the sureties thereon and require that one or more sureties, as the case may be, shall be added to the bond, such surety or sureties to be approved by the Board department.

Section 10-9-170. The Board department, upon petition filed by any person who is surety on any such bond as aforesaid and who considers himself in danger of being injured by such suretyship, shall notify the person giving such bond to give a new bond with other sureties and upon failure of such person to do so within thirty days shall cause such person to suspend further operations until a new bond be given. ~~But~~ In no case shall the sureties on the old bond be discharged from liability thereon until the new bond has been executed and approved, and such sureties shall not be discharged from any antecedent liability by reason of such suretyship.

Section 10-9-180. The Board department is hereby vested with full and complete power and control over all mining in the phosphate territory belonging to this State and over all persons digging or mining phosphate rock or phosphatic deposit in the navigable streams and waters or in the marshes thereof, with full power and authority, subject to the provisions of Sections 10-9-130 and 10-9-190 to fix, regulate, raise, or reduce such royalty per ton as shall from time to time be paid to the State by such persons for all or any such phosphate rock dug, mined, removed, and shipped or otherwise sent to the market therefrom. ~~But six~~ Six months' notice shall be given all persons at such time digging or mining phosphate rock in

such navigable streams, waters, or marshes before any increase shall be made in the rate of royalty theretofore existing.

Section 10-9-190. Each person to whom a license shall be issued must, at the end of every month, make to the Comptroller General a true and lawful return of the phosphate rock and phosphatic deposits he may have dug or mined during such month and shall punctually pay to the State Treasurer, at the end of every quarter or three months, a royalty of five cents per ton upon each and every ton of the crude rock (not of the rock after it has been steamed or dried), the first quarter to commence to run on the first day of January in each year.

Section 10-9-200. The ~~State Budget and Control Board~~ Department of Health and Environmental Control ~~shall~~, within twenty days after the grant of any license as aforesaid, shall notify the Comptroller General of the issuing of such license, with the name of the person to whom issued, the time of the license, and the location for which it was issued.

Section 10-9-210. Every person who shall dig, mine, or remove any phosphate rock or phosphatic deposit from the beds of the navigable streams, waters, and marshes of the State without license therefor previously granted by the State to such person shall be liable to a penalty of ten dollars for each and every ton of phosphate rock or phosphatic deposits so dug, mined, or removed, to be recovered by action at the suit of the State in any court of competent jurisdiction. One-half of such penalty shall be for the use of the State and the other half for the use of the informer.

Section 10-9-220. It shall be unlawful for any person to purchase or receive any phosphate rock or phosphatic deposit dug, mined, or removed from the navigable streams, waters, or marshes of the State from any person not duly authorized by act of the General Assembly of this State or license of the ~~Board~~ department to dig, mine, or remove such phosphate rock or phosphatic deposit.

Section 10-9-230. Any person violating Section 10-9-220 shall forfeit to the State the sum of ten dollars for each and every ton of phosphate rock or phosphatic deposit so purchased or received, to be recovered by action in any court of competent jurisdiction. One half of such forfeiture shall be for the use of the State and the other half for the use of the informer.

Section 10-9-240. Should any person whosoever interfere with, obstruct, or molest or attempt to interfere with, obstruct, or molest the ~~Board~~ department or anyone by it authorized or licensed hereunder in the peaceable possession and occupation for mining purposes of any of the marshes, navigable streams, or waters of the State, then the ~~Board~~ department may, in the name and on behalf of the State, take such measures or proceedings as it may be advised are proper to enjoin and terminate any such molestation, interference, or obstruction and place the State, through its agents, the ~~Board~~ department or anyone under it authorized, in absolute and practical possession and occupation of such marshes, navigable streams, or waters.

Section 10-9-250. Should any person attempt to mine or remove phosphate rock and phosphatic deposits from any of the marshes, navigable waters, or streams, including the Coosaw River phosphate territory, by and with any boat, vessel, marine dredge, or other appliances for such mining or removal, without the leave or license of the ~~Board~~ department thereto first had and obtained, all such boats, vessels, marine dredges, and other appliances are hereby declared forfeited to and property of the State, and the Attorney General, for and in behalf of the State, shall institute proceedings in any court of competent jurisdiction for the claim and delivery thereof, in the ordinary form of action for claim and delivery, in which action the title of the State shall be established by the proof of the commission of any such act of forfeiture by the person owning them, or his agents, in possession of such boats, vessels, marine dredges,

or other appliances. In any such action the State shall not be called upon or required to give any bond or obligation such as is required by parties plaintiff in action for claim and delivery.

Section 10-9-260. Any person wilfully interfering with, molesting, or obstructing or attempting to interfere with, molest, or obstruct the State or the ~~State Budget and Control Board~~ Department of Health and Environmental Control or anyone by it authorized or licensed in the peaceable possession and occupation of any of the marshes, navigable streams, or waters of the State, including the Coosaw River phosphate territory, or who shall dig or mine or attempt to dig or mine any of the phosphate rock or phosphatic deposits of this State without a license so to do issued by the ~~Board~~ department shall be punished for each offense by a fine of not less than one hundred dollars nor more than five hundred dollars or imprisonment for not less than one nor more than twelve months, or both, at the discretion of the court.

Section 10-9-270. The ~~Board~~ department shall report annually to the General Assembly its actions and doings under this article during the year to the time of the meeting of the assembly, with an itemized account of its expenses for the year incurred in connection with its duties and powers under this article.

Article 5

Geothermal Resources

Section 10-9-310. For purposes of this article 'geothermal resources' ~~mean~~ means the natural heat of the earth at temperatures greater than forty degrees Celsius and includes:

- (1) the energy, including pressure, in whatever form present in, resulting from, created by, or that may be extracted from that natural heat;
- (2) the material medium, including the brines, water, and steam naturally present, as well as any substance artificially introduced to serve as a heat transfer medium;
- (3) all dissolved or entrained minerals and gases that may be obtained from the material medium but excluding hydrocarbon substances and helium.

Section 10-9-320. The ~~State Budget and Control Board (board)~~ Department of Health and Environmental Control may lease development rights to geothermal resources underlying surface lands owned by the State. The ~~board~~ department must promulgate regulations regarding the method of lease acquisition, lease terms, and conditions due the State under lease operations. The South Carolina Department of Natural Resources is designated as the exclusive agent for the ~~board~~ department in selecting lands to be leased, administering the competitive bidding for leases, administering the leases, receiving and compiling comments from other state agencies concerning the desirability of leasing the state lands proposed for leasing and such other activities that pertain to geothermal resource leases as may be included herein as responsibilities of the ~~board~~ department.

Section 10-9-330. Any lease of rights to drill for and use oil, natural gas, or minerals on public or private lands must not allow drilling for or use of geothermal energy by the lessee unless the instrument creating the lease specifically provides for such use."

O. Section 10-11-50 of the 1976 Code is further amended to read:

"Section 10-11-50. It shall be unlawful for anyone to park any vehicle on any of the property described in Section 10-11-40 and subsection (2) of Section 10-11-80 except in the spaces and manner now marked and designated or that may hereafter be marked and designated by the ~~State Budget and Control Board~~ Department of Administration, in cooperation with the Department of Transportation, or to block or impede traffic through the alleys and driveways."

P. Section 10-11-90 of the 1976 Code is amended to read:

“Section 10-11-90. The watchmen and policemen employed ~~by the Budget and Control Board~~ for the protection of the property described in Sections 10-11-30 and 10-11-40 and subsection (2) of Section 10-11-80 are hereby vested with all of the powers, privileges, and immunities of constables while on this area or in fresh pursuit of those violating the law in this area, provided that such watchmen and policemen take and file the oath required of peace officers, execute and file bond in the form required of state constables, ~~in the amount of one thousand dollars, with the Budget and Control Board,~~ and be duly commissioned by the Governor.”

Q. Section 10-11-110 of the 1976 Code is amended to read:

“Section 10-11-110. In connection with traffic and parking violations only, the watchmen and policemen referred to in Section 10-11-90, state highway patrolmen and policemen of the City of Columbia shall have the right to issue and use parking tickets of the type used by the City of Columbia, with such changes as are necessitated hereby, to be prepared and furnished by the ~~Budget and Control Board~~ Department of Administration, upon the issuance of which the procedures shall be followed as prevail in connection with the use of parking tickets by the City of Columbia. Nothing herein shall restrict the application and use of regular arrest warrants.”

R. Section 10-11-140 of the 1976 Code is amended to read:

“Section 10-11-140. Nothing contained in this article shall be construed to abridge the authority of the ~~State Budget and Control Board~~ Department of Administration to grant permission to use the State House grounds for educational, electrical decorations, and similar purposes.”

S. Section 10-11-330 of the 1976 Code is amended to read:

“Section 10-11-330. It shall be unlawful for any person or group of persons ~~willfully~~ wilfully and knowingly: (a) to enter or to remain within the capitol building unless such person is authorized by law or by rules of the House or Senate, ~~or of the State Budget and Control Board or the Department of Administration regulations, respectively,~~ when such entry is done for the purpose of uttering loud, threatening, and abusive language or to engage in any disorderly or disruptive conduct with the intent to impede, disrupt, or disturb the orderly conduct of any session of the legislature or the orderly conduct within the building or of any hearing before or any deliberation of any committee or subcommittee of the legislature; (b) to obstruct or to impede passage within the capitol grounds or building; (c) to engage in any act of physical violence upon the capitol grounds or within the capitol building; or (d) to parade, demonstrate, or picket within the capitol building.”

T. 1. Section 11-7-10 of the 1976 Code is amended to read:

“Section 11-7-10. The State ~~Budget and Control Board~~ Fiscal Accountability Authority shall select the State Auditor, who shall select necessary assistants in conformity with the appropriations for the office.

2. Section 11-7-30 of the 1976 Code is amended to read:

“Section 11-7-30. Reports of audit findings must be available to the Governor, ~~Budget and Control Board~~ State Fiscal Accountability Authority, General Assembly, and the general public. The State

Auditor shall notify the Governor, the General Assembly, and the ~~Budget and Control Board~~ State Fiscal Accountability Authority immediately upon the issuance of an audit report.”

U. 1. Sections 11-9-610, 11-9-620, and 11-9-630 of the 1976 Code are amended to read:

“Section 11-9-610. The ~~State Budget and Control Board~~ State Fiscal Accountability Authority shall receive and manage the incomes and revenues set apart and applied to the Sinking Fund of the State. The authority shall report annually on the financial status of the Sinking Fund to the General Assembly.

Section 11-9-620. All monies arising from the redemption of lands, leases, and sales of property or otherwise coming to the ~~State Budget and Control Board~~ authority for the Sinking Fund, ~~shall~~ must be paid into the State Treasury and ~~shall be kept on a separate account by the treasurer as a fund to be drawn upon the warrants of the Board department~~ for the exclusive uses and purposes which have been or shall be declared in relation to the Sinking Fund.

Section 11-9-630. The ~~State Budget and Control Board~~ authority shall sell and convey, for and on behalf of the State, all such real property, assets, and effects belonging to the State as are not in actual public use, such sales to be made from time to time in such manner and upon such terms as it may deem most advantageous to the State. This shall not be construed to authorize the sale ~~by the Board~~ of any property held in trust for a specific purpose by the State or the property of the State in the phosphate rocks or phosphatic deposits in the beds of the navigable streams and waters and marshes of the State.”

2. Sections 11-9-665, 11-9-670, and 11-9-680 of the 1976 Code are amended to read:

“Section 11-9-665. (A) The ~~Budget and Control Board~~ authority on behalf of the State may acquire for use by the State real property as investments of any reserve or sinking fund of the State which is not pledged for payment of bonded indebtedness. Provided, however, such expenditures from the reserve or sinking fund shall not exceed two million dollars. Upon any such acquisition the ~~State Budget and Control Board~~ authority shall execute a note evidencing such investment upon such terms and conditions as may be appropriate in each instance. The note shall include a pledge of the board to apply on its payment all net income derived from the property so acquired; provided, that funding for any permanent project on the property shall provide for repayment of any outstanding balance to the appropriate reserve or sinking fund. Provided, further, that the purchase price of any property so acquired, including improvements existing or proposed, shall not be in excess of the actual value thereof as established by at least two appraisals satisfactory to the said board. Any property not put to permanent use by the State or one of its agencies or departments within six years shall be sold at public auction and the proceeds repaid to the appropriate reserve or sinking fund. Provided, further, that no property shall be acquired pursuant to the provisions of this section when the grantor has entered into a contract with any county, city or other political subdivision which created a tax obligation with respect to the property and such obligation has not been resolved to the satisfaction of the county, city or other political subdivision involved.

(B) Provided, that prior to purchasing, or contracting to purchase any real property the ~~Budget and Control Board~~ authority shall engage an independent engineer to make borings so as to insure that the property is adaptable to the contemplated use.

Section 11-9-670. Subject to the limitations set forth in Section 11-9-660, the ~~State Budget and Control Board~~ authority shall have full power to hold, purchase, sell, assign, transfer and dispose of any of the securities and investments in which the Sinking Fund shall have been invested.

Section 11-9-680. The ~~State Budget and Control Board~~ authority shall annually report to the General Assembly the condition of the Sinking Fund and all sales or other transactions connected therewith.”

V. Sections 11-35-3820 and 11-35-3840 of the 1976 Code are amended to read:

Section 11-35-3820. Except as provided in Section 11-35-1580 and Section 11-35-3830 and the regulations pursuant to them, the sale of all state-owned supplies, or personal property not in actual public use must be conducted and directed by the ~~designated board office~~ Division of General Services of the Department of Administration. The sales must be held at such places and in a manner as in the judgment of the ~~designated board office~~ Division of General Services is most advantageous to the State. Unless otherwise determined, sales must be by either public auction or competitive sealed bid to the highest bidder. Each governmental body shall inventory and report to the ~~designated board office~~ division all surplus personal property not in actual public use held by that governmental body for sale. The ~~designated board office~~ division shall deposit the proceeds from the sales, less expense of the sales, in the state general fund or as otherwise directed by regulation. This policy and procedure applies to all governmental bodies unless exempt by law.

Section 11-35-3840. The ~~State Budget and Control Board~~ division may license for public sale publications, including South Carolina Business Opportunities, materials pertaining to training programs, and information technology products that are developed during the normal course of ~~the board's~~ its activities. The items must be licensed at reasonable costs established in accordance with the cost of the items. All proceeds from the sale of the publications and materials must be placed in a revenue account and expended for the cost of providing the services.”

W. Section 11-35-5270 of the 1976 Code is amended to read:

“Section 11-35-5270. ~~A Small and Minority Business Assistance Office (SMBAO) shall~~ The Division of Small and Minority Business Contracting and Certification must be established within the Department of Administration to assist the ~~board~~ Department of Administration and the Department of Revenue in carrying out the intent of this article. The responsibilities of the division ~~shall~~ are include, but are not be limited to, the following:

- (1) ~~Assist~~ assisting the chief procurement officers and governmental bodies in developing policies and procedures which will facilitate awarding contracts to small and minority firms;
- (2) ~~Assist~~ assisting the chief procurement officers in aiding small and minority-owned firms and community-based business in developing organizations to provide technical assistance to minority firms;
- (3) ~~Assist~~ assisting with the procurement and management training for small and minority firm owners;
- (4) ~~Assist~~ assisting in the identification of responsive small and minority firms;
- (5) ~~Receive and process~~ receiving and processing applications to be registered as a minority firm in accordance with Section 11-35-5230(B);
- (6) ~~The SMBAO may revoke~~ revoking the certification of any firm ~~which~~ that has been found to have engaged in any of the following:
 - (a) fraud or deceit in obtaining the certification;
 - (b) furnishing of substantially inaccurate or incomplete information concerning ownership or financial status;
 - (c) failure to report changes which affect the requirements for certification;
 - (d) gross negligence, incompetence, financial irresponsibility, or misconduct in the practice of his business; or
 - (e) wilful violation of any provision of this article.
- (7) After a period of one year, the ~~SMBAO~~ division may reissue a certificate of eligibility provided acceptable evidence has been presented to the commission that the conditions which caused the revocation have been corrected.”

X. 1. Section 11-42-30(1) of the 1976 Code is amended to read:

“Section 11-42-30. As used in this chapter:

(1) ‘Board’ means the governing board of the ~~State Budget and Control Board~~ Rural Infrastructure Authority.”

2. Section 11-42-40 of the 1976 Code is amended to read:

“Section 11-42-40. (A) There is created the Division of Regional Development as a division within the ~~State Budget and Control Board~~ Rural Infrastructure Authority. The division shall report to the executive director of the board.”

3. Section 11-42-60 of the 1976 Code is amended to read:

“Section 11-42-60. The division shall function as a division of the ~~State Budget and Control Board~~ Rural Infrastructure Authority and has all administrative and program authority necessary to fulfill its public mandate including, but not limited to, the following powers:

(1) to solicit, receive, and expend public and private funds from any relevant sources and entities in order to carry out the purposes of the division; and

(2) to prescribe and charge fees for its services, which fees must be retained and expended for division purposes.”

