**South Carolina General Assembly**

118th Session, 2009-2010

**A315, R336, H4966**

**STATUS INFORMATION**

General Bill

Sponsors: Rep. Funderburk

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Introduced in the House on May 12, 2010

Introduced in the Senate on May 18, 2010

Passed by the General Assembly on June 1, 2010

Governor's Action: June 11, 2010, Vetoed

Legislative veto action(s): Veto overridden

Summary: Kershaw County School District

**HISTORY OF LEGISLATIVE ACTIONS**

 Date Body Action Description with journal page number

 5/12/2010 House Introduced, read first time, placed on calendar without reference [HJ](file:///h%3A%5CHJ%20Archive%5C2010%5C05-12-10.docx)‑14

 5/13/2010 House Read second time [HJ](file:///h%3A%5CHJ%20Archive%5C2010%5C05-13-10.docx)‑8

 5/13/2010 House Unanimous consent for third reading on next legislative day [HJ](file:///h%3A%5CHJ%20Archive%5C2010%5C05-13-10.docx)‑8

 5/14/2010 House Read third time and sent to Senate [HJ](file:///h%3A%5CHJ%20Archive%5C2010%5C05-14-10.docx)‑1

 5/18/2010 Senate Introduced, read first time, placed on local & uncontested calendar [SJ](file:///h%3A%5CSJ%20Archive%5C2010%5C05-18-10.docx)‑11

 5/27/2010 Senate Read second time [SJ](file:///h%3A%5CSJ%20Archive%5C2010%5C05-27-10.docx)‑29

 6/1/2010 Senate Read third time and enrolled [SJ](file:///h%3A%5CSJ%20Archive%5C2010%5C06-01-10.docx)‑35

 6/7/2010 Ratified R 336

 6/11/2010 Vetoed by Governor

 6/15/2010 House Veto overridden by originating body Yeas‑2 Nays‑0 [HJ](file:///h%3A%5CHJ%20Archive%5C2010%5C06-15-10.docx)‑134

 6/16/2010 Senate Veto overridden Yeas‑2 Nays‑0 [SJ](file:///h%3A%5CSJ%20Archive%5C2010%5C06-16-10.docx)‑50

 7/28/2010 Effective date 06/16/10

 9/9/2010 Act No. 315

**VERSIONS OF THIS BILL**

[5/12/2010](file:///p%3A%5Cpprever%5C2009-10%5C4966_20100512.docx)

[5/12/2010-A](file:///p%3A%5Cpprever%5C2009-10%5C4966_20100512A.docx)

[5/18/2010](file:///p%3A%5Cpprever%5C2009-10%5C4966_20100518.docx)

(A315, R336, H4966)

**AN ACT TO AUTHORIZE THE BOARD OF TRUSTEES OF THE SCHOOL DISTRICT OF KERSHAW COUNTY TO ISSUE GENERAL OBLIGATION BONDS OF THE SCHOOL DISTRICT WITHIN ITS CONSTITUTIONAL DEBT LIMIT, IN ONE OR MORE SERIES, IN A TOTAL AMOUNT NOT TO EXCEED TWO MILLION FIVE HUNDRED THOUSAND DOLLARS, TO DEFRAY THE LOSS OF EDUCATION FINANCE ACT FUNDS TO THE SCHOOL DISTRICT, TO PRESCRIBE THE CONDITIONS UNDER WHICH THE BONDS MAY BE ISSUED AND THE PURPOSES FOR WHICH THE PROCEEDS MAY BE EXPENDED, AND TO MAKE PROVISION FOR THE PAYMENT OF THE BONDS.**

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

**School District of Kershaw County; bond authority for operating deficit**

SECTION 1. (A) The General Assembly finds that the School District of Kershaw County did, in Fiscal Year 2009‑2010, experience a revenue shortfall upon the loss of Education Finance Act funds to the school district which has resulted in a budgetary crisis. In responding to this financial crisis, the board of trustees of the school district is exploring all of its options, including eliminating teaching and other staff positions, eliminating programs, and increasing class size.

 (B) There presently exists no statutory authorization for the school district to incur bonded indebtedness to fund an operating deficit or to fund school operating expenditures. The General Assembly has determined to authorize the board of trustees of the school district to issue general obligation bonds of the school district to fund the deficit and school operating expenditures to the extent permitted under the constitutional debt limit applicable to the school district under Section 15, Article X of the Constitution of this State.

 (C) The School District of Kershaw County shall use the proceeds of the general obligation bonds provided in this act only to fund teacher salaries.

