COMMITTEE REPORT

March 31, 2022

**H. 4985**

Introduced by Reps. Hosey, Henegan, Clyburn, Rivers, Tedder, R. Williams, K.O. Johnson, Thigpen, Bamberg, Kirby, Govan, Cobb‑Hunter, S. Williams, J.L. Johnson, Alexander, McKnight and Weeks

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Read the first time February 16, 2022.

**THE COMMITTEE ON WAYS AND MEANS**

To whom was referred a Bill (H. 4985) to amend the Code of Laws of South Carolina, 1976, by adding Chapter 54 to Title 11 so as to establish the “I-95 Corridor Authority Act” and, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass with amendment:

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

/ SECTION 1. Title 11 of the 1976 Code is amended by adding:

“CHAPTER 54

I‑95 Corridor Authority Act

Section 11‑54‑5. This chapter may be cited as the ‘I‑95 Corridor Authority Act’.

Section 11‑54‑10. There is established the I‑95 Corridor Authority. The authority must:

(1) carry out economic development, health, and educational improvement activities which, in the opinion of the authority, will improve the economic conditions in its member counties and are located in a member county or an adjacent census tract.

(2) report to the General Assembly, at least annually, on the progress made related to its charge, any modification of the laws of this State needed to allow the authority to better fulfill its charge, programs, and operations.

Section 11‑54‑15. The authority is a public body, politic and corporate, and an agency of the State and may:

(1) adopt bylaws, procedures, and regulations for the directors, officers, and employees and for implementation and operation of the programs authorized by this act;

(2) sue and be sued in its own name;

(3) enter into contracts, agreements, and instruments and make offers to contract with persons, partnerships, firms, corporations, agencies, or entities, whether public or private, considered desirable in the furtherance of its purpose;

(4) acquire by purchase, donation, exchange, or otherwise, hold, improve, mortgage, pledge, or otherwise, encumber, manage, lease, convey, transfer, or dispose of any real or personal property, whether tangible or intangible, together with rights and privileges as may be incidental and appurtenant thereto. To the extent that administrative funds are involved, the authority must comply with the provisions of the South Carolina Consolidated Procurement Code. To the extent that the liability of the authority is limited to program funds, any acquisition or disposition may be pursuant to public or private sale upon terms and conditions as the authority may approve in accordance with prudent business practices;

(5) appoint officers, agents, employees, and consultants, prescribe their duties, and fix their compensation; and

(6) participate in and cooperate with any agency or instrumentality of the United States and with any agency or political subdivision of this State in the administration of any of the programs authorized by this act.

Section 11‑54‑20. The member counties of the authority consist of Allendale, Bamberg, Barnwell, Clarendon, Colleton, Darlington, Dillon, Hampton, Lee, Marion, Marlboro, Orangeburg, Sumter, and Williamsburg.

Section 11‑54‑25. (A) The authority is governed by a board of directors that is composed of thirteen members. The members must be appointed as follows:

(1) four members appointed by the senators whose districts include the member counties;

(2) four members appointed by the representatives whose districts include the member counties; and

(3) five members appointed by the Governor, one of whom is designated as chairperson.

No member may be a legislator or a member of a legislator’s family. No two members designated in items (1) through (3) may reside in the same county. All members designated in items (1) through (3) must have sufficient experience in the fields of education, economic development, healthcare, or business management to deem them