Y. Section 11-53-20 of the 1976 Code, as last amended by Act 31 of 2013, is further amended to read:

“Section 11-53-20. It is mandated by the General Assembly that the SCEIS shall be implemented for all agencies, with the exception of lump sum agencies, the General Assembly or its respective branches or its committees, Legislative Council, and the Legislative Services Agency. The South Carolina Enterprise Information System Oversight Committee, as appointed by the Comptroller General, shall provide oversight for the implementation and continued operations of the system. The ~~Budget and Control Board~~ Department of Administration is authorized to use any available existing technology resources to assist with funding of the initial implementation of the system. It is further the intent of the General Assembly to fund the central government costs related to the implementation of the system. Agencies are required to implement SCEIS at a cost and in accordance with a schedule developed and approved by the SCEIS Oversight Committee. Full implementation must be completed within five years. ~~An agency’s implementation cost shall be borne by that agency through existing appropriations, grants, and/or the State Treasurer’s Master Lease Program and shall be for the implementation of the “back office” administrative functions that are common to all agencies in the areas of purchasing, finance, human resources, payroll, and budgeting.~~ The Department of Administration must make an appropriation request for the implementation and operational costs for SCEIS, and the funding for those costs must be set out as a specific line item in the annual general appropriations act. Any issues arising with regard to project scope, implementation schedule, and associated costs shall be directed to the SCEIS Oversight Committee for resolution. In cooperation with the Comptroller General and the ~~Budget and Control Board’s Division of the State CIO~~ Department of Administration, the South Carolina Enterprise Information System Oversight Committee is required to report by January 31 ~~thirty-first~~, of the fiscal year to the Governor, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee the status of the system’s implementation and ongoing operations.”

Z. 1. Section 13-7-10(10) of the 1976 Code, as added by Act 357 of 2000, is amended to read:

“(10) ‘Decommissioning trust fund’ means the trust fund established pursuant to a Trust Agreement dated March 4, 1981, among Chem-Nuclear Systems, Inc. (grantor), the ~~South Carolina Budget and Control Board~~ State Fiscal Accountability Authority (beneficiary as the successor in interest to the South

Carolina Budget and Control Board), and the South Carolina State Treasurer (trustee), whose purpose is to assure adequate funding for decommissioning of the disposal site, or any successor fund with a similar purpose.”

2. Section 13-7-30 of the 1976 Code, as last amended by Act 357 of 2000, is further amended to read:

“Section 13-7-30. For purposes of this article, the State ~~Budget and Control Board~~ Fiscal Accountability Authority, hereinafter in this section referred to as the board, is designated as the agency of the State which shall have the following powers and duties that are in accord with its already established responsibilities for custody of state properties, and for the management of all state sinking funds, insurance, and analogous fiscal matters that are relevant to state properties:

(1) expend state funds in order to acquire, develop, and operate land and facilities. This acquisition may be by lease, dedication, purchase, or other arrangements. However, the state’s functions under the authority of this section are limited to the specific purposes of this article;

(2) lease, sublease, or sell real and personal properties to public or private bodies;

(3) assure the maintenance of insurance coverage by state licensees, lessees, or sublessees as will in the opinion of the board protect the citizens of the State against nuclear incident that may occur on state-controlled atomic energy facilities;

(4) assume responsibility for extended custody and maintenance of radioactive materials held for custodial purposes at any publicly or privately operated facility located within the State, in the event the parties operating these facilities abandon their responsibility, or when the license for the facility is ultimately transferred to an agency of the State, and whenever the federal government or any agency of the federal government has not assumed the responsibility.

In order to finance such extended custody and maintenance as the board may undertake, the board may collect fees from private or public parties holding radioactive materials for custodial purposes. These fees must be sufficient in each individual case to defray the estimated cost of the board’s custodial management activities for that individual case. The fees collected for such custodial management activities shall also be sufficient to provide additional funds for the purchase of insurance which shall be purchased for the protection of the State and the general public for the period such radioactive material considering its isotope and curie content together with other factors may present a possible danger to the general public in the event of migration or dispersal of such radioactivity. All such fees, when received by the board, must be transmitted to the State Treasurer. The Treasurer must place the money in a special account, in the nature of a revolving trust fund, which may be designated ‘extended care maintenance fund’, to be disbursed on authorization of the board. Monies in the extended care maintenance funds must be invested by the board in the manner as other state monies. However, any interest accruing as a result of investment must accrue to this extended care maintenance fund. Except as authorized in Section 48-46-40(B)(7)(b) and (D)(2), the extended care maintenance fund must be used exclusively for custodial, surveillance, and maintenance costs during the period of institutional control and during any post-closure and observation period specified by the Department of Health and Environmental Control, and for activities associated with closure of the site. Funds from the extended care maintenance fund shall not be used for site closure activities or for custodial, surveillance, and maintenance performed during the post-closure observation period until all funds in the decommissioning trust account are exhausted.

(5) Enter into an agreement with the federal government or any of its authorized agencies to assume extended maintenance of lands donated, leased, or purchased from the federal government or any of its authorized agencies and used for development of atomic energy resources or as custodial site for radioactive material.”

3. Sections 13-7-810, 13-7-830, and 13-7-860 of the 1976 Code, all as last amended by Act 357 of 2000, are amended to read:

“Section 13-7-810. There is hereby established a ~~Governor’s~~ Nuclear Advisory Council in the Department of Administration, which shall be responsible to the Director of the Department of Administration and report to the Governor.

Section 13-7-830. The recommendations described in Section 13-7-620 shall be made available to the General Assembly; and the Governor; ~~and the Budget and Control Board~~.

Section 13-7-860. Staff support for the council shall be provided by the ~~State Energy Office~~ Department of Administration.”

AA. Section 16-3-1620(A), (B), and (C) of the 1976 Code, as last amended by Act 271 of 2008, is further amended to read:

“(A) The Crime Victims’ Ombudsman ~~of the Office of the Governor~~ is created in the Department of Administration. The Crime Victims’ Ombudsman is appointed by the Governor with the advice and consent of the Senate and serves at the pleasure of the Governor.

(B) The Crime Victims’ Ombudsman of the ~~Office of the Governor~~ Department of Administration shall:

(1) refer crime victims to the appropriate element of the criminal and juvenile justice systems or victim assistance programs, or both, when services are requested by crime victims or are necessary as determined by the ombudsman;

(2) act as a liaison between elements of the criminal and juvenile justice systems, victim assistance programs, and victims when the need for liaison services is recognized by the ombudsman; and

(3) review and attempt to resolve complaints against elements of the criminal and juvenile justice systems or victim assistance programs, or both, made to the ombudsman by victims of criminal activity within the state’s jurisdiction.

(C) There is created within the Crime Victims’ Ombudsman Office of the ~~Office of the Governor~~ Department of Administration, the Office of Victim Services Education and Certification which shall:

(1) provide oversight of training, education, and certification of victim assistance programs;

(2) with approval of the Victim Services Coordinating Council, promulgate training standards and requirements;

(3) approve training curricula for credit hours toward certification;

(4) provide victim service provider certification; and

(5) maintain records of certified victim service providers.”

BB. Section 16-3-1680 of the 1976 Code, as added by Act 271 of 2008, is amended to read:

“Section 16-3-1680. The Crime Victims’ Ombudsman ~~of the Office of the Governor~~ through the Department of Administration may promulgate those regulations necessary to assist it in performing its required duties as provided by this chapter.”

CC. 1. Section 25-11-10 of the 1976 Code amended to read:

“Section 25-11-10. A Division of Veterans’ Affairs ~~in the Office of the~~ is hereby created in the Department of Administration for the purpose of assisting ex-servicemen in securing the benefits to which they are entitled under the provisions of federal legislation and under the terms of insurance policies issued by the federal government for their benefit. This division shall be under the direct supervision of a panel consisting of the Governor as chairman, the Attorney General for the purpose of giving legal advice, and the Adjutant and Inspector General.”

2. Section 25-11-80(C)(3) of the 1976 Code is amended to read:

“(3) the ~~Budget and Control Board~~ Department of Administration.”

3. Section 25-11-90(E) of the 1976 Code is amended to read:

“(E) The preparation and distribution of the roster is subject to the availability of funds as appropriated by the General Assembly to the ~~Governor’s Office~~ Department of Administration, Division of ~~Veterans~~ Veterans’ Affairs for this purpose. These rosters and their distribution must be maintained and updated based on workloads and availability of funds.”

4. Section 25-11-310(2) of the 1976 Code is amended to read:

“(2) ‘Division’ means the Division of ~~Veterans~~ Veterans’ Affairs in the ~~Office of the Governor~~ Department of Administration.”

DD. Section 44-53-530(a) and (b) of the 1976 Code, as last amended by Act 345 of 2006, is further amended to read:

“(a) Forfeiture of property defined in Section 44-53-520 must be accomplished by petition of the Attorney General or his designee or the circuit solicitor or his designee to the court of common pleas for the jurisdiction where the items were seized. The petition must be submitted to the court within a reasonable time period following seizure and shall set forth the facts upon which the seizure was made. The petition shall describe the property and include the names of all owners of record and lienholders of record. The petition shall identify any other persons known to the petitioner to have interests in the property. Petitions for the forfeiture of conveyances shall also include: the make, model, and year of the conveyance, the person in whose name the conveyance is registered, and the person who holds the title to the conveyance. The petition shall set forth the type and quantity of the controlled substance involved. A copy of the petition must be sent to each law enforcement agency which has notified the petitioner of its involvement in effecting the seizure. Notice of hearing or rule to show cause must be directed to all persons with interests in the property listed in the petition, including law enforcement agencies which have notified the petitioner of their involvement in effecting the seizure. Owners of record and lienholders of record may be served by certified mail, to the last known address as appears in the records of the governmental agency which records the title or lien.

The judge shall determine whether the property is subject to forfeiture and order the forfeiture confirmed. If the judge finds a forfeiture, he shall then determine the lienholder’s interest as provided in this article. The judge shall determine whether any property must be returned to a law enforcement agency pursuant to Section 44-53-582.

If there is a dispute as to the ~~division~~ allocation of the proceeds of forfeited property among participating law enforcement agencies, this issue must be determined by the judge. The proceeds from a sale of property, conveyances, and equipment must be disposed of pursuant to subsection (e) of this section.

All property, conveyances, and equipment ~~which will not be~~ reduced to proceeds may be transferred to the law enforcement agency or agencies or to the prosecution agency. Upon agreement of the law enforcement agency or agencies and the prosecution agency, conveyances and equipment may be transferred to any other appropriate agency. Property transferred must not be used to supplant operating funds within the current or future budgets. If the property seized and forfeited is an aircraft or watercraft and is transferred to a state law enforcement agency or other state agency pursuant to the provisions of this subsection, its use and retainage by that agency shall be at the discretion and approval of the ~~Budget and Control Board~~ Department of Administration.

If a defendant or his attorney sends written notice to the petitioner or the seizing agency of his interest in the subject property, service may be made by mailing a copy of the petition to the address provided and

service may not be made by publication. In addition, service by publication may not be used for a person incarcerated in a South Carolina Department of Corrections facility, a county detention facility, or other facility where inmates are housed for the county where the seizing agency is located. The seizing agency shall check the appropriate institutions after receiving an affidavit of nonservice before attempting service by publication.

(b) If the property is seized by a state law enforcement agency and is not transferred by the court to the seizing agency, the judge shall order it transferred to the Division of General Services of the Department of Administration for sale. Proceeds may be used by the division for payment of all proper expenses of the proceedings for the forfeiture and sale of the property, including the expenses of seizure, maintenance, and custody, and other costs incurred by the implementation of this section. The net proceeds from any sale must be remitted to the State Treasurer as provided in subsection (g) of this section. The Division of General Services of the Department of Administration may authorize payment of like expenses in cases where monies, negotiable instruments, or securities are seized and forfeited.”

EE. Section 44-96-140 of the 1976 Code is amended to read:

“Section 44-96-140. (A) Not later than twelve months after the date on which the department submits the state solid waste management plan to the Governor and to the General Assembly, the General Assembly, the ~~Governor’s Office of the Governor~~, the Judiciary, each state agency, and each state-supported institution of higher education shall:

(1) establish a source separation and recycling program in cooperation with the department and the Division of General Services of the ~~State Budget and Control Board~~ Department of Administration for the collection of selected recyclable materials generated in state offices throughout the State including, but not limited to, high-grade office paper, corrugated paper, aluminum, glass, tires, composting materials, plastics, batteries, and used oil;

(2) provide procedures for collecting and storing recyclable materials, containers for storing materials, and contractual or other arrangements with collectors or buyers of the recyclable materials, or both;

(3) evaluate the amount of waste paper material recycled and make all necessary modifications to the recycling program to ensure that all waste paper materials are recycled to the maximum extent feasible; and

(4) establish and implement, in cooperation with the department and the Division of General Services of the Department of Administration, a solid waste reduction program for materials used in the course of agency operations. The program shall be designed and implemented to achieve the maximum feasible reduction of solid waste generated as a result of agency operations.

(B) Not later than September fifteen of each year, each state agency and each state-supported institution of higher learning shall submit to the department a report detailing its source separation and recycling program and a review of all goods and products purchased during the previous fiscal year by those agencies and institutions containing recycled materials using the content specifications established by the ~~Office of Materials Management~~ Division of General Services, Department of Administration.

(C) By November first of each year the department shall submit a report to the Governor and to the General Assembly reviewing all goods and products purchased by the State and determining what percentage of state purchases contain recycled materials using content specifications established by the ~~Office of Materials Management~~, Division of General Services, Department of Administration. The report also must review existing procurement regulations for the purchase of products and materials and must identify any portions of such regulations that discriminate against products and materials with recycled content and products and materials which are recyclable.

(D) Not later than one year after this chapter is effective, the Division of General Services, Department of Administration shall amend the procurement regulations to eliminate the portions of the regulations identified in its report as discriminating against products and materials with recycled content and products and materials which are recyclable.

(E) Not later than one year after the effective date of the amendments to the procurement regulations, the General Assembly, the ~~Governor's Office of the Governor~~, the Judiciary, all state agencies, all political subdivisions using state funds to procure items, and all persons contracting with such agency or political subdivision where such persons procure items with state funds shall procure products and materials with recycled content and products and materials which are recyclable where practicable, as determined by the ~~Office of Materials Management~~, Division of General Services, Department of Administration. The list of recycled content specifications must be updated annually. It is the goal of the General Assembly for state and local governmental agencies to reflect a twenty-five percent goal in their procurement policies. The decision not to procure such items shall be based on a determination that such procurement items:

- (1) are not available within a reasonable period of time;
- (2) fail to meet the performance standards set forth in the applicable specifications; or
- (3) are only available at a price that exceeds by more than seven and one-half percent the price of alternative items.

(F) Not later than six months after this chapter is effective, and annually thereafter, the Department of Transportation shall submit a report to the Governor and to the General Assembly on the use of:

- (1) compost as a substitute for regular soil amendment products in all highway projects;
- (2) solid waste including, but not limited to, ground rubber from tires and fly ash or mixtures of them from coal-fired electrical facilities in road surfacing of subbase materials;
- (3) solid waste including, but not limited to, glass aggregate, plastic, and fly ash in asphalt or concrete; and
- (4) recycled mixed-plastic materials for guardrail posts, right-of-way fence posts, and sign supports.”

FF. Section 48-46-30(4) and (5) of the 1976 Code are amended to read:

~~“(4) ‘Board’ means the South Carolina Budget and Control Board or its designated official.~~

~~(5)(4) ‘Decommissioning trust fund’ means the trust fund established pursuant to a Trust Agreement dated March 4, 1981, among Chem-Nuclear Systems, Inc. (grantor), the South Carolina Budget and Control Board~~ State Fiscal Accountability Authority (beneficiary as the successor in interest to the South Carolina Budget and Control Board), and the South Carolina State Treasurer (trustee), whose purpose is to assure adequate funding for decommissioning of the disposal site, or any successor fund with a similar purpose.

~~(5) ‘Office’ means the Office of Regulatory Staff.”~~

GG. Section 48-46-40 of the 1976 Code is amended to read:

“Section 48-46-40. (A)(1) The ~~board office~~ shall approve disposal rates for low-level radioactive waste disposed at any regional disposal facility located within the State. The approval of disposal rates pursuant to this chapter is neither a regulation nor the promulgation of a regulation as those terms are specially used in Title 1, Chapter 23.

(2) The ~~board office~~ shall adopt a maximum uniform rate schedule for regional generators containing disposal rates that include the administrative surcharges specified in Section 48-46-60(B) and surcharges for the extended custody and maintenance of the facility pursuant to Section 13-7-30(4) and that do not exceed the approximate disposal rates, excluding any access fees and including a specification of the methodology for calculating fees for large components, generally applicable to regional generators on September 7, 1999. Any disposal rates contained in a valid written agreement that were applicable to a regional generator on September 7, 1999, that differ from rates in the maximum uniform rate schedule will continue to be honored through the term of such agreement. The maximum uniform rate schedule approved under this section becomes effective immediately upon South Carolina's membership in the Atlantic Compact. The maximum uniform rate schedule shall be the rate schedule applicable to regional

waste whenever it is not superseded by an adjusted rate approved by the ~~board~~ office pursuant to paragraph (3) of this subsection or by special disposal rates approved pursuant to paragraphs (5) or (6)(e) of this subsection.

(3) The ~~board~~ office may at any time of its own initiative, at the request of a site operator, or at the request of the compact commission, adjust the disposal rate or the relative proportions of the individual components that constitute the overall rate schedule. Except as adjusted for inflation in subsection (4), rates adjusted in accordance with this section, that include the administrative surcharges specified in Section 48-46-60(B) and surcharges for the extended custody and maintenance of the facility pursuant to Section 13-7-30(4), may not exceed initial disposal rates set by the ~~board~~ office pursuant to subsection (2).

(4) In March of each year the ~~board~~ office shall adjust the rate schedule based on the most recent changes in the most nearly applicable Producer Price Index published by the Bureau of Labor Statistics as chosen by the ~~board~~ office or a successor index.