**Bond authority; purposes; amount**

SECTION 2. For the purpose of funding the 2009‑2010 deficit of the school district and for the purpose of paying school operating expenses for Fiscal Years 2010‑2011 and 2011‑2012 so as to mitigate a deficit for Fiscal Years 2010‑2011 and 2011‑2012, the board may on or before December 31, 2011, issue, without an election, general obligation bonds of the school district, in an amount not to exceed two million five hundred thousand dollars within the constitutional debt limitation applicable to the school district.

**Maturity of bonds**

SECTION 3. Bonds issued pursuant to this act mature on the dates the board prescribes.

**Bond provisions**

SECTION 4. Bonds issued pursuant to this act may be issued with a provision for their redemption prior to their maturity at par and accrued interest, plus a redemption premium as may be prescribed by the board, but no bond is redeemable before maturity, unless it contains a statement to that effect. In the proceedings authorizing the issuance of the bonds, provision must be made specifying the manner of call and the notice of call must be given.

**Form of bonds**

SECTION 5. Bonds issued pursuant to this act must be in the form of fully registered bonds payable upon conditions as the board may prescribe.

**Bond denominations; place made payable**

SECTION 6. Bonds issued pursuant to this act must be in a denomination and must be made payable at a place, within or without the State, as the board prescribes.

**Interest on bonds**

SECTION 7. Bonds issued pursuant to this act bear interest at a rate or rates determined by the board.

**Execution of bonds**

SECTION 8. Bonds must be executed in a manner as the board prescribes by resolution.

**Bond price; bond sale**

SECTION 9. Bonds issued pursuant to this act must be sold at a price of not less than par and accrued interest, if any, to the date of their respective deliveries. Bonds authorized by this act may be sold at private or public sale upon the terms prescribed by the board.

**Pledge of full faith, credit, and taxing power of district; levy of taxes**

SECTION 10. For the payment of principal of and interest on all bonds issued pursuant to this act, as they respectively mature, and for the creation of a sinking fund as may be necessary therefor, the full faith, credit, and taxing power of the school district must be irrevocably pledged, and there may be levied annually by the Auditor of Kershaw County, and collected by the Treasurer of Kershaw County, in the same manner as county taxes are levied and collected, a tax without limit on all taxable property in the school district sufficient to pay the principal of and interest on the bonds as they respectively mature and to create a sinking fund as may be necessary therefor.

**Principal and interest on bonds to have tax‑exempt status**

SECTION 11. The principal of and interest on bonds issued pursuant to this act have the tax‑exempt status prescribed by Section 12‑2‑50 of the 1976 Code.

**Proceeds deposit and allocation**

SECTION 12. The proceeds derived from the sale of any bonds issued pursuant to this act must be paid to the Treasurer of Kershaw County, to be deposited in a bond account fund for the school district and must be expended and made use of by the board as follows:

 (a) any accrued interest must be applied to the payment of the first installment of interest to become due on the bonds;

 (b) any premium may be applied to the payment of the first installment of principal on the bonds or be deposited in the bond fund account for the school district;

 (c) the remaining proceeds of the bonds must be used to defray the cost of issuing bonds authorized by this act and to fund the operating deficit for Fiscal Year 2009‑2010 and to pay operating expenses for Fiscal Years 2010‑2011 and 2011‑2012 so as to mitigate a deficit for Fiscal Years 2010‑2011 and 2011‑2012; and

 (d) if any balance remains, it must be held by the Treasurer of Kershaw County in a special fund to be used to effect the retirement of bonds.

**Powers of the board of trustees of school district**

SECTION 13. The powers and authorizations conferred upon the board by this act are in addition to all other powers and authorizations previously vested in the board and may be availed of pursuant to action taken at any regular or special meeting of the board by a resolution to take effect immediately upon its adoption.

**No election, other condition precedent necessary to effect issuance of bonds**

SECTION 14. No elections prescribed as a condition precedent to the issuance of the bonds and no action other than that prescribed in this act need to be taken to effect the issuance of bonds nor are required to obtain the approval of any other public agency to any action taken pursuant to the authorizations by this act.

**Bond anticipation notes may be issued**

SECTION 15. In anticipation of the issuance of the bonds authorized by this act, the school district may issue bond anticipation notes in accordance with state law provisions for the issuance of same.

**Time effective**

SECTION 16. This act takes effect upon approval by the Governor.

Ratified the 7th day of June, 2010.

Vetoed by the Governor -- 6/11/2010.

Veto overridden by House -- 6/15/2010.

Veto overridden by Senate -- 6/16/2010.

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