**South Carolina General Assembly**

122nd Session, 2017-2018

**H. 4001**

**STATUS INFORMATION**

Joint Resolution

Sponsors: Reps. Felder, Simrill, Pope, B. Newton, Daning, Arrington, Bennett and Davis

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Introduced in the House on March 15, 2017

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

Summary: Bonds

**HISTORY OF LEGISLATIVE ACTIONS**

Date Body Action Description with journal page number

3/15/2017 House Introduced and read first time ([House Journal‑page 8](file:///h:\hj\20170315.docx))

3/15/2017 House Referred to Committee on **Ways and Means** ([House Journal‑page 8](file:///h:\hj\20170315.docx))

View the latest [legislative information](http://www.scstatehouse.gov/billsearch.php?billnumbers=4001&session=122&summary=B) at the website

**VERSIONS OF THIS BILL**

[3/15/2017](file:///p:\pprever\2017-18\4001_20170315.docx)

**A** **JOINT RESOLUTION**

TO PROVIDE LOCAL SCHOOL DISTRICTS, CONTINGENT UPON VOTER APPROVAL IN THE 2018 GENERAL ELECTION, MAY ISSUE CERTAIN GENERAL OBLIGATION BONDS TO PAY OPERATING EXPENSES FOR FISCAL YEARS 2019‑2020, 2020‑2021, AND 2021‑2022, TO PROVIDE REQUIREMENTS FOR THE BONDS, TO PROVIDE FOR THE PAYMENT OF THE BONDS BY LEVYING 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 FOR THEM, TO PROVIDE PRINCIPAL AND INTEREST OF THE BONDS ARE TAX EXEMPT, TO PROVIDE FOR THE MANNER BY WHICH PROCEEDS DERIVED FROM SALES OF THE BONDS MUST BE USED, TO PROVIDE POWERS AND AUTHORIZATIONS CONFERRED TO SCHOOL DISTRICTS UNDER THIS JOINT RESOLUTION ARE CUMULATIVE TO THEIR EXISTING POWERS AND AUTHORIZATIONS, TO PROVIDE NO ADDITIONAL ELECTIONS OR OTHER ACTIONS ARE REQUIRED FOR SCHOOL DISTRICTS TO ISSUE THE BONDS, AND TO PROVIDE THE PROVISIONS OF THIS JOINT RESOLUTION APPLY NOTWITHSTANDING THE PROVISIONS OF THE SCHOOL BOND ACT.

Whereas, the South Carolina General Assembly finds there presently exists no statutory authorization for school districts to incur bonded indebtedness to fund an operating deficit or to fund current operating expenditures; and

Whereas, the South Carolina General Assembly finds it necessary and appropriate to authorize school district boards of trustees of the school districts that have the top two percent of student population growth for the 2018‑2019 School Year to issue general obligation bonds of the school district to fund the deficit and operating expenditures to the extent permitted under the constitutional debt limit applicable to school districts under Section 15, Article X of the Constitution of this State. Now, therefore,

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

SECTION 1. (A) For the purpose of paying operating expenses and mitigating expenses for Fiscal Years 2019‑2020, 2020‑2021, and 2021‑2022, a school district board, subject to voter approval in a referendum to be held at the 2018 general election, may issue general obligation bonds of the school district in an amount not to exceed five million dollars, within the constitutional debt limitation applicable to the school district, before July 1, 2019.

(B) Bonds issued pursuant to this joint resolution:

(1) must mature on the dates prescribed by the board;

(2) 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, provided no bond is redeemable before maturity unless it contains a statement to that effect, and, in the proceedings authorizing the issuance of the bonds, a provision must be made to specify the manner of call and the notice of call which must be given;

(3) must be in the form of fully registered bonds or notes payable upon conditions as the board prescribes;

(4) must be in a denomination and must be made payable at a place prescribed by the board;

(5) must bear interest at a rate or rates determined by the board;

(6) must be executed in a manner prescribed by the board by resolution;

(7) must be sold at a price of not less than par and accrued interest, if any, to the date of their respective deliveries; and

(8) may be sold at private or public sale upon the terms prescribed by the board.

(C) For the payment of principal of and interest on all bonds issued pursuant to this joint resolution, as they respectively mature, and for the creation of a sinking fund as may be necessary for them, the full faith, credit, and taxing power of the school district must be irrevocably pledged. There may be levied annually by the county auditor for the district issuing the bonds, collected by the corresponding county treasurer 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 for them.

(D) The principal of and interest on bonds issued pursuant to this joint resolution have the tax‑exempt status prescribed by Section 12‑2‑50.

(E) The proceeds derived from the sale of any bonds issued pursuant to this joint resolution must be paid to the treasurer of the county for the district issuing the bond, to be deposited in a bond account fund for the school district and must be expended and made use of by the school district board as follows:

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

(2) any premium must be applied to the payment of the first installment of principal on the bonds;

(3) the remaining proceeds must be used to defray the cost of issuing bonds authorized by this joint resolution and to fund operating expenses for Fiscal Years 2019‑2020, 2020‑2021, and 2021‑2022; and

(4) if any balance remains, it must be held by the treasurer of the county for the district issuing the bond in a special fund to be used to effect the retirement of bonds.

(F) The powers and authorizations conferred upon a school district board by this joint resolution 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.

(G) No elections prescribed as a condition precedent to the issuance of the bonds and no action other than that prescribed in this joint resolution 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 joint resolution.

(H) The provisions of this joint resolution apply notwithstanding the provisions of Chapter 71, Title 59.

SECTION 2. This joint resolution takes effect upon approval by the Governor and expires July 1, 2022.

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