(5) In consultation with the site operator, the ~~board~~ office or its designee, on a case-by-case basis, may approve special disposal rates for regional waste that differ from the disposal rate schedule for regional generators set by the ~~board~~ office pursuant to subsections (2) and (3). Requests by the site operator for such approval shall be in writing to the ~~board~~ office. In approving such special rates, the ~~board~~ office or its designee, shall consider available disposal capacity, demand for disposal capacity, the characteristics of the waste, the potential for generating revenue for the State, or other relevant factors; provided, however, that the ~~board~~ office shall not approve any special rate for an entity owned by or affiliated with the site operator. Special disposal rates approved by the ~~board~~ office under this subsection shall be in writing and shall be kept confidential as proprietary business information for one year from the date when the bid or the request for proposal containing the special rate is accepted by the regional generator; provided, however, that such special rates when accepted by a regional generator shall be disclosed to the compact commission and to all other regional generators, which shall, to the extent permitted by applicable law, keep them confidential as proprietary business information for one year from the date when the bid or request for proposal containing this special rate is accepted by the regional generator. Within one business day of a special disposal rate's acceptance, the site operator shall notify the ~~board~~ office, the compact commission, and the regional generators of each special rate that has been accepted by a regional generator, and the ~~board~~ office, the compact commission, and regional generators may communicate with each other about such special rates. If any special rate approved by the ~~board~~ office for a regional generator is lower than a disposal rate approved by the ~~board~~ office for regional generators pursuant to subsections (2) and (3) for waste that is generally similar in characteristics and volume, the disposal rate for all regional generators shall be revised to equal the special rate for the regional generator. Regional generators may enter into contracts for waste disposal at such special rates and on comparable terms for a period of not less than six months. An officer of the site operator shall certify in writing to the ~~board~~ office and the compact commission each month that no regional generator's disposal rate exceeds any other regional generator's special rate for waste that is generally similar in characteristics and volume, and such certification shall be subject to periodic audit by the ~~board~~ office and the compact commission.

(6)(a) To the extent authorized by the compact commission, the ~~board~~ office on behalf of the State of South Carolina may enter into agreements with any person in the United States or its territories or any interstate compact, state, U.S. territory, or U.S. Department of Defense military installation abroad for the importation of waste into the region for purposes of disposal at a regional disposal facility within South Carolina. No waste from outside the Atlantic Compact region may be disposed at a regional disposal facility within South Carolina, except to the extent that the ~~board~~ office is authorized by the compact commission to enter into agreements for importation of waste.

The ~~board~~ office shall authorize the importation of nonregional waste into the region for purposes of disposal at the regional disposal facility in South Carolina so long as nonregional waste would not result in the facility accepting more than the following total volumes of all waste:

- (i) 160,000 cubic feet in fiscal year 2001;

- (ii) 80,000 cubic feet in fiscal year 2002;
- (iii) 70,000 cubic feet in fiscal year 2003;
- (iv) 60,000 cubic feet in fiscal year 2004;
- (v) 50,000 cubic feet in fiscal year 2005;
- (vi) 45,000 cubic feet in fiscal year 2006;
- (vii) 40,000 cubic feet in fiscal year 2007;
- (viii) 35,000 cubic feet in fiscal year 2008.

After fiscal year 2008, the ~~board~~ office shall not authorize the importation of nonregional waste for purposes of disposal.

(b) The ~~board~~ office may approve disposal rates applicable to nonregional generators. In approving disposal rates applicable to nonregional generators, the ~~board~~ office may consider available disposal capacity, demand for disposal capacity, the characteristics of the waste, the potential for generating revenue for the State, and other relevant factors.

(c) Absent action by the ~~board~~ office under subsection (b) above to establish disposal rates for nonregional generators, rates applicable to these generators must be equal to those contained in the maximum uniform rate schedule approved by the ~~board~~ office pursuant to paragraph (2) or (3) of this subsection for regional generators unless these rates are superseded by special disposal rates approved by the ~~board~~ office pursuant to paragraph (6)(e) of this subsection.

(d) Regional generators shall not pay disposal rates that are higher than disposal rates for nonregional generators in any fiscal quarter.

(e) In consultation with the site operator, the ~~board~~ office or its designee, on a case-by-case basis, may approve special disposal rates for nonregional waste that differ from the disposal rate schedule for nonregional generators set by the ~~board~~ office. Requests by the site operator for such approval shall be in writing to the ~~board~~ office. In approving such special rates, the ~~board~~ office or its designee shall consider available disposal capacity, demand for disposal capacity, the characteristics of the waste, the potential for generating revenue for the State, and other relevant factors; provided, however, that the ~~board~~ office shall not approve any special rate for an entity owned by or affiliated with the site operator. Special disposal rates approved by the ~~board~~ office under this subsection shall be in writing and shall be kept confidential as proprietary business information for one year from the date when the bid or request for proposal containing the special rate is accepted by the nonregional generator; provided, however, that such special rates when accepted by a nonregional generator shall be disclosed to the compact commission and to all regional generators, which shall, to the extent permitted by applicable law, keep them confidential as proprietary business information for one year from the date when the bid or request for proposal containing the special rate is accepted by the nonregional generator. Within one business day of a special disposal rate's acceptance, the site operator shall notify the ~~board~~ office, the compact commission, and the regional generators in writing of each special rate that has been accepted by a nonregional generator, and the ~~board~~ office, the compact commission, and regional generators may communicate with each other about such special rates. If any special rate approved by the ~~board~~ office for a nonregional generator is lower than a disposal rate approved by the ~~board~~ office for regional generators for waste that is generally similar in characteristics and volume, the disposal rate for all regional generators shall be revised to equal the special rate for the nonregional generator. Regional generators may enter into contracts for waste disposal at such special rate and on comparable terms for a period of not less than six months. An officer of the site operator shall certify in writing to the ~~board~~ office and the compact commission each month that no regional generator disposal rate exceeds any nonregional generator's special rate for waste that is generally similar in characteristics and volume, and such certification shall be subject to periodic audit by the ~~board~~ office and the compact commission.

(B)(1) Effective upon the implementation of initial disposal rates by the ~~board~~ office under Section 48-46-40(A), the PSC is authorized and directed to identify allowable costs for operating a regional low-level radioactive waste disposal facility in South Carolina.

(2) In identifying the allowable costs for operating a regional disposal facility, the PSC shall:

(a) prescribe a system of accounts, using generally accepted accounting principles, for disposal site operators, using as a starting point the existing system used by site operators;

(b) assess penalties against disposal site operators if the PSC determines that they have failed to comply with regulations pursuant to this section; and

(c) require periodic reports from site operators that provide information and data to the PSC and parties to these proceedings. The Office of Regulatory Staff shall obtain and audit the books and records of the site operators associated with disposal operations as determined applicable by the PSC.

(3) Allowable costs include the costs of those activities necessary for:

(a) the receipt of waste;

(b) the construction of disposal trenches, vaults, and overpacks;

(c) construction and maintenance of necessary physical facilities;

(d) the purchase or amortization of necessary equipment;

(e) purchase of supplies that are consumed in support of waste disposal activities;

(f) accounting and billing for waste disposal;

(g) creating and maintaining records related to disposed waste;

(h) the administrative costs directly associated with disposal operations including, but not limited to, salaries, wages, and employee benefits;

(i) site surveillance and maintenance required by the State of South Carolina, other than site surveillance and maintenance costs covered by the balance of funds in the decommissioning trust fund or the extended care maintenance fund;

(j) compliance with the license, lease, and regulatory requirements of all jurisdictional agencies;

(k) administrative costs associated with collecting the surcharges provided for in subsections (B) and (C) of Section 48-46-60;

(l) taxes other than income taxes;

(m) licensing and permitting fees; and

(n) any other costs directly associated with disposal operations determined by the PSC to be allowable.

Allowable costs do not include the costs of activities associated with lobbying and public relations, clean-up and remediation activities caused by errors or accidents in violation of laws, regulations, or violations of the facility operating license or permits, activities of the site operator not directly in support of waste disposal, and other costs determined by the PSC to be unallowable.

(4) Within ninety days following the end of a fiscal year, a site operator may file an application with the PSC to adjust the level of an allowable cost under subsection (3), or to allow a cost not previously designated an allowable cost. A copy of the application must be provided to the Office of Regulatory Staff. The PSC shall process such application in accordance with its procedures. If such application is approved by the PSC, the PSC shall authorize the site operator to adjust allowable costs for the current fiscal year so as to compensate the site operator for revenues lost during the previous fiscal year.

(5) A private operator of a regional disposal facility in South Carolina is authorized to charge an operating margin of twenty-nine percent. The operating margin for a given period must be determined by multiplying twenty-nine percent by the total amount of allowable costs as determined in this subsection, excluding allowable costs for taxes and licensing and permitting fees paid to governmental entities.

(6) The site operator shall prepare and file with the PSC a Least Cost Operating Plan. The plan must be filed within forty-five days of enactment of this chapter and must be revised annually. The plan shall include information concerning anticipated operations over the next ten years and shall evaluate all options for future staffing and operation of the site to ensure least cost operation, including information related to the possible interim suspension of operations in accordance with subsection (B)(7). A copy of the plan must be provided to the Office of Regulatory Staff.

(7)(a) If the ~~board office~~, upon the advice of the compact commission or the site operator, concludes based on information provided to the ~~board office~~, that the volume of waste to be disposed during a forthcoming period of time does not appear sufficient to generate receipts that will be adequate to

reimburse the site operator for its costs of operating the facility and its operating margin, then the ~~board~~ office shall direct the site operator to propose to the compact commission plans including, but not necessarily limited to, a proposal for discontinuing acceptance of waste until such time as there is sufficient waste to cover the site operator's operating costs and operating margin. Any proposal to suspend operations must detail plans of the site operator to minimize its costs during the suspension of operations. Any such proposal to suspend operations must be approved by the Department of Health and Environmental Control with respect to safety and environmental protection.

(b) Allowable costs applicable to any period of suspended operations must be approved by the PSC according to procedures similar to those provided herein for allowable operating costs. During any such suspension of operations, the site operator must be reimbursed by the ~~board~~ office from the extended care maintenance fund for its allowable costs and its operating margin. During the suspension funding to reimburse the ~~board~~ office, the PSC, and the State Treasurer under Section 48-46-60(B) and funding of the compact commission under Section 48-46-60(C) must also be allocated from the extended care maintenance fund as approved by the ~~board~~ office based on revised budgets submitted by the PSC, State Treasurer, and the compact commission.

(c) Notwithstanding any disbursements from the extended care maintenance fund in accordance with any provision of this act, the ~~board~~ office shall continue to ensure, in accordance with Section 13-7-30, that the fund remains adequate to defray the costs for future maintenance costs or custodial and maintenance obligations of the site and other obligations imposed on the fund by this chapter.

(d) The PSC may promulgate regulations and policies necessary to execute the provisions of this section.

(8) The PSC may use any standard, formula, method, or theory of valuation reasonably calculated to arrive at the objective of identifying allowable costs associated with waste disposal. The PSC may consider standards, precedents, findings, and decisions in other jurisdictions that regulate allowable costs for radioactive waste disposal.

(9) In all proceedings held pursuant to this section, the ~~board~~ office shall participate as a party representing the interests of the State of South Carolina, and the compact commission may participate as a party representing the interests of the compact states. The Executive Director of the Office of Regulatory Staff and the Attorney General of the State of South Carolina shall be parties to any such proceeding. Representatives from the Department of Health and Environmental Control shall participate in proceedings where necessary to determine or define the activities that a site operator must conduct in order to comply with the regulations and license conditions imposed by the department. Other parties may participate in the PSC's proceedings upon satisfaction of standing requirements and compliance with the PSC's procedures. Any site operator submitting records and information to the PSC may request that the PSC treat such records and information as confidential and not subject to disclosure in accordance with the PSC's procedures.

(10) In all respects in which the PSC has power and authority under this chapter, it shall conduct its proceedings under the South Carolina Administrative Procedures Act and the PSC's rules and regulations. The PSC is authorized to compel attendance and testimony of a site operator's directors, officers, agents, or employees.

(11) At any time the compact commission, the ~~board~~ office, or any generator subject to payment of rates set pursuant to this chapter may file a petition against a site operator alleging that allowable costs identified pursuant to this chapter are not in conformity with the directives of this chapter or the directives of the PSC or that the site operator is otherwise not acting in conformity with the requirements of this chapter or directives of the PSC. Upon filing of the petition, the PSC shall cause a copy of the petition to be served upon the site operator. The petitioning party has the burden of proving that allowable costs or the actions of the site operator do not conform. The hearing shall conform to the rules of practice and procedure of the PSC for other cases.

(12) The PSC shall encourage alternate forms of dispute resolution including, but not limited to, mediation or arbitration to resolve disputes between a site operator and any other person regarding matters covered by this chapter.

(C) The operator of a regional disposal facility shall submit to the South Carolina Department of Revenue, the PSC, and the Office of Regulatory Staff, and the ~~board~~ office within thirty days following the end of each quarter a report detailing actual revenues received in the previous fiscal quarter and allowable costs incurred for operation of the disposal facility.

(D)(1) Within ~~30~~ thirty days following the end of the fiscal year the operator of a regional disposal facility shall submit a payment made payable to the South Carolina Department of Revenue in an amount that is equal to the total revenues received for waste disposed in that fiscal year (with interest accrued on cash flows in accordance with instructions from the State Treasurer) minus allowable costs, operating margin, and any payments already made from such revenues pursuant to Section 48-46-60(B) and (C) for reimbursement of administrative costs to state agencies and the compact commission. The Department of Revenue shall deposit the payment with the State Treasurer.

(2) If in any fiscal year total revenues do not cover allowable costs plus the operating margin, the ~~board~~ office must reimburse the site operator its allowable costs and operating margin from the extended care maintenance fund within thirty days after the end of the fiscal year. The ~~board~~ office shall as soon as practicable authorize a surcharge on waste disposed in an amount that will fully compensate the fund for the reimbursement to the site operator. In the event that total revenues for a fiscal year do not cover allowable costs plus the operating margin, or quarterly reports submitted pursuant to subsection (C) indicate that such annual revenue may be insufficient, the ~~board~~ office shall consult with the compact commission and the site operator as early as practicable on whether the provisions of Section 48-46-40(B)(7) pertaining to suspension of operations during periods of insufficient revenues should be invoked.

(E) Revenues received pursuant to item (1) of subsection (D) must be allocated as follows:

(1) The South Carolina State Treasurer shall distribute the first two million dollars received for waste disposed during a fiscal year to the County Treasurer of Barnwell County for distribution to each of the parties to and beneficiaries of the order of the United States District Court in C.A. No. 1:90-2912-6 on the same schedule of allocation as is established within that order for the distribution of 'payments in lieu of taxes' paid by the United States Department of Energy.

(2) All revenues in excess of two million dollars received from waste disposed during the previous fiscal year must be deposited in a fund called the 'Nuclear Waste Disposal Receipts Distribution Fund'. Any South Carolina waste generator whose disposal fees contributed to the fund during the previous fiscal year may submit a request for a rebate of 33.33 percent of the funds paid by the generator during the previous fiscal year for disposal of waste at a regional disposal facility. These requests along with invoices or other supporting material must be submitted in writing to the State Treasurer within fifteen days of the end of the fiscal year. For this purpose disposal fees paid by the generator must exclude any fees paid pursuant to Section 48-46-60(C) for compact administration and fees paid pursuant to Section 48-46-60(B) for reimbursement of the PSC, the Office of Regulatory Staff, the State Treasurer, and the ~~board~~ office for administrative expenses under this chapter. Upon validation of the request and supporting documentation by the State Treasurer, the State Treasurer shall issue a rebate of the applicable funds to qualified waste generators within sixty days of the receipt of the request. If funds in the Nuclear Waste Disposal Receipts Distribution Fund are insufficient to provide a rebate of 33.33 percent to each generator, then each generator's rebate must be reduced in proportion to the amount of funds in the account for the applicable fiscal year.

(3) All funds deposited in the Nuclear Waste Disposal Receipts Distribution Fund for waste disposed for each fiscal year, less the amount needed to provide generators rebates pursuant to item (2), shall be deposited by the State Treasurer in the 'Children's Education Endowment Fund'. Thirty percent of these monies must be allocated to Higher Education Scholarship Grants and used as provided in Section 59-143-30, and seventy percent of these monies must be allocated to Public School Facility Assistance and used as provided in Chapter 144, ~~of~~ Title 59.

(F) Effective beginning fiscal year 2001-2002, there is appropriated annually from the general fund of the State to the Higher Education Scholarship Grants share of the Children's Education Endowment whatever amount is necessary to credit to the Higher Education Scholarship Grants share an amount not

less than the amount credited to that portion of the endowment in fiscal year 1999-2000. Revenues credited to the endowment pursuant to this subsection, for purposes of Section 59-143-10, are deemed to be received by the endowment pursuant to the former provisions of Section 48-48-140(C)."

HH. Section 48-46-50 of the 1976 Code is amended to read:

"Section 48-46-50. (A) The Governor shall appoint two commissioners to the Atlantic Compact Commission and may appoint up to two alternate commissioners. These alternate commissioners may participate in meetings of the compact commission in lieu of and upon the request of a South Carolina commissioner. Technical representatives from the Department of Health and Environmental Control, the ~~board office~~, the PSC, and other state agencies may participate in relevant portions of meetings of the compact commission upon the request of a commissioner, alternate commissioner, or staff of the compact commission, or as called for in the compact commission bylaws.

(B) South Carolina commissioners or alternate commissioners to the compact commission may not vote affirmatively on any motion to admit new member states to the compact unless that state volunteers to host a regional disposal facility.

(C) Compact commissioners or alternate commissioners to the Atlantic Compact Commission may not vote to approve a regional management plan or any other plan or policy that allows for acceptance at the Barnwell regional disposal facility of more than a total of 800,000 cubic feet of waste from Connecticut and New Jersey.

(D) South Carolina's commissioners or alternate commissioners to the compact commission shall cast any applicable votes on the compact commission in a manner that authorizes the importation of waste into the region for purposes of disposal at a regional disposal facility in South Carolina so long as importation would not result in the facility accepting more than the following total volumes of all waste:

- (1) 160,000 cubic feet in fiscal year 2001;
- (2) 80,000 cubic feet in fiscal year 2002;
- (3) 70,000 cubic feet in fiscal year 2003;
- (4) 60,000 cubic feet in fiscal year 2004;
- (5) 50,000 cubic feet in fiscal year 2005;
- (6) 45,000 cubic feet in fiscal year 2006;
- (7) 40,000 cubic feet in fiscal year 2007;
- (8) 35,000 cubic feet in fiscal year 2008.

South Carolina's commissioners or alternate commissioners shall not vote to approve the importation of waste into the region for purposes of disposal in any fiscal year after 2008."

II. Section 48-46-60 of the 1976 Code is amended to read:

"Section 48-46-60. (A) The Governor and the ~~board office~~ are authorized to take such actions as are necessary to join the Atlantic Compact including, but not limited to, petitioning the Compact Commission for membership and participating in any and all rulemaking processes. South Carolina's membership in the Atlantic Compact pursuant to this chapter is effective July 1, 2000, if by that date the Governor certifies to the General Assembly that the Compact Commission has taken each of the actions specified below. If the Compact Commission by July 1, 2000, has not taken each of the actions specified below, then South Carolina's membership shall become effective as soon thereafter as the Governor certifies that the Atlantic Compact Commission has taken these actions:

(1) adopted a binding regulation or policy in accordance with Article VII(e) of the compact establishing conditions for admission of a party state that are consistent with this act and ordered that South Carolina be declared eligible to be a party state consistent with those conditions;

(2) adopted a binding regulation or policy in accordance with Article IV(i)(11) of the Atlantic Compact authorizing a host state to enter into agreements on behalf of the compact and consistent with criteria established by the compact commission and consistent with the provisions of Section

48-46-40(A)(6)(a) and Section 48-46-50(D) with any person for the importation of waste into the region for purposes of disposal, to the extent that these agreements do not preclude the disposal facility from accepting all regional waste that can reasonably be projected to require disposal at the regional disposal facility consistent with subitem (5)(b) of this section;

(3) adopted a binding regulation or policy in accordance with Article IV(i)(12) of the Atlantic Compact authorizing each regional generator, at the generator's discretion, to ship waste to disposal facilities located outside the Atlantic Compact region; (4) authorized South Carolina to proceed with plans to establish disposal rates for low-level radioactive waste disposal in a manner consistent with the procedures described in this chapter;

(5) adopted a binding regulation, policy, or order officially designating South Carolina as a volunteer host state for the region's disposal facility, contingent upon South Carolina's membership in the compact, in accordance with Article V.b.1. of the Atlantic Compact, thereby authorizing the following compensation and incentives to South Carolina:

(a) agreement, as evidenced in a policy, regulation, or order that the compact commission will issue a payment of twelve million dollars to the State of South Carolina. Before issuing the twelve million-dollar payment, the compact commission will deduct and retain from this amount seventy thousand dollars, which will be credited as full payment of South Carolina's membership dues in the Atlantic Compact. The remainder of the twelve million-dollar payment must be credited to an account in the State Treasurer's office, separate and distinct from the fund, styled 'Barnwell Economic Development Fund'. This fund, and earnings on this fund which must be credited to the fund, may only be expended for purposes of economic development in the Barnwell County area including, but not limited to, projects of the Barnwell County Economic Development Corporation and projects of the Tri-County alliance which includes Barnwell, Bamberg, and Allendale Counties and projects in the Williston area of Aiken County. Economic development includes, but is not limited to, industrial recruitment, infrastructure construction, improvement, and expansion, and public facilities construction, improvement, and expansion. These funds must be spent according to guidelines established by the Barnwell County governing body and upon approval of the ~~board~~ office. Expenditures must be authorized by the Barnwell County governing body and with the approval of the ~~board~~ office. Upon approval of the Barnwell County governing body and the ~~board~~ office, the State Treasurer shall submit the approved funds to the Barnwell County Treasurer for disbursement pursuant to the authorization;

(b) adopted a binding regulation, policy, or order consistent with the regional management plan developed pursuant to Article V(a) of the Atlantic Compact, limiting Connecticut and New Jersey to the use of not more than 800,000 cubic feet of disposal capacity at the regional disposal facility located in Barnwell County, South Carolina, and also ensuring that up to 800,000 cubic feet of disposal capacity remains available for use by Connecticut and New Jersey unless this estimate of need is later revised downward by unanimous consent of the compact commission;

(c) agreement, as evidenced in a policy or regulation, that the compact commission headquarters and office will be relocated to South Carolina within six months of South Carolina's membership; and

(d) agreement, as evidenced in a policy or regulation, that the compact commission will, to the extent practicable, hold a majority of its meetings in the host state for the regional disposal facility.

(B) The ~~board~~ office, the State Treasurer, and the PSC shall provide the required staff and may add additional permanent or temporary staff or contract for services, as well as provide for operating expenses, if necessary, to administer new responsibilities assigned under this chapter. In accordance with Article V.f.2. of the Atlantic Compact the compensation, costs, and expenses incurred incident to administering these responsibilities may be paid through a surcharge on waste disposed at regional disposal facilities within the State. To cover these costs the ~~board~~ office shall impose a surcharge per unit of waste received at any regional disposal facility located within the State. A site operator shall collect and remit these fees to the ~~board~~ office in accordance with the ~~board's~~ office's directions. All such surcharges shall be included within the disposal rates set by the ~~board~~ office pursuant to Section 48-46-40.

(C) In accordance with Article V.f.3. of the Atlantic Compact, the compact commission shall advise the ~~board office~~ at least annually, but more frequently if the compact commission deems appropriate, of the compact commission's costs and expenses. To cover these costs the ~~board office~~ shall impose a surcharge per unit of waste received at any regional disposal facility located within the State as determined in Section 48-46-40. A site operator shall collect and remit these fees to the ~~board office~~ in accordance with the ~~board office's~~ directions, and the ~~board department~~ shall remit those fees to the compact commission."

JJ. Section 48-46-90(A) of the 1976 Code is amended to read:

"(A) In accordance with Section 13-7-30, the ~~board office~~, or its designee, is responsible for extended custody and maintenance of the Barnwell site following closure and license transfer from the facility operator. The Department of Health and Environmental Control is responsible for continued site monitoring."

KK. Section 63-11-500(A) of the 1976 Code, as last amended by Act 202 of 2010, is further amended to read:

"(A) There is created the Cass Elias McCarter Guardian ad Litem Program in South Carolina. The program shall serve as a statewide system to provide training and supervision to volunteers who serve as court-appointed special advocates for children in abuse and neglect proceedings within the family court, pursuant to Section 63-7-1620. This program must be administered by the ~~Office of the Governor~~ Department of Administration."

LL. 1. Section 63-11-700 of the 1976 Code, as last amended by Act 279 of 2012, is further amended to read:

"Section 63-11-700. (A) There is created, ~~as part of the Office of the Governor, within the of the Department of Administration,~~ the Division for Review of the Foster Care of Children. The division must be supported by a board consisting of ~~seven~~ eight members, all of whom must be past or present members of local review boards. There must be one member from each congressional district, all appointed by the Governor with the advice and consent of the Senate.

(B) Terms of office for the members of the board are for four years and until their successors are appointed and qualify. Appointments must be made by the Governor for terms of four years to expire on June thirtieth of the appropriate year.

(C) The board shall elect from its members a chairman who shall serve for two years. ~~Four~~ Five members of the board constitute a quorum for the transaction of business. Members of the board shall receive per diem, mileage, and subsistence as provided by law for members of boards, commissions, and committees while engaged in the work of the board.

(D) The board shall meet at least quarterly and more frequently upon the call of the division director to review and coordinate the activities of the local review boards and make recommendations to the Governor and the General Assembly with regard to foster care policies, procedures, and deficiencies of public and private agencies which arrange for foster care of children as determined by the review of cases provided for in Section 63-11-720(A)(1) and (2). These recommendations must be submitted to the Governor and included in an annual report, filed with the General Assembly, of the activities of the state office and local review boards.

(E) The board, upon recommendation of the division director, shall promulgate regulations to carry out the provisions of this article. These regulations shall provide for and must be limited to procedures for: reviewing reports and other necessary information at state, county, and private agencies and facilities; scheduling of reviews and notification of interested parties; conducting local review board and board of directors' meetings; disseminating local review board recommendations, including reporting to

the appropriate family court judges the status of judicially approved treatment plans; participating and intervening in family court proceedings; and developing policies for summary review of children privately placed in privately-owned facilities or group homes.

(F) The Governor may employ a division director to serve at the Governor's pleasure who may be paid an annual salary to be determined by the Governor. The director may be removed pursuant to Section 1-3-240. The division director shall employ staff as is necessary to carry out this article, and the staff must be compensated in an amount and in a manner as may be determined by the Governor.

(G) This article may not be construed to provide for subpoena authority."

2. Section 63-11-730(A) of the 1976 Code is amended to read:

"(A) No person may be employed by the Division for Review of the Foster Care of Children, ~~Office of the Governor~~ within the Department of Administration, or may serve on the state or a local foster care review board if the person:

(1) is the subject of an indicated report or affirmative determination of abuse or neglect as maintained by the Department of Social Services in the Central Registry of Child Abuse and Neglect pursuant to Subarticle 13, Article 3, Chapter 7;

(2) has been convicted of or pled guilty or nolo contendere to:

(a) an 'offense against the person' as provided for in Title 16, Chapter 3;

(b) an 'offense against morality or decency' as provided for in Title 16, Chapter 15; or

(c) contributing to the delinquency of a minor, as provided for in Section 16-17-490."

MM. 1. Section 63-11-1110 of the 1976 Code is amended to read:

"Section 63-11-1110. There is created the Children's Case Resolution System; within the Department of Administration and referred to in this article as the System, which is a process of reviewing cases on behalf of children for whom the appropriate public agencies collectively have not provided the necessary services. ~~The System must be housed in and staffed by the Office of the Governor.~~"

2. Section 63-11-1140(5), (8), and (9) of the 1976 Code are amended to read:

"(5) when unanimous consent is not obtained as required in item (4), a panel must be convened composed of the following persons:

(a) one public agency board member and one agency head appointed by the Governor. Recommendations for appointments may be submitted by the Human Services Coordinating Council. No member may be appointed who represents any agency involved in the resolution of the case;

(b) one legislator appointed by the Governor; and

(c) two members appointed by the Governor, drawn from a list of qualified individuals not employed by a child-serving public agency, established in advance by the System, who have knowledge of public services for children in South Carolina.

The chairman must be appointed by the Governor from members appointed as provided in subitem (c) of this item. A decision is made by a majority of the panel members present and voting, but in no case may a decision be rendered by less than three members. The panel shall review a case at the earliest possible date after sufficient staff review and evaluation pursuant to items (3) and (4) and shall make a decision by the next scheduled panel meeting. When private services are necessary, financial responsibility must be apportioned among the appropriate public agencies based on the reasons for the private services. Agencies designated by the panel shall carry out the decisions of the panel, but the decisions may not substantially affect the funds appropriated for the designated agency to such a degree that the intent of the General Assembly is changed. Substantial impact of the decisions must be defined by regulations promulgated by the ~~State Budget and Control Board~~ Department of Administration. When the panel identifies similar cases that illustrate a break in the delivery of service to children, either

because of restrictions by law or substantial lack of funding, the panel shall report the situation to the General Assembly and subsequently may not accept any similar cases for decision until the General Assembly takes appropriate action, however, the System may continue to perform the functions provided in items (3) and (4).

Each member of the panel is entitled to subsistence, per diem, and mileage authorized for members of state boards, committees, and commissions. The respective agency is responsible for the compensation of the members appointed in subitems (a) and (b) of this item, and the System is responsible for the compensation of the members appointed in subitem (c) of this item;

(8) submit an annual report on the activities of the System to the Governor, Director of the Department of Administration, the General Assembly, and agencies designated by the System as relevant to the cases; and

(9) compile and transmit additional reports on the activities of the System; and recommendations for service delivery improvements, as necessary, to the Governor and the Joint Citizens and Legislative Committee on Children.”

NN. 1. Section 44-38-380(A)(1)(h) of the 1976 Code is amended to read:

“(h) Director of the Continuum of Care for Emotionally Disturbed Children ~~Division of the Governor’s Office;~~”

2. Section 63-11-1310 of the 1976 Code is amended to read:

“Section 63-11-1310. It is the purpose of this article to develop and enhance the delivery of services to severely emotionally disturbed children and youth and to ensure that the special needs of this population are met appropriately to the extent possible within this State. To achieve this objective, the Continuum of Care for Emotionally Disturbed Children Division is established as a division of the ~~office of the Governor~~ Department of Administration. This article supplements and does not supplant existing services provided to this population.”

3. Section 63-11-1340 of the 1976 Code is amended to read:

“Section 63-11-1340. The Governor may ~~employ~~ appoint a Director of the Continuum of Care to serve at his pleasure who is subject to removal pursuant to the provisions of Section 1-3-240. The director shall employ staff necessary to carry out the provisions of this article. The funds for the division director, staff, and other purposes of the Continuum of Care Division must be provided in the annual general appropriations act. The department, upon the recommendation of the division director, shall may promulgate regulations in accordance with this article and the provisions of the Administrative Procedures Act and formulate necessary policies and procedures of administration and operation to carry out effectively the objectives of this article.”

4. Section 63-11-1360 of the 1976 Code is amended to read:

“Section 63-11-1360. The Continuum of Care Division shall submit an annual report to the ~~Governor~~ Department of Administration and General Assembly on its activities and recommendations for changes and improvements in the delivery of services by public agencies serving children.”

5. Section 63-11-1510 of the 1976 Code is amended to read:

“Section 63-11-1510. There is established the Interagency System for Caring for Emotionally Disturbed Children, an integrated system of care to be developed by the Continuum of Care for Emotionally Disturbed Children ~~of the Governor’s Office~~ in the Department of Administration, the

Department of Disabilities and Special Needs, the State Health and Human Services Finance Commission, the Department of Mental Health, and the Department of Social Services to be implemented by November 1, 1994. The goal of the system is to implement South Carolina's Families First Policy and to support children in a manner that enables them to function in a community setting. The system shall provide assessment and evaluation procedures to insure a proper service plan and placement for each child. This system must have as a key component the clear identification of the agency accountable for monitoring on a regular basis each child's care plan and procedures to evaluate and certify the programs offered by providers."

Part VI

Revenue and Fiscal Affairs Office and Other Transfer Provisions

SECTION 8. A. Chapter 9, Title 11 of the 1976 Code is amended by adding:

"Article 11

Revenue and Fiscal Affairs Office

Section 11-9-1110. (A) There is established the Revenue and Fiscal Affairs Office to be governed by the three appointed members of the Board of Economic Advisors pursuant to Section 11-9-820. The office is comprised of the Board of Economic Advisors, Office of Research and Statistics, and the Office of State Budget. The functions of the office must be performed, exercised, and discharged under the supervision and direction of the board. The board may organize its staff as it considers appropriate to carry out the various duties, responsibilities, and authorities assigned to it and to its various divisions. The board may delegate to one or more officers, agents, or employees the powers and duties it determines are necessary for the effective, efficient, operation of the office.

(B) The Department of Administration shall provide such administrative support to the Revenue and Fiscal Affairs Office or any of its divisions or components as they may request and require in the performance of their duties including, but not limited to, financial management, human resources management, information technology, procurement services, and logistical support.

Section 11-9-1120. The Board of Economic Advisors division of the office shall maintain the organizational and procedural framework under which it is operating, and exercise its powers, duties, and responsibilities, as of the effective date of this section.

Section 11-9-1130. (A) The Office of Research and Statistics must be comprised of an Economic Research division and an Office of Precinct Demographics division.

(B) The Economic Research division shall maintain the organizational and procedural framework under which it is operating, and exercise its powers, duties, and responsibilities, as of the effective date of this section.

(C) The Office of Precinct Demographics shall:

(1) review existing precinct boundaries and maps for accuracy and develop and rewrite descriptions of precincts for submission to the legislative process;

(2) consult with members of the General Assembly or their designees on matters related to precinct construction or discrepancies that may exist or occur in precinct boundary development in the counties they represent;

(3) develop a system for originating and maintaining precinct maps and related data for the State;

(4) represent the General Assembly at public meetings, meetings with members of the General Assembly, and meetings with other state, county, or local governmental entities on matters related to precincts;

(5) assist the appropriate county officials in the drawing of maps and writing of descriptions or precincts preliminary to these maps and descriptions being filed in this office for submission to the United States Department of Justice;

(6) coordinate with the Census Bureau in the use of precinct boundaries in constructing census boundaries and the identification of effective uses of precinct and census information for planning purposes; and

(7) serve as a focal point for verifying official precinct information for the counties of South Carolina.

Section 11-9-1140. The Office of State Budget division of the office shall maintain the organizational and procedural framework under which it is operating, and exercise its powers, duties, and responsibilities, as of the effective date of this section.”

B. Section 11-9-820(A), (B), and (C) of the 1976 Code is amended to read:

“(A)(1) There is created the Board of Economic Advisors, a division of the Revenue and Fiscal Affairs Office, as follows:

(1)(a) one member, appointed by, and serving at the pleasure of, the Governor, who shall serve as chairman and shall receive annual compensation of ten thousand dollars;

(2)(b) one member appointed by, and serving at the pleasure of, the Chairman of the Senate Finance Committee, who shall receive annual compensation of eight thousand dollars;

(3)(c) one member appointed by, and serving at the pleasure of, the Chairman of the Ways and Means Committee of the House of Representatives, who shall receive annual compensation of eight thousand dollars;

(4)(d) the Director of the Department of Revenue, who shall serve ex officio, with no voting rights.

(2) The board shall unanimously select an Executive Director of the Revenue and Fiscal Affairs Office who shall serve a four-year term. The executive director may only be removed for malfeasance, misfeasance, incompetency, absenteeism, conflicts of interest, misconduct, persistent neglect of duty in office, or incapacity as found by the board. The executive director shall have the authority and perform the duties prescribed by law and as may be directed by the board.

(B) The Chairman of the Board of Economic Advisors shall report directly to the ~~Budget and Control Board~~ Governor, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee to establish policy governing economic trend analysis. The Board of Economic Advisors shall provide for its staffing and administrative support from funds appropriated by the General Assembly.

(C) The Executive Director of the ~~Budget and Control Board~~ Revenue and Fiscal Affairs Office shall assist the Governor, Chairman of the Board of Economic Advisors, Chairman of the Senate Finance Committee, and Chairman of the Ways and Means Committee of the House of Representatives in providing an effective system for compiling and maintaining current and reliable economic data. The Board of Economic Advisors may establish an advisory board to assist in carrying out its duties and responsibilities. All state agencies, departments, institutions, and divisions shall provide the information and data the advisory board requires. The Board of Economic Advisors is considered a public body for purposes of the Freedom of Information Act, pursuant to Section 30-4-20(a).”

C. Sections 11-9-825 and 11-9-830 of the 1976 Code are amended to read:

“Section 11-9-825. The staff of the Board of Economic Advisors must be supplemented by the following officials who each shall designate one professional from their individual staffs to assist the BEA staff on a regular basis: the Governor, the Chairman of the House Ways and Means Committee, the Chairman of the Senate Finance Committee, and the State Department of Revenue ~~Chairman, and the director of the Budget Division of the Budget and Control Board~~. The BEA staff shall meet monthly with these designees in order to solicit their input.

Section 11-9-830. In order to provide a more effective system of providing advice to the ~~Budget and Control Board~~ Governor and the General Assembly on economic trends, the Board of Economic Advisors shall:

- (1) compile and maintain in a unified, concise, and orderly form information about total revenues and expenditures which involve the funding of state government operations, revenues received by the State which comprise general revenue sources of all receipts to include amounts borrowed, federal grants, earnings, and the various activities accounted for in other funds;
- (2) continuously review and evaluate total revenues and expenditures to determine the extent to which they meet fiscal plan forecasts/projections;
- (3) evaluate federal revenues in terms of impact on state programs;
- (4) compile economic, social, and demographic data for use in the publishing of economic scenarios for incorporation into the development of the state budget;
- (5) bring to the attention of the Governor and the General Assembly the effectiveness, or lack thereof, of the economic trends and the impact on statewide policies and priorities;
- (6) establish liaison with the Congressional Budget Office and the Office of Management and Budget at the national level.”

D. Section 11-9-880(C) of the 1976 Code is amended to read:

“(C) All forecasts, adjusted forecasts, and reports of the Board of Economic Advisors, including the synopsis of the current year’s review as required by subsection (B), must be published and reported to the Governor, ~~the members of the Budget and Control Board~~, the members of the General Assembly, and made available to the news media.”

E. Section 2-7-72 of the 1976 Code is amended to read:

“Section 2-7-72. Whenever a bill or resolution is introduced in the General Assembly requiring the expenditure of funds, the principal author shall affix a statement of estimated fiscal impact and cost of the proposed legislation. Before reporting the bill out of committee, if the amount is substantially different from the original estimate, the committee shall attach a statement of estimated fiscal impact to the bill signed by the Executive Director of the ~~State Budget Division of the State Budget and Control Board~~ Revenue and Fiscal Affairs Office or his designee. As used in this section, ‘statement of estimated fiscal impact’ means the opinion of the person executing the statement as to the dollar cost to the State for the first year and the annual cost thereafter.”

F. Section 2-7-73 of the 1976 Code is amended to read:

“Section 2-7-73. (A) Any bill or resolution which would mandate a health coverage or offering of a health coverage by an insurance carrier, health care service contractor, or health maintenance organization as a component of individual or group policies, must have attached to it a statement of the financial impact of the coverage, according to the guidelines enumerated in subsection (B). This financial impact analysis must be conducted by the ~~Division of Research and Statistical Services~~ Revenue and Fiscal Affairs Office and signed by an authorized agent of the Department of Insurance, or his designee. The

statement required by this section must be delivered to the Senate or House committee to which any bill or resolution is referred, within thirty days of the written request of the chairman of such committee.

(B) Guidelines for assessing the financial impact of proposed mandated or mandatorily offered health coverage to the extent that information is available, must include, but are not limited to, the following:

- (1) to what extent does the coverage increase or decrease the cost of treatment or services;
- (2) to what extent does the coverage increase or decrease the use of treatment or service;
- (3) to what extent does the mandated treatment or service substitute for more expensive treatment or service;
- (4) to what extent does the coverage increase or decrease the administrative expenses of insurance companies and the premium and administrative expenses of policyholders; and
- (5) what is the impact of this coverage on the total cost of health care.”

G. Section 2-7-74 of the 1976 Code, as added by Act 273 of 2010, is amended to read:

“Section 2-7-74. (A) As used in this section, ‘statement of estimated fiscal impact’ means the opinion of the person executing the statement as to the dollar cost to the State for the first year and the annual cost thereafter.

(B) The principal author of legislation that would establish a new criminal offense or that would amend the sentencing provisions of an existing criminal offense may affix a statement of estimated fiscal impact of the proposed legislation. Upon request from the principal author of the legislation, the ~~Office of State Budget~~ Revenue and Fiscal Affairs Office shall assist in preparing the fiscal impact statement.

(C) If a fiscal impact statement is not affixed to legislation at the time of introduction, the committee to which the legislation is referred shall request a fiscal impact statement from the ~~Office of State Budget~~ Revenue and Fiscal Affairs Office. The ~~Office of State Budget~~ Revenue and Fiscal Affairs Office shall have at least fifteen calendar days from the date of the request to deliver the fiscal impact statement to the Senate or House of Representatives committee to which the legislation is referred, unless the ~~Office of State Budget~~ Revenue and Fiscal Affairs Office requests an extension of time. The ~~Office of State Budget~~ Revenue and Fiscal Affairs Office shall not unreasonably delay the delivery of a fiscal impact statement.

(D) The committee shall not take action on the legislation until the committee has received the fiscal impact statement.

(E) If the legislation is reported out of the committee, the committee shall attach the fiscal impact statement to the legislation. If the legislation has been amended, the committee shall request a revised fiscal impact statement from the ~~Office of State Budget~~ Revenue and Fiscal Affairs Office and shall attach the revised fiscal impact statement to the legislation.

(F) State agencies and political subdivisions shall cooperate with the ~~Office of State Budget~~ Revenue and Fiscal Affairs Office in preparing fiscal impact statements. Such agencies and political subdivisions shall submit requested information to the ~~Office of State Budget~~ Revenue and Fiscal Affairs Office in a timely fashion.

(G) In preparing fiscal impact statements, the ~~Office of State Budget~~ Revenue and Fiscal Affairs Office shall consider and evaluate information as submitted by state agencies and political subdivisions. The ~~Office of State Budget~~ Revenue and Fiscal Affairs Office shall provide to the requesting Senate or House of Representatives committee any estimates provided by a state agency or political subdivision, which are substantially different from the fiscal impact as issued by the ~~Office of State Budget~~ Revenue and Fiscal Affairs Office.

(H) The ~~Office of State Budget~~ Revenue and Fiscal Affairs Office may request information from nongovernmental agencies and organizations to assist in preparing the fiscal impact statement.”

H. Section 2-7-76 of the 1976 Code is amended to read:

“Section 2-7-76. (A) The chairman of the legislative committee to which a bill or resolution was referred shall direct the ~~Budget Division or the Economic Research Section of the Budget and Control Board, as appropriate,~~ Revenue and Fiscal Affairs Office to prepare and affix to it a statement of the estimated fiscal ~~or~~ and revenue impact and cost to the counties and municipalities of the proposed legislation before the legislation is reported out of that committee if a bill or resolution:

(1) requires a county or municipality to expend funds allocated to the county or municipality pursuant to Chapter 27 of Title 6;

(2) is introduced in the General Assembly to require the expenditure of funds by a county or municipality;

(3) requires the use of county or municipal personnel, facilities, or equipment to implement a general law or regulations promulgated pursuant to a general law; or

(4) relates to taxes imposed by political subdivisions.

(B) A revised estimated fiscal ~~or~~ and revenue impact and cost statement must be prepared at the direction of the presiding officer of the House of Representatives or the Senate by the ~~Budget Division or Economic Research Section of the Budget and Control Board,~~ Revenue and Fiscal Affairs Office before third reading of the bill or resolution, if there is a significant amendment to the bill or resolution.

(C) For purposes of this section, ‘political subdivision’ means a county, municipality, school district, special purpose district, public service district, or consolidated political subdivision.”

I. Chapter 30, Title 1 of the 1976 Code is amended by adding:

“Section 1-30-125. (A) There is established, within the Department of Administration, the Executive Budget Office which shall support the Office of the Governor by conducting analysis, implementing and monitoring the annual general appropriations act, and evaluating program performance.

(B) The Executive Budget Office shall use the existing resources of the organizations transferred to the Department of Administration including, but not limited to, funding, personnel, equipment, and supplies. Vacant FTE’s at the former State Budget and Control Board also may be used to fill needed positions for the office.”

J. Portions of the Office of State Budget of the State Budget and Control Board which are directly related to the development of the annual general appropriations act are transferred to the Revenue and Fiscal Affairs Office except for the employees required to support the Executive Budget Office.

K. The Board of Economic Advisors of the State Budget and Control Board is transferred to and incorporated into the Revenue and Fiscal Affairs Office.

L. The Office of Research and Statistics of the State Budget and Control Board is transferred to and incorporated into the Revenue and Fiscal Affairs Office.

M. The provisions contained in this SECTION take effect July 1, 2014.

SECTION 9. Section 11-9-890B. of the 1976 Code, as last amended by Act 152 of 2010, is further amended to read:

“B. (1) If at the end of the first, second, or third quarter of any fiscal year ~~quarterly revenue collections are two percent or more below the amount projected for that quarter by~~ the Board of Economic Advisors reduces the revenue forecast for the fiscal year by three percent or less below the amount projected for the fiscal year in the forecast in effect at the time the general appropriations bill for the fiscal year is ratified, the State Budget and Control Board, within ~~seven~~ three days of that determination, ~~shall take action to avoid a year-end deficit. Notwithstanding Section 1-11-495, if the State Budget and Control Board does not take unanimous action within seven days,~~ the Director of the

~~Office of State Executive Budget Office~~ must reduce general fund appropriations by the requisite amount in the manner prescribed by law. Upon making the reduction, the Director of the ~~Office of State Executive Budget Office~~ immediately must notify the State Treasurer and the Comptroller General of the reduction, and upon notification, the appropriations are considered reduced. No agencies, departments, institutions, activity, program, item, special appropriation, or allocation for which the General Assembly has provided funding in any part of this section may be discontinued, deleted, or deferred by the Director of the ~~Office of State Executive Budget Office~~. A reduction of rate of expenditure by the Director of the ~~Office of State Executive Budget Office~~, under authority of this section, must be applied as uniformly as shall be practicable, except that no reduction must be applied to funds encumbered by a written contract with the agency, department, or institution not connected with state government.

(2) If at the end of the first, second, or third quarter of any fiscal year the Board of Economic Advisors reduces the revenue forecast for the fiscal year by more than three percent below the amount projected for the fiscal year in the forecast in effect at the time the general appropriations bill for the fiscal year is ratified, the President Pro Tempore of the Senate and the Speaker of the House of Representatives may call each respective house into session to take action to avoid a year-end deficit. If the General Assembly has not taken action within twenty days of the determination of the Board of Economic Advisors, the Director of the Executive Budget Office must reduce general fund appropriations by the requisite amount in the manner prescribed by law and in accordance with item (1) of this subsection."

SECTION 10. A. Title 2 of the 1976 Code is amended by adding:

“CHAPTER 79

State Agency Deficit Prevention and Recognition

Section 2-79-10. This chapter may be cited as the ‘State Agency Deficit Prevention and Recognition Act’.

Section 2-79-20. It is the responsibility of each state agency, department, and institution to operate within the limits of appropriations set forth in the annual general appropriations act, appropriation acts, or joint resolution supplemental thereto, and any other approved expenditures of monies. A state agency, department, or institution shall not operate in a manner that results in a year-end deficit except as provided in this chapter.

Section 2-79-30. If at the end of each quarterly deficit monitoring review by the Executive Budget Office, it is determined by either the Executive Budget Office or a state agency, department, or institution that the likelihood of a deficit for the current fiscal year exists, the state agency shall notify the General Assembly within fifteen days of this determination and shall further request the Executive Budget Office to work with it to develop a plan to avoid the deficit. Within fifteen days of the deficit avoidance plan being completed, the Executive Budget Office shall either request the General Assembly to recognize the deficit in the manner provided in this chapter if it determines the deficit avoidance plan will not be sufficient to avoid a deficit or notify the General Assembly of how the deficit will be avoided based on the deficit avoidance plan if the Executive Budget Office determines the plan will be sufficient to avoid a deficit.

Section 2-79-40. (A) Upon notification from the Executive Budget Office as provided in Section 2-79-30 that an agency will run a deficit and requesting that it be recognized, the General Assembly, by joint resolution, may make a finding that the cause of, or likelihood of, a deficit is unavoidable due to factors which are outside the control of the state agency, department, or institution, and recognize the deficit. Any legislation to recognize a deficit must be in a separate joint resolution enacted for the sole

purpose of recognizing the deficit of a particular state agency, department, or institution. A deficit only may be recognized by an affirmative vote of each branch of the General Assembly.

(B) If the General Assembly recognizes the deficit, then the actual deficit at the close of the fiscal year must be reduced as necessary from surplus revenues or surplus funds available at the close of the fiscal year in which the deficit occurs and from funds available in the General Reserve Fund and the Capital Reserve Fund, as required by the Constitution of this State.

Section 2-79-50. Once a deficit has been recognized by the General Assembly, the state agency, department, or institution shall limit travel and conference attendance to that which is deemed essential by the director of the agency, department, or institution. In addition, the General Assembly, when recognizing a deficit may direct that any pay increases and purchases of equipment and vehicles must be approved by the Executive Budget Office.”

B. Section 1-11-495 of the 1976 Code is repealed.

C. Sections 11-9-230 through 11-9-270 of the 1976 Code are repealed.

SECTION 11. Section 48-52-410 of the 1976 Code is amended to read:

“Section 48-52-410. There is established the State Energy Office within the ~~State Budget and Control Board~~ Office of Regulatory Staff which shall serve as the principal energy planning entity for the State. Its primary purpose is to develop and implement a well-balanced energy strategy and to increase the efficiency of use of all energy sources throughout South Carolina through the implementation of the Plan for State Energy Policy. The State Energy Office must not function as a regulatory body.”

SECTION 12. Section 48-52-440 of the 1976 Code is amended to read:

~~“Section 48-52-440. There is established the Energy Advisory Committee, whose members are appointed by the State Budget and Control Board, except as provided in item (14) of this section. Members shall serve at the pleasure of the State Budget and Control Board except that those appointed pursuant to item (14) shall serve for a term coterminous with that of their appointing authority. The committee is composed as follows:~~

- ~~(1) two representatives of investor owned electricity companies;~~
- ~~(2) two representatives of electric cooperatives;~~
- ~~(3) one representative of the South Carolina Public Service Authority, who shall serve ex officio;~~
- ~~(4) one representative of municipally owned electric utilities;~~
- ~~(5) one representative of publicly owned natural gas companies;~~
- ~~(6) one representative of investor owned gas companies;~~
- ~~(7) one representative of oil suppliers or dealers;~~
- ~~(8) one representative of propane suppliers or dealers;~~
- ~~(9) one representative of nonprofit public transportation providers;~~
- ~~(10) two representatives of industrial consumers;~~
- ~~(11) two representatives of commercial consumers;~~
- ~~(12) two representatives of individual consumers; one must be the Executive Director of the Office of Regulatory Staff or his designee, who shall serve ex officio;~~
- ~~(13) two representatives of environmental groups; and~~
- ~~(14) one at large member appointed by the Governor.~~

~~The Budget and Control Board shall elect one of the committee members to serve as chairman. The members of the Energy Advisory Committee are not eligible for per diem payments or for reimbursement for lodging or meals. The functions of the Energy Advisory Committee are advisory to the State Energy Office. The committee shall meet at least annually and at the call of the chair or at the request of at least~~

~~six members to receive information on the activities of the State Energy Office and the formulation and implementation of the state energy action plan. It may comment and advise on the activities and the plan as considered appropriate by members of the committee. The State Energy Office may seek advice and guidance from the committee as considered appropriate by the director of the office. Members shall adopt rules governing meeting attendance and abide by these rules.~~

(A) All funds allocated or directed to this State by the federal government relating to energy planning, energy conservation, and energy efficiency must be allocated or directed to the State Energy Office in the Office of Regulatory Staff to be distributed in accordance with the provisions of this section; provided, however, that no funding from the following federal programs is subject to the provisions of this section:

(1) the Low Income Home Energy Assistance Program (LIHEAP), created by Title XXVI of the Omnibus Budget Reconciliation Act of 1981 and codified as Chapter 94, Title 42 of the United States Code, as amended by the Human Services Reauthorization Act of 1984, the Human Services Reauthorization Act of 1986, the Augustus F. Hawkins Human Services Reauthorization Act of 1990, the National Institutes of Health Revitalization Act of 1993, the Low-Income Home Energy Amendments of 1994, the Coats Human Services Reauthorization Act of 1998, and the Energy Policy Act of 2005, which is administered and funded by the United States Department of Health and Human Services on the federal level and administered locally by community action agencies; or

(2) the Weatherization Assistance Program, created by Title IV of the Energy Conservation and Production Act of 1976 and codified as Part A, Subchapter III, Chapter 81, Title 42 of the United States Code, amended by the National Energy Conservation Policy Act, the Energy Security Act, the Human Services Reauthorization Act of 1984, and the State Energy Efficiency Programs Improvement Act of 1990 and administered and funded by the United States Department of Energy on the federal level and administered locally by community action agencies.

Nothing in this section changes the exclusive administration of the Low Income Energy Assistance Program and Weatherization Assistance Program by local community action agencies through the Department of Administration's Office of Economic Opportunity pursuant to its authority under the provisions of Chapter 45, Title 43, the Community Economic Opportunity Act of 1983.

(B) All funds described in subsection (A) that are not exempted by items (1) and (2) of subsection (A) must be distributed by the State Energy Office in the Office of Regulatory Staff in accordance with all requirements of federal law associated with these funds. Persons seeking to obtain funding for energy related programs must submit to the State Energy Office a plan for the use of the funds in a manner consistent with the provisions of this section.

(C) Upon receipt of the plans required by subsection (B), the State Energy Office of the Office of Regulatory Staff must prepare an analysis of the plans and their consistency with the provisions of this section and submit that analysis to the Department Advisory Council for its review and recommendations.

(D) There is hereby created in the Office of Regulatory Staff the Energy Advisory Council, which will advise the State Energy Office on all matters for which the State Energy Office is responsible and specifically with respect to its review of the annual plans required to be submitted pursuant to this section. The Advisory Council shall be composed of nine members as follows:

(1) three appointed by the Governor, one of whom must have a substantial background in environmental or consumer protection matters;

(2) three appointed by the President Pro Tempore of the Senate, one of whom must have a substantial background in environmental or consumer protection matters; and

(3) three appointed by the Speaker of the House of Representatives, one of whom must have a substantial background in environmental or consumer protection matters.

All appointees must have backgrounds in environmental issues; the electricity, transportation, or natural gas industries; or economic development related to these sectors.

(E) In evaluating the plans required by this section, the Advisory Council shall consider the extent to which the plans allocate funds in a cost effective manner and promote the following alternative sources of domestic energy or avoidance of consumption of energy:

(1) the development of energy efficiency and conservation;

(2) renewable sources of energy, including wind power, solar power, energy from biomass sources, and energy storage;

(3) nuclear energy; and

(4) alternative fuels or power sources for the transportation sector.

In considering the cost-effectiveness of the plans the Advisory Council must consider the cost of the proposed measures as to the expected useful life of the measures being proposed and the impact of the proposed measures on consumers. For each proposed plan, the Advisory Council must consider the value of the avoided cost of complying with anticipated state and federal environmental regulations.

(F) Upon completion of its review of plans submitted in compliance with this section, the Advisory Council must prepare a report describing the results of its review and submit copies of that report to the State Energy Office of the Office of Regulatory Staff and the Public Utility Review Committee of Article 5 of Chapter 3, Title 58.

(G) The Executive Director of the Office of Regulatory Staff shall make the final determinations of distributions of funds as required by this section, taking into account the recommendations of the Advisory Council. Grant awards shall be made in a manner consistent with this section.”

SECTION 13. Section 48-52-460 of the 1976 Code is amended to read:

“Section 48-52-460. The establishment of the State Energy Office within the ~~State Budget and Control Board~~ Office of Regulatory Staff, as provided for in this part, must be evaluated if restructuring or reorganizing of state government takes place so as to identify and provide for the proper placement of the office upon restructuring or reorganizing.”

SECTION 14. Section 48-52-635 of the 1976 Code is amended to read:

“Section 48-52-635. Pursuant to Section 48-52-630, an agency’s savings realized in the prior fiscal year from implementing an energy conservation measure as compared to a baseline energy use as certified by the State Energy Office, may be retained and carried forward into the current fiscal year. This savings, as certified by the State Energy Office, must first be used for debt retirement of capital expenditures, if any, on the energy conservation measure, after which time savings may be used for agency operational purposes and where practical, reinvested into energy conservation areas. The agency must report all actual savings in the energy portion of its annual report to the ~~State Budget and Control Board~~ Office of Regulatory Staff.”

SECTION 15. Section 48-52-680(C) of the 1976 Code is amended to read:

“(C) The State Energy Office shall provide the Office of Property Management ~~of the Budget and Control Board~~, Division of General Services ~~of the Department of Administration~~, information to be used in evaluating energy costs for buildings or portions of buildings proposed to be leased by governmental bodies that are defined in and subject to the Consolidated Procurement Code. The information provided must be considered with the other criteria provided by law by a governmental body before entering into a real property lease.”

SECTION 16. A. Section 1-11-25 of the 1976 Code is amended to read:

“Section 1-11-25. There is hereby established a Local Government Division within the ~~State Budget and Control Board~~ Rural Infrastructure Authority to act as a liaison for financial grants ~~among local governments, the General Assembly and the Governor’s Office~~ from the funds available to the authority. The division shall be under the supervision of a director who shall be appointed by and who shall serve at the pleasure of the ~~Budget and Control Board~~ Director of the Rural Infrastructure Authority ~~and whose compensation shall be as provided for by the General Assembly~~. He may employ such staff as may be

approved by the ~~board~~ Director of the Rural Infrastructure Authority. The division shall be responsible for certifying grants to local governments from both federal and state funds. The term 'local government' shall mean any political entity below the state level. Notwithstanding the fact that the Local Government Division is now a part of the State Rural Infrastructure Authority, where certain grants of the division depending upon their funding source require additional approvals other than the division and the authority before they may be made, those additional approvals must also be secured.

The division shall establish guidelines and procedures which ~~local governments~~ public entities shall follow in applying for grants ~~certified by the division~~. The director shall make known to ~~local governments~~ these entities the availability of all grants available through the ~~division~~ authority and shall make periodic reports to ~~the Budget and Control Board~~, the General Assembly and the Governor's Office. The reports shall contain information concerning the amount of funds available from both federal and state sources, requests for grants and the status of such requests and such other information as the director may deem appropriate. The director shall maintain such records as may be necessary for the efficient operation of the office.

~~The Division of Administration, under contractual agreement, shall furnish the Local Government Division such accounting service support as may be requested."~~

B. Section 1-11-26 of the 1976 Code is amended to read:

"Section 1-11-26. (A) Grant funds received by a ~~county, municipality, political subdivision, or other public entity~~ from the ~~Division of Local Government of the State Budget and Control Board~~ Rural Infrastructure Authority must be deposited in a separate fund and may not be commingled with other funds, including other grant funds. Disbursements may be made from this fund only on the written authorization of the individual who signed the grant application filed with the division, or his successor, and only for the purposes specified in the grant application. A person violating the provisions of this section is guilty of a misdemeanor and, upon conviction, must be fined five thousand dollars or imprisoned for six months, or both.

(B) It is not a defense to an indictment alleging a violation of this section that grant funds received ~~from the Division of Local Government~~ were used by a grantee or subgrantee for governmental purposes other than those specified in the grant application or that the purpose for which the grant was made ~~by the Division of Local Government~~ was accomplished by funds other than grant funds.

(C) The Division of Local Government of the State ~~Budget and Control Board~~ Rural Infrastructure Authority shall furnish a copy of this section to a grantee when the grant is awarded."

C. Chapter 50, Title 11 of the 1976 Code is amended by adding:

"Section 11-50-65. The Department of Commerce shall provide such administrative support to the State Rural Infrastructure Authority or any of its divisions or components as they may request and require in the performance of their duties including, but not limited to, financial management, human resources management, information technology, procurement services, and logistical support."

D. Section 11-37-200(A) of the 1976 Code is amended to read:

"(A) There is established by this section the Water Resources Coordinating Council which shall establish the priorities for all sewer, wastewater treatment, and water supply facility projects addressed in this chapter, except as otherwise established by Section 48-6-40. The council shall consist of a representative of the Governor, the Director of the Department of Health and Environmental Control, the Director of the South Carolina Department of Natural Resources, the Director of the ~~Division of Local Government of the Budget and Control Board~~ Rural Infrastructure Authority, the Secretary of Commerce, the Chairman of the Jobs Economic Development Authority, and the Chairman of the Joint Bond Review Committee. These representatives may designate a person to serve in their place on the council, and the

Governor shall appoint the chairman from among the membership of the council for a one-year term. The council shall establish criteria for the review of applications for projects. Not less often than annually, the council shall determine its priorities for projects. The council after evaluating applications shall notify the authority of the priority projects. The South Carolina Jobs Economic Development Authority shall provide the staff to receive, research, investigate, and process applications for projects made to the coordinating council and assist in the formulating of priorities. Upon notification by the council, the authority shall proceed under the provisions of this chapter. The authority may consider applications for projects based upon the existence of a documented emergency consistent with regulations that may be promulgated by the authority. In determining which local governments are to receive grants, the local governments shall provide not less than a fifty percent match for any project. The authority may provide financing for the local matching funds on terms and conditions determined by the authority.”

SECTION 17. A.Chapter 17, Title 60 of the 1976 Code is amended by adding:

“CHAPTER 17

South Carolina Confederate Relic Room and Military Museum Commission

Section 60-17-10. (A) Effective July 1, 2015, the South Carolina Confederate Relic Room and Military Museum Commission is established and must be composed of nine voting members who shall be appointed for terms of four years and until their successors are appointed and qualify, except as specified in subsection (B) for initial terms. The members of the board shall be appointed as follows:

- (1) three members appointed by the Governor;
- (2) two members appointed by the President Pro Tempore of the Senate;
- (3) one member appointed by the President Pro Tempore of the Senate upon the recommendation of the South Carolina Division Commander of the Sons of Confederate Veterans;
- (4) two members appointed by the Speaker of the House of Representatives; and
- (5) one member appointed by the Speaker of the House of Representatives upon the recommendation of the President of the South Carolina Division of the United Daughters of the Confederacy.

(B) Initially, in order to stagger terms:

- (1) one member appointed by the Governor shall serve a term of one year;
- (2) one member appointed by the Governor shall serve a term of two years;
- (3) one member appointed by the Governor shall serve for three years;
- (4) one member appointed by the President Pro Tempore of the Senate shall serve for one year;
- (5) one member appointed by the President Pro Tempore of the Senate shall serve for two years;
- (6) one member appointed by the President Pro Tempore of the Senate shall serve for three years;
- (7) one member appointed by the Speaker of the House of Representatives shall serve for one year;
- (8) one member appointed by the Speaker of the House of Representatives shall serve for two years; and
- (9) one member appointed by the Speaker of the House of Representatives shall serve for three years.

At the expiration of these initial terms, successors must be appointed for terms of four years.

Section 60-17-20. (A) The South Carolina Confederate Relic Room and Military Museum is authorized to supplement its state appropriations by receiving donations of funds and artifacts and admission fees and to expend these donations and fees to support its operations and for the acquisition, restoration, preservation, and display of its collection.

(B) The South Carolina Confederate Relic Room and Military Museum is authorized to collect, retain, and expend fees from research and photographic processing requests and from the sale of promotional items.

Section 60-17-30. No artifacts owned by the State in the permanent collections of the South Carolina Confederate Relic Room and Military Museum may be permanently removed or disposed of except by a Concurrent Resolution of the General Assembly.

Section 60-17-40. The Director of the South Carolina Confederate Relic Room and Military Museum must be selected by the South Carolina Confederate Relic Room and Military Museum Commission after consultation with the South Carolina Division Commander of the Sons of the Confederate Veterans and the President of the South Carolina Chapter of the United Daughters of the Confederacy. The director shall serve at the pleasure of the commission.”

B. Article 7, Chapter 11, Title 1 of the 1976 Code is repealed.

Part VII

State Fiscal Accountability Authority and Related Provisions

SECTION 18. A. Title 11 of the 1976 Code is amended by adding:

“CHAPTER 55

State Fiscal Accountability Authority

Section 11-55-10. (A) There is established the State Fiscal Accountability Authority consisting of members as follows:

- (1) the Governor, who shall serve as ex officio as chairman;
 - (2) the State Treasurer, who shall serve ex officio;
 - (3) the Comptroller General, who shall serve ex officio;
 - (4) the Chairman of the Ways and Means Committee of the House of Representatives, ex officio;
- and
- (5) the Chairman of the Senate Finance Committee, ex officio.

(B)(1) The authority shall select an executive director who in turn shall employ other staff under the direction of the State Fiscal Accountability Authority as necessary for the operations of the authority.

(2) The executive director shall serve a four-year term. The executive director may only be removed for malfeasance, misfeasance, incompetency, absenteeism, conflicts of interest, misconduct, persistent neglect of duty in office, or incapacity as found by the authority. The executive director shall have that responsibility and perform the duties prescribed by law and as may be directed by the authority.

(3) The General Assembly, in the annual general appropriations act, shall appropriate those funds necessary for the operations of the authority.

(C) The authority may organize its staff as it considers most appropriate to carry out the various functions, powers, duties, responsibilities, and authority assigned to it.

Section 11-55-30. In the course of conducting and managing state affairs where a matter arises which would under prior precedents and practices be referred to the former Budget and Control Board for decision, although the procedure for the decision is not specifically provided for by general law, the matter instead shall be referred to and decided by the authority.

Section 11-55-40. (A) The authority shall exercise all functions, powers, duties, responsibilities, and authority related to the issuance of bonds and bonding authority, in general found in Title 11 of the 1976 Code but also contained in certain other provisions of South Carolina law, as exercised by the former Budget and Control Board prior to the effective date of Act ____ of 2014, R. ____, S. 22.

(B) The authority shall exercise all functions, powers, duties, responsibilities, and authority, generally found in Title 11 of the 1976 Code but also contained in certain other provisions of South Carolina law, exercised by the former Budget and Control Board related to grants, loans, and other forms of financial assistance to other entities.

(C) Bonded indebtedness issued by the South Carolina Jobs - Economic Development Authority (JEDA) requires approval by the authority as provided in Chapter 43, Title 41. Bonded indebtedness issued pursuant to this item does not constitute nor give rise to a pecuniary liability to the State or a charge against the credit or taxing powers of the State.

Section 11-55-50. Where the applicable enabling statute or the general law relating to a permanent improvement project or the issuance of bonds or funding relating to the project both the review of the Joint Bond Review Committee and the approval by the former Budget and Control Board, the responsibility of the former Budget and Control Board, in this regard, is devolved upon the authority with no prior approval required on the part of the department.”

B. Chapter 47, Title 2 of the 1976 Code is amended to read:

“CHAPTER 47

Joint Bond Review Committee

Section 2-47-10. The General Assembly finds that a need exists for careful planning of permanent improvements and of the utilization of state general obligation and institutional bond authority in order to ensure the continued favorable bond credit rating our State has historically enjoyed. It further finds that the responsibility for ~~proper~~ management of these matters is properly placed upon the ~~General Assembly by our State Constitution~~ legislative and executive branches of government. It is the purpose of this ~~resolution act~~ chapter to further ensure the proper legislative and executive response in the fulfillment of this responsibility.

Section 2-47-20. There is hereby created a six member joint committee of the General Assembly to be known as the Joint Bond Review Committee to study and monitor policies and procedures relating to the approval of permanent improvement projects and to the issuance of state general obligation and institutional bonds; to evaluate the effect of current and past policies on the bond credit rating of the State; and provide advisory assistance in the establishment of future capital management policies. Three members shall be appointed from the Senate Finance Committee by the chairman thereof and three from the Ways and Means Committee of the House of Representatives by the chairman of that committee ~~correspond~~ corresponding to the terms for which they are elected to the General Assembly. The committee shall elect officers of the committee, but any person so elected may succeed himself if elected to do so.

The expenses of the committee shall be paid from approved accounts of both houses. The Legislative Council and all other legislative staff organizations shall provide such assistance as the joint committee may request.

Section 2-47-25. In addition to the members provided for by Section 2-47-20, two additional members shall be appointed by the Chairman of the Ways and Means Committee of the House of Representatives from the membership of that body. Two additional members shall be appointed by the Chairman of the

Finance Committee of the Senate from the membership of the Senate. Members shall serve the same terms as the members of the committee provided for in Section 2-47-20.

Section 2-47-30. The committee is specifically charged with, but not limited to, the following responsibilities:

- (1) ~~To~~ to review, prior to approval by the ~~Budget and Control Board~~ State Fiscal Accountability Authority, the establishment of any permanent improvement project and the source of funds for any such project not previously authorized specifically by the General Assembly;
- (2) ~~To~~ 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~~ to recommend priorities of future bond issuance based on the social and economic needs of the State;
- (4) ~~To~~ to recommend prudent limitations of bond obligations related to present and future revenue estimates;
- (5) ~~To~~ to consult with independent bond counsel and other nonlegislative authorities on such matters and with fiscal officials of other states to gain in-depth knowledge of capital management and assist in the formulation of short- and long-term recommendations for the General Assembly;
- (6) ~~To~~ to carry out all of the above assigned responsibilities in consultation and cooperation with the executive branch of government and the ~~Budget and Control Board~~ authority;
- (7) ~~To~~ to report its findings and recommendations to the General Assembly annually or more frequently if deemed 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 made available and until the Joint Bond Review Committee, in consultation with the ~~Budget and Control Board~~ authority, establishes priorities for the funding of the projects. The Joint Bond Review Committee shall report its priorities 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 ~~State Budget and Control Board (the Board)~~ authority and the Joint Bond Review Committee (~~the Committee~~) in carrying out their respective responsibilities, any agency or institution requesting or receiving funds from any source for use in the financing of any permanent improvement project, as a minimum, shall provide to the ~~Board~~ authority, in such form and at such times as the ~~Board~~ authority, after review by the committee, may prescribe:

- ~~(a)~~(1) a complete description of the proposed project;
- ~~(b)~~(2) a statement of justification for the proposed project;
- ~~(c)~~(3) a statement of the purposes and intended uses of the proposed project;
- ~~(d)~~(4) the estimated total cost of the proposed project;
- ~~(e)~~(5) an estimate of the additional future annual operating costs associated with the proposed project;
- ~~(f)~~(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;
- ~~(g)~~(7) a proposed plan of financing the project, specifically identifying funds proposed from sources other than capital improvement bond authorizations; and
- ~~(h)~~(8) the specification of the priority of each project among those proposed.

(B) All institutions of higher learning shall submit permanent improvement project proposal and justification statements to the ~~Board~~ authority, through the Commission on Higher Education which shall forward all such statements and all supporting documentation received to the ~~Board~~ authority together with its comments and recommendations. The recommendations of the Commission on Higher Education, among other things, shall include all of the permanent improvement projects requested by the

several institutions listed in the order of priority deemed appropriate by the Commission on Higher Education without regard to the sources of funds proposed for the financing of the projects requested.

The Board authority shall forward a copy of each project proposal and justification statement and supporting documentation received together with the Board's authority's recommendations on such projects to the committee for its review and action. The recommendations of the Commission on Higher Education shall be included in the materials forwarded to the committee by the Board authority.

(C) No provision in this section or elsewhere in this chapter, shall 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 board authority shall establish formally each permanent improvement project before actions of any sort which implement the project in any way may be undertaken and no expenditure of any funds for any services or for any other project purpose contracted for, delivered, or otherwise provided prior to the date of the formal action of the board authority to establish the project shall be approved. State agencies and institutions may advertise and interview for project architectural and engineering services for a pending project so long as the architectural and engineering contract is not awarded until after a state project number is assigned. After the committee has reviewed the form to be used to request the establishment of permanent improvement projects and has reviewed the time schedule for considering such requests as proposed by the board authority, requests to establish permanent improvement projects shall be made in such form and at such times as the board authority may require.

(B) Any proposal to finance all or any part of any project using any funds not previously authorized specifically for the project by the General Assembly or using any funds not previously approved for the project by the board authority and reviewed by the committee shall be referred to the committee for review prior to approval by the board authority.

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

(D) For purposes of this chapter, with regard to all institutions of higher learning, permanent improvement project is defined as:

(1) acquisition of land, regardless of cost, with staff level review of the committee and the ~~Budget and Control Board, Capital Budget Office~~ State Fiscal Accountability Authority, up to two hundred fifty thousand dollars;

(2) acquisition, as opposed to the construction, of buildings or other structures, regardless of cost, with staff level review of the committee and the ~~Budget and Control Board, Capital Budget Office~~ State Fiscal Accountability Authority, up to two hundred fifty thousand dollars;

(3) work on existing facilities for any given project including their renovation, repair, maintenance, alteration, or demolition in those instances in which the total cost of all work involved is one million dollars or more;

(4) architectural and engineering and other types of planning and design work, regardless of cost, which is intended to result in a permanent improvement project. Master plans and feasibility studies are not permanent improvement projects and are not to be included;

(5) capital lease purchase of a facility acquisition or construction in which the total cost is one million dollars or more;

(6) equipment that either becomes a permanent fixture of a facility or does not become permanent but is included in the construction contract shall be included as a part of a project in which the total cost is one million dollars or more; and

(7) new construction of a facility that exceeds a total cost of five hundred thousand dollars.

(E) Any permanent improvement project that meets the above definition must become a project, regardless of the source of funds. However, an institution of higher learning that has been authorized or appropriated capital improvement bond funds, capital reserve funds or state appropriated funds, or state infrastructure bond funds by the General Assembly for capital improvements shall process a permanent improvement project, regardless of the amount.

(F) For purposes of establishing permanent improvement projects, Clemson University Public Service Activities (Clemson-PSA) and South Carolina State University Public Service Activities (SC State-PSA) are subject to the provisions of this chapter.

Section 2-47-55. (A) All state agencies responsible for providing and maintaining physical facilities are required to submit a Comprehensive Permanent Improvement Plan (CPIP) to the Joint Bond Review Committee, and the ~~Budget and Control Board~~ authority. The CPIP must include all of the agency's permanent improvement projects anticipated and proposed over the next five years beginning with the fiscal year starting July 1 after submission. The purpose of the CPIP process is to provide the ~~board~~ authority, and the committee with an outline of each agency's permanent improvement activities for the next five years. Agencies must submit a CPIP to the committee, and the ~~board~~ authority on or before a date to be determined by the committee, and the ~~board~~ authority. The CPIP for each higher education agency, including the technical colleges, must be submitted through the Commission on Higher Education which must review the CPIP and provide its recommendations to the ~~board~~ authority, and the committee. The ~~board~~ authority, and the committee must approve the CPIP after submission and may develop policies and procedures to implement and accomplish the purposes of this section.

(B) The State shall define a permanent improvement only in terms of capital improvements, as defined by generally accepted accounting principles, for reporting purposes to the State.

Section 2-47-56. Each state agency and institution may accept gifts-in-kind for architectural and engineering services and construction of a value less than two hundred fifty thousand dollars with the approval of the Commission of Higher Education or its designated staff, the director of the ~~Division of General Services~~ department, and the Joint Bond Review Committee or its designated staff. No other approvals or procedural requirements, including the provisions of Section 11-35-10, may be imposed on the acceptance of such gifts.

Section 2-47-60. The Joint Bond Review Committee is hereby authorized and directed to regulate the starting date of the various projects approved for funding through the issuance of state highway bonds so as to ensure that the sources of revenue for debt service on such bonds shall be sufficient during the current fiscal year."

SECTION 19. A.(1) The Insurance Reserve Fund, is transferred to the State Fiscal Accountability Authority on July 1, 2015, as a division of the authority.

(2) The Insurance Reserve Fund, transferred to the authority shall administer and perform all administrative and operational functions of the Office of Insurance Services, including the Insurance Reserve Fund, except that the Attorney General of this State must continue to approve the attorneys-at-law retained to represent the clients of the Insurance Reserve Fund in the manner provided by law.

B. Section 1-11-140 of the 1976 Code is amended to read:

“Section 1-11-140. (A) The ~~State Budget and Control Board~~ Fiscal Accountability Authority, through the Insurance Reserve Fund, is authorized to provide insurance for the State, its departments, agencies, institutions, commissions, boards, and the personnel employed by the State in its departments, agencies, institutions, commissions, and boards so as to protect the State against tort liability and to protect these personnel against tort liability arising in the course of their employment. The insurance also may be provided for physicians or dentists employed by the State, its departments, agencies, institutions, commissions, or boards against any tort liability arising out of the rendering of any professional services as a physician or dentist for which no fee is charged or professional services rendered of any type whatsoever so long as any fees received are directly payable to the employer of a covered physician or dentist, or to any practice plan authorized by the employer whether or not the practice plan is incorporated and registered with the Secretary of State; provided, any insurance coverage provided by the ~~Budget and Control Board~~ authority may be on the basis of claims made or upon occurrences. The insurance also may be provided for students of high schools, South Carolina Technical Schools, or state-supported colleges and universities while these students are engaged in work study, distributive education, or apprentice programs on the premises of private companies. Premiums for the insurance must be paid from appropriations to or funds collected by the various entities, except that in the case of the above-referenced students in which case the premiums must be paid from fees paid by students participating in these training programs. The ~~board~~ authority has the exclusive control over the investigation, settlement, and defense of claims against the various entities and personnel for whom it provided insurance coverage and may promulgate regulations in connection therewith.

(B) Any political subdivision of the State including, without limitations, municipalities, counties, and school districts, may procure the insurance for itself and for its employees in the same manner provided for the procurement of this insurance for the State, its entities, and its employees, or in a manner provided by Section 15-78-140.

(C) The procurement of tort liability insurance in the manner provided is the exclusive means for the procurement of this insurance.

(D) The ~~State Budget and Control Board~~ authority, through the ~~Office of Insurance Services~~ Insurance Reserve Fund, also is authorized to offer insurance to governmental hospitals and any subsidiary of or other entity affiliated with the hospital currently existing or as may be established; and chartered, nonprofit, eleemosynary hospitals and any subsidiary of or other entity affiliated with the hospital currently existing or as may be established in this State so as to protect these hospitals against tort liability. Notwithstanding any other provision of this section, the procurement of tort liability insurance by a hospital and any subsidiary of or other entity affiliated with the hospital currently existing or as may be established supported wholly or partially by public funds contributed by the State or any of its political subdivisions in the manner herein provided is not the exclusive means by which the hospital may procure tort liability insurance.

(E) The ~~State Budget and Control Board~~ authority, through the ~~Office of Insurance Services~~ Insurance Reserve Fund, is authorized to provide insurance for duly appointed members of the boards and employees of health system agencies, and for members of the State Health Coordinating Council which are created pursuant to Public Law 93-641.

(F) The ~~board~~ authority, through the ~~Office of Insurance Services~~ Insurance Reserve Fund, is further authorized to provide insurance as prescribed in Sections 10-7-10 through 10-7-40, 59-67-710, and 59-67-790.

(G) Documentary or other material prepared by or for the ~~Office of Insurance Services~~ Insurance Reserve Fund in providing any insurance coverage authorized by this section or any other provision of law which is contained in any claim file is subject to disclosure to the extent required by the Freedom of Information Act only after the claim is settled or finally concluded by a court of competent jurisdiction.

(H) The ~~board~~ authority, through the ~~Office of Insurance Services~~ Insurance Reserve Fund, is further authorized to provide insurance for state constables, including volunteer state constables, to protect these personnel against tort liability arising in the course of their employment, whether or not for compensation, while serving in a law enforcement capacity.”

C. Section 15-78-140 of the 1976 Code is amended to read:

“Section 15-78-140. ~~(a) (Reserved)~~

~~(b)(A)~~ The political subdivisions of this State, in regard to tort and automobile liability, property, and casualty insurance shall procure insurance to cover these risks for which immunity has been waived by (1) the purchase of liability insurance pursuant to Section 1-11-140; or (2) the purchase of liability insurance from a private carrier; or (3) self-insurance; or (4) establishing pooled self-insurance liability funds, by intergovernmental agreement, which may not be construed as transacting the business of insurance or otherwise subject to state laws regulating insurance. A pooled self-insurance liability pool is authorized to purchase specific and aggregate excess insurance. A pooled self-insurance liability fund must provide liability coverage for all employees of a political subdivision applying for participation in the fund. If the insurance is obtained other than pursuant to Section 1-11-140, it must be obtained subject to the following conditions:

(1) if the political subdivision does not procure tort liability insurance pursuant to Section 1-11-140, it must also procure its automobile liability and property and casualty insurance from other sources and shall not procure these coverages through the ~~Budget and Control Board Insurance Reserve Fund~~;

(2) if a political subdivision procures its tort liability insurance, automobile liability insurance, or property and casualty insurance through the ~~Budget and Control Board Insurance Reserve Fund~~, all liability exposures of the political subdivision as well as its property and casualty insurance must be insured with the ~~Budget and Control Board Insurance Reserve Fund~~;

(3) if the political subdivision, at any time, procures its tort liability, automobile liability, property, or casualty insurance other than through the ~~Budget and Control Board Insurance Reserve Fund~~ and then subsequently desires to obtain this coverage with the ~~Budget and Control Board Insurance Reserve Fund~~, notice of its intention to so obtain this subsequent coverage must be provided the ~~Budget and Control Board Insurance Reserve Fund~~ at least ninety days prior to the beginning of the coverage with the ~~State Budget and Control Board Insurance Reserve Fund~~. The other lines of insurance that the political subdivision is required to procure from the ~~board fund~~ are not required to commence until the coverage for that line of insurance expires. Any political subdivision may cancel all lines of insurance with the ~~State Budget and Control Board Insurance Reserve Fund~~ if it gives ninety days' notice to the ~~board fund~~. The ~~Budget and Control Board Insurance Reserve Fund~~ may negotiate the insurance coverage for any political subdivision separate from the insurance coverage for other insureds;

(4) if any political subdivision cancels its insurance with the ~~Budget and Control Board Insurance Reserve Fund~~, it is entitled to an appropriate refund of the premium, less reasonable administrative cost.

~~(e)(B)~~ For any claim filed under this chapter, the remedy provided in Section 15-78-120 is exclusive. The immunity of the State and its political subdivisions, with regard to the seizure, execution, or encumbrance of their properties is reaffirmed.”

SECTION 20. A. Section 1-11-440 of the 1976 Code is amended to read:

“Section 1-11-440. (A) The State must defend the members of the ~~State Budget and Control Board~~ State Fiscal Accountability Authority and the Director of the Department of Administration against a claim or suit that arises out of or by virtue of their performance of official duties on behalf of the ~~board authority or the department, as applicable,~~ and must indemnify ~~these members~~ them for a loss or judgment incurred by them as a result of the claim or suit, without regard to whether the claim or suit is brought against them in their individual or official capacities, or both. The State must defend officers and management employees of the ~~board authority, and~~ legislative employees performing duties for ~~board the authority's members or the department, and the department's officers and management employees~~ against a claim or suit that arises out of or by virtue of the performance of official duties unless the officer, management employee, or legislative employee was acting in bad faith and must indemnify these officers, management employees, and legislative employees for a loss or judgment incurred by them as a result of

such claim or suit, without regard to whether the claim or suit is brought against them in their individual or official capacities, or both. This commitment to defend and indemnify extends to members of the authority, the authority's officers and management employees, officers, the department's director and officers and management employees, and legislative employees after they have left their employment with the ~~board~~ authority, or the General Assembly, as applicable, or the department, as applicable, if the claim or suit arises out of or by virtue of their performance of official duties on behalf of ~~the board~~ their employer.

(B) The State must defend the members of the Retirement Systems Investment Panel established pursuant to Section 16, Article X of the Constitution of this State and Section 9-16-310 against a claim or suit that arises out of or by virtue of their performance of official duties on behalf of the panel and must indemnify these members for a loss or judgment incurred by them as a result of the claim or suit, without regard to whether the claim or suit is brought against them in their individual or official capacities, or both. This commitment to defend and indemnify extends to members of the panel after they have left their service with the panel if the claim or suit arises out of or by virtue of their performance of official duties on behalf of the panel.”

B.1. Section 11-18-20 of the 1976 Code, as added by Act 290 of 2010, is amended to read:

“Section 11-18-20. (a) ‘ARRA Bonds’ mean:

(1) recovery zone bonds authorized under Section 1401 of ARRA; and
(2) Qualified Energy Conservation Bonds authorized under Section 301(a) of Tax Extenders and Alternative Minimum Tax Relief Act of 2008, Pub. L. 110-343, 122 Stat. 1365 (2008) as amended by Section 112 of ARRA.

(b) ‘Board’ means the ~~South Carolina Budget and Control Board~~ State Fiscal Accountability Authority’s governing board.

(c) ‘Code’ means the Internal Revenue Code of 1986, as amended.

(d) ‘Local Government’ means each county and municipality that received an allocation of Volume Cap pursuant to the Code and IRS Notice 2009-50.

(e) ‘Other federal bonds’ mean any such bond, whether tax--exempt, taxable or tax credit, created after the date hereof whereby a volume cap limitation is proscribed under the Code.

(f) ‘Qualified energy conservation bond’ means the term as defined in Section 54D(a) of the Code.

(g) ‘Recovery zone’ means the term as defined in Section 1400U-1(b) of the Code.

(h) ‘Recovery zone economic development bond’ means the term as defined in Section 1400U-2 of the Code.

(i) ‘Recovery zone facility bond’ means the term as defined in Section 1400U-3 of the Code.

(j) ‘State’ means the State of South Carolina.

(k) ‘Volume Cap’ means the amount or other limitation of ARRA Bonds allocated to each state and to counties and large municipalities within each state in accordance with Section 1400U-1(a)(4) of the Code, with respect to Recovery Zone Economic Development Bonds and Recovery Zone Facility Bonds, Section 54D(e)(1) of the Code, with respect to Qualified Energy Conservation Bonds, and any other section of the Code which imposes a volume cap limitation on any other Federal Bonds.”

2. The Code Commissioner is directed to change references in Chapter 18 , Title 11 of the 1976 Code from “State Budget and Control Board” or any similar derivation of this term to “State Fiscal Accountability Authority”.

C. The final paragraph of Section 11-27-10 of the 1976 Code is amended to read:

“‘Ratification date’ shall mean the effective date of New Article X. ‘State board’ shall mean the ~~State Budget and Control Board~~ governing body of the State Fiscal Accountability Authority. Any term defined in New Article X shall have the meanings therein given to such term.”

D. Chapter 31, Title 11 of the 1976 Code is amended by adding:

“Section 11-31-5. For the purposes of this chapter, ‘state board’ shall mean the governing body of the State Fiscal Accountability Authority.”

E. Section 11-37-30 of the 1976 Code is amended to read:

“Section 11-37-30. There is created a body politic and corporate known as the South Carolina Resources Authority. The authority is declared to be a public instrumentality of the State and the exercise by it of any power conferred in this chapter is the performance of an essential public function. The authority consists of the members of the State ~~Budget and Control Board~~ Fiscal Accountability Authority.”

F. Section 11-38-20(A) of the 1976 Code is amended to read:

“(A) The State ~~Budget and Control Board~~ Fiscal Accountability Authority is authorized to provide for the issuance of capital improvement bonds in denominations of less than ~~\$1,000~~ one thousand dollars.”

G. 1. Section 11-40-20(A) of the 1976 Code is amended to read:

“(A) There is created a body corporate and politic and an instrumentality of the State to be known as the South Carolina Infrastructure Facilities Authority. The members of the ~~South Carolina State Budget and Control Board~~ State Fiscal Accountability Authority comprise the authority to serve ex officio in the same capacity as they serve as members of the authority.”

2. Section 11-40-250 of the 1976 Code is amended to read:

“Section 11-40-250. The Division of Local Government of the State ~~Budget and Control Board~~ Rural Infrastructure Authority shall provide staff and otherwise assist the authority in the administration of the fund and the performance of its functions under this chapter. The funds to be used for purposes of the Infrastructure Facilities Authority must come from funds appropriated to or made available to the Infrastructure Facilities Authority and not those funds of the Rural Infrastructure Authority, the administration of which also is a part of the responsibilities of the Division of Local Government as provided by law. In providing such assistance the Division of Local Government shall:

- (1) assist in the formulation, establishment, and structuring of programs undertaken by the authority pursuant to this chapter;
- (2) provide local governments information as to the programs of the authority and the procedures for obtaining the assistance intended by the chapter;
- (3) assist local governments in making application to such state and federal agencies, including the authority, as may be necessary or helpful in order to avail themselves of such programs;
- (4) assist the authority in analyzing and evaluating local government requests for assistance pursuant to this chapter;
- (5) assist in the structuring and negotiation of local government loan agreements and loan obligations and authority bonds;
- (6) administer the fund, including any accounts therein;
- (7) administer the authority’s programs and loans, including monitoring compliance by local governments with any rules, regulations, or other requirements of the authority with respect to such programs and compliance with covenants and agreements made by local governments with respect to any loan agreement or loan obligation; and

(8) provide ~~such~~ other assistance and perform ~~such~~ other duties as may be requested or directed by the authority.”

H.1. The first paragraph of Section 11-41-70 of the 1976 Code is amended to read:

“Before issuing economic development bonds, the department or in the case of a tourism training infrastructure project or a national and international convention and trade show center, the State or agency, instrumentality, or political subdivision thereof that will own such project shall notify the Joint Bond Review Committee and the State ~~Budget and Control Board~~ Fiscal Accountability Authority of the following:”

2. Sections 11-41-80, 11-41-90, and 11-41-100 of the 1976 Code are amended to read:

“Section 11-41-80. Following the receipt of the notification presented pursuant to Section 11-41-70 and after ~~approval~~ review by the Joint Bond Review Committee, ~~and approval by the State Budget and Control Board~~ Fiscal Accountability Authority, by resolution duly adopted, shall effect the issue of bonds, or pending the issue of the bonds, effect the issue of bond anticipation notes pursuant to Chapter 17 of this title.

Section 11-41-90. To effect the issuance of bonds, the State ~~Budget and Control Board~~ Fiscal Accountability Authority shall adopt a resolution providing for the issuance of bonds pursuant to the provisions of this chapter. The authorizing resolution must include:

- (1) a statement of whether the bonds are being authorized and issued pursuant to Section 11-41-50(A) or Section 11-41-50(B);
- (2) a schedule showing the aggregate of bonds issued, the annual principal payments required to retire the bonds, and the interest on the bonds;
- (3) the amount of bonds proposed to be issued;
- (4) a schedule showing future annual principal requirements and estimated annual interest requirements on the bonds to be issued; and
- (5) certificates evidencing that the provisions of Sections 11-41-50 and 11-41-60 have been or will be met.

Section 11-41-100. The bonds must bear the date and mature at the time that the resolution provides, except that a bond may not mature more than thirty years from its date of issue. The bonds may be in the denominations, be payable in the medium of payment, be payable at the place and at the time, and be subject to redemption or repurchase and contain other provisions determined by the State ~~Budget and Control Board~~ Fiscal Accountability Authority before their issue. The bonds may bear interest payable at the times and at the rates determined by the State ~~Budget and Control Board~~ Fiscal Accountability Authority.”

3. Section 11-41-180 of the 1976 Code is amended to read:

“Section 11-41-180. All procurements of infrastructure, as defined in Section 11-41-30 and owned by a research university, as defined in Section 11-51-30(5), shall be exempt from Title 11, Chapter 35, except that such research university must work in conjunction with the ~~Budget and Control Board's~~ State Fiscal Accountability Authority's Chief Procurement Officer to establish alternative procurement procedures. The research university shall submit its alternative procurement procedures to the ~~State Budget and Control Board~~ State Fiscal Accountability Authority for approval. ~~Such~~ The procurement process shall include provisions for audit and recertification.”

I. Section 11-43-510(2) of the 1976 Code is amended to read:

“(2) ‘State board’ means the ~~State Budget and Control Board~~ governing board of the State Fiscal Accountability Authority.”

J. 1. Section 11-45-30(10) of the 1976 Code is amended to read:

“(10) ‘Lender’ means a banking institution subject to the income tax on banks under Chapter 11 of Title 12, an insurance company subject to a state premium tax liability pursuant to Chapter 7 of Title 38, a captive insurance company regulated pursuant to Chapter 90 of Title 38, a utility regulated pursuant to Title 58, or a financial institution with proven experience in state-based venture capital transactions, pursuant to guidelines established by the authority. Both the guidelines and the lender must be approved by the State ~~Budget and Control Board~~ Fiscal Accountability Authority.”

2. Section 11-45-55(B) of the 1976 Code is amended to read:

“(B) The authority shall issue tax credit certificates to each lender contemporaneously with each loan made pursuant to this chapter in accordance with any guidelines established by the authority pursuant to Section 11-45-100. The tax credit certificates must describe procedures for the issuance, transfer and redemption of the certificates, and related tax credits. These certificates also must describe the amounts, year, and conditions for redemption of the tax credits reflected on the certificates. Once a loan is made by a lender, the certificate issued to the lender shall be binding on the authority and this State and may not be modified, terminated, or rescinded. The form of the tax credit certificate must be approved by the State ~~Budget and Control Board~~ Fiscal Accountability Authority.”

3. Section 11-45-105 of the 1976 Code is amended to read:

“Section 11-45-105. Any guideline issued by the authority pursuant to this chapter must be approved by the State ~~Budget and Control Board~~ Fiscal Accountability Authority.”

K. Section 11-49-40 of the 1976 Code is amended to read:

“Section 11-49-40. (A) The authority is governed by a board, ~~which that~~ shall consist of five members as follows: the Governor or his designee, the State Treasurer, the Comptroller General, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee. The Governor shall serve as chairman; and in the absence of the Governor, meetings must be chaired by the State Treasurer the members of the State Fiscal Accountability Authority. All members serve ex officio.

(B) Members of the board serve without pay but are allowed the usual mileage, per diem, and subsistence as provided by law for members of state boards, committees, and commissions.

(C) Members of the board and its employees, if any, are subject to the provisions of Chapter 13, Title 8, the Ethics, Government Accountability, and Campaign Reform Act, and Chapter 17, ~~of~~ Title 2, relating to lobbying.

(D) To the extent that administrative assistance is needed for the functions and operations of the authority, the board may obtain this assistance from the Office of the State Treasurer and the State ~~Budget and Control Board~~ Fiscal Accountability Authority, and any successor agency, office, or division, each of which must provide the assistance requested by the board at no cost to the board or to the authority other than for expenses incurred and paid to entities that are not agencies or departments of the State. The board must retain ultimate responsibility and provide proper oversight for the implementation of this chapter.

(E) The board shall exercise the powers of the authority. A majority of the members of the board constitutes a quorum for the purpose of conducting all business. The board shall determine the number of personnel it requires, their compensation, and duties.”

L. 1. Section 11-51-30(6) of the 1976 Code is amended to read:

“(6) ‘State board’ means the ~~South Carolina State Budget and Control Board~~ governing board of the State Fiscal Accountability Authority.”

2. Section 11-51-125(A)(2) of the 1976 Code is amended to read:

“(2) thirty-five percent of the total twelve percent must be allocated by FTE student enrollment from the prior academic year at each eligible institution.

The Research Centers of Excellence Review Board has no jurisdiction over these projects and no matching requirement is imposed for these projects. The Joint Bond Review Committee must review and the State ~~Budget and Control Board~~ Fiscal Accountability Authority must approve all projects.”

3. Section 11-51-190 of the 1976 Code is amended to read:

“Section 11-51-190. The research universities while engaging in projects related to this act shall be exempt from the state procurement process, except ~~such that the~~ research universities must work in conjunction with the ~~Budget and Control Board’s~~ State Fiscal Accountability Authority’s Chief Procurement Officer to establish alternate procurement procedures, and must submit a procurement process to the State Commission on Higher Education to be forwarded to the State ~~Budget and Control Board~~ Fiscal Accountability Authority for approval. These processes shall include provisions for audit and recertification.”

M. Section 59-109-30(1) of the 1976 Code is amended to read:

“(1) ‘Authority’ means the State ~~Budget and Control Board~~ Fiscal Accountability Authority, acting as the Educational Facilities Authority for Private Nonprofit Institutions of Higher Learning and serving ex officio.”

N. Section 59-109-40 of the 1976 Code is amended to read:

“Section 59-109-40. There is hereby created a body politic and corporate to be known as the ‘Educational Facilities Authority for Private Nonprofit Institutions of Higher Learning,’ hereinafter in this chapter called the Authority. The Authority is constituted a public instrumentality and the exercise by the Authority of the powers conferred by this chapter ~~shall~~ must be deemed and held to be the performance of an essential public function. The Authority shall consist of the members from time to time of the State ~~Budget and Control Board~~ Fiscal Accountability Authority, ex officio; and all the functions and powers of the Authority are hereby granted to the State ~~Budget and Control Board~~ Fiscal Accountability Authority, as an incident of its functions in connection with the public finances of the State.”

O.1. Section 59-115-20(1) of the 1976 Code is amended to read:

“(1) ‘Authority’ ~~shall mean~~ means the State ~~Budget and Control Board of South Carolina~~ Fiscal Accountability Authority, acting as the State Education Assistance Authority.”

2. Section 59-115-40 of the 1976 Code is amended to read:

“Section 59-115-40. There is hereby created a body politic and corporate to be known as the State Education Assistance Authority (Authority). The Authority is hereby declared to be a public instrumentality of the State and the exercise by the Authority of any power conferred herein shall be

deemed and held to be the performance of an essential public function. The Authority shall consist of the members, from time to time, of the State ~~Budget and Control Board of South Carolina~~ Fiscal Accountability Authority, ex officio.”

P. Section 48-5-30 of the 1976 Code is amended to read:

“Section 48-5-30. There is created the South Carolina Water Quality Revolving Fund Authority. The authority is a public instrumentality of this State and the exercise by it of a power conferred in this chapter is the performance of an essential public function. The members of the State ~~Budget and Control Board~~ Fiscal Accountability Authority comprise the authority.”

SECTION 21. Section 11-35-310(2) of the 1976 Code is amended to read:

“(2) ‘Board’ means ~~Budget and Control Board~~ governing body of the State Fiscal Accountability Authority.”

Part VIII

Naval Base Museum Authority

SECTION 22. (A) Notwithstanding any other provision of law, in addition to the present members of the Charleston Naval Complex Redevelopment Authority, as created by gubernatorial executive order pursuant to Section 31-12-40 of the 1976 Code, there shall be four additional members, two appointed by the Speaker of the House of Representatives and two appointed by the President Pro Tempore of the Senate. These four additional members shall each serve for terms of four years and until their successors are appointed and qualify. Vacancies shall be filled for the remainder of the unexpired term by appointment in the same manner of original appointment.

(B) These four additional members shall serve as members of the Charleston Naval Complex Redevelopment Authority with the same powers, duties, and responsibilities of other such members as provided by law. In addition, these four members, together with the gubernatorial appointees to the Charleston Naval Complex Redevelopment Authority, shall also constitute the Charleston Navy Base Museum Authority as a division of the Charleston Naval Redevelopment Authority. Service as a member of the Navy Base Museum Authority is considered an additional and supplemental function and duty of those specified members of the Naval Complex Redevelopment Authority and is not considered another office of honor or profit of this State. The Navy Base Museum Authority shall select from among its members a chairman and such other officers as they consider necessary.

(C) The Naval Base Museum Authority shall become operative upon the signing of a Memorandum of Understanding between the RDA and the Hunley Commission. With respect to the Hunley project, the MOU must provide for the Naval Base Museum Authority division of the RDA to undertake and comply with the duties, responsibilities, powers, and functions of the Hunley Commission as specified in Sections 54-7-100 and 54-7-110 of the 1976 Code, and as otherwise provided by law. The Navy Base Museum Authority shall possess and may exercise all powers and authority granted to the Hunley Commission by specific statutory reference in Sections 54-7-100 and 54-7-110.

(D) Notwithstanding the provisions of this act, the provisions of this section take effect upon approval by the Governor.

SECTION 23. A. Section 2-65-15(4) of the 1976 Code is amended to read:

“(4) “Board” means the ~~State Budget and Control Board~~ Executive Budget Office.”

B. Chapter 65, Title 2 of the 1976 Code is amended by adding:

“Section 2-65-130. If the board does not authorize an expenditure proposal then the proposal must be forwarded to the State Fiscal Accountability Authority for consideration. The authority may overturn the decision by the board and authorize the expenditures requested in the proposal if the authority finds that the expenditure proposal meets the standards for approval provided in this chapter.”

SECTION 24. A. Section 41-43-100 of the 1976 Code, as last amended by Act 404 of 1992, is further 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, of 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, of Title 4, is or will be located, containing the findings ~~set forth in~~ 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 in which the project is or will be 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 State ~~Budget and Control Board~~ Fiscal Accountability Authority.”

B. Section 41-43-110(A) of the 1976 Code, as last amended by Act 404 of 1992, is further amended to read:

“(A) The authority may issue bonds to provide funds for any program authorized by this chapter. The bonds authorized by this chapter are limited obligations of the authority. The principal and interest are payable solely out of the revenues derived by the authority. The bonds issued do not constitute an indebtedness of the State or the authority within the meaning of any state constitutional provision or statutory limitation. They are an indebtedness payable solely from a revenue producing source or from a special source ~~which that~~ does not include revenues from any tax or license. The bonds do not constitute nor give rise to a pecuniary liability of the State or the authority or a charge against the general credit of the authority or the State or taxing powers of the State and this fact must be plainly stated on the face of each bond. The bonds may be executed and delivered at any time as a single issue or from time to time as several issues, may be in such form and denominations, may be of such tenor, may be in coupon or registered form, may be payable in such installments and at such time, may be subject to terms of redemption, may be payable at such place, may bear interest at such rate payable at such place and evidenced in such manner, and may contain such provisions not inconsistent herewith, all of which are provided in the resolution of the authority authorizing the bonds. Subject to ~~Budget and Control Board~~ approval by the State Fiscal Accountability Authority as to their issuance and sale, any bonds issued under this section may be sold at public or private sale as may be determined to be most advantageous. The bonds may be sold at public or private sale and, if by private sale, the authority shall designate the syndicate manager or managers. The authority may pay all expenses, premiums, insurance premiums, and commissions which it considers necessary from proceeds of the bonds or program funds in connection with the sale of bonds. The interest rate of bonds issued pursuant to this section is ~~not~~ subject to approval by the State ~~Budget and Control Board~~ Fiscal Accountability Authority.”

Part IX

Performance Audit, Other Transfers and Provisions, and Effective Date

SECTION 25. (A)(1) The Code Commissioner is directed to change or correct all references to these offices of the former Budget and Control Board in the 1976 Code, Office of the Governor, or other agencies to reflect the transfer of them to the Department of Administration or other entities, including those newly created by the provisions of this act. References to the names of these offices in the 1976 Code or other provisions of law are considered to be and must be construed to mean appropriate references.

(2) On or before July 1, 2014, the Code Commissioner also shall prepare and deliver a report to the President Pro Tempore of the Senate and the Speaker of the House of Representatives concerning appropriate and conforming changes to the 1976 Code of Laws reflecting the provisions of this act.

(B)(1) No later than December 31, 2015, the State Fiscal Accountability Authority shall undertake a strategic sourcing initiative through which it must analyze the state's current spending on various categories of goods and services, identify the greatest opportunities to leverage the state's purchasing power, and prioritize the state's subsequent efforts to maximize achievable savings.

(2) No later than June 30, 2016, the State Fiscal Accountability Authority shall submit a report to the Governor, the President Pro Tempore of the Senate, and the Speaker of the House of Representatives to recommend changes to statutes, policies, and procedures governing state procurement activities. The recommendations shall be formulated in order to reduce costs, accelerate processing times, and improve services provided to state agencies and their business partners.

SECTION 26. A. During the year 2020, the Legislative Audit Council shall conduct a performance review of the provisions of this act to determine its effectiveness and achievements with regard to the more efficient performance of the functions and duties of the various agencies provided for herein and the cost savings and benefits to the State.

B. Section 2-15-50(b)(2) of the 1976 Code is amended to read:

“(2) the effectiveness of organizations, programs, activities, or functions and whether these organizations, programs, activities, or functions should be continued, revised, or eliminated;”

SECTION 27. If any section, subsection, paragraph, subparagraph, sentence, clause, phrase, or word of this act is for any reason held to be unconstitutional or invalid, such holding shall not affect the constitutionality or validity of the remaining portions of this act, the General Assembly hereby declaring that it would have passed this act, and each and every section, subsection, paragraph, subparagraph, sentence, clause, phrase, and word thereof, irrespective of the fact that any one or more other sections, subsections, paragraphs, subparagraphs, sentences, clauses, phrases, or words hereof may be declared to be unconstitutional, invalid, or otherwise ineffective.

SECTION 28. Unless otherwise provided, this act takes effect July 1, 2015. However, beginning on January 1, 2014, the appropriate officials of the executive, legislative, and judicial branches involved with the implementation of the provisions of this act including the transfer of divisions, offices, and personnel to other agencies, the implementation of new offices or divisions within agencies, and the negotiation and execution of necessary agreements relating to this act such as memorandums of understanding may begin undertaking and executing these responsibilities so that the provisions of this act may be fully implemented on July 1, 2015, with the appropriations contained in the 2014-2015 general appropriations act to the fullest extent possible being reflective of the transfers, realignments and restructuring provided by this act. /

Amend title to conform.

Senator Thomas C. Alexander

Representative James H. "Jay" Lucas

Senator Vincent A. Sheheen

Representative F. Gregory "Greg" Delleney, Jr.

Senator A. Shane Massey

Representative Leonidas E. "Leon" Stavrinakis

On Part of the Senate.

On Part of the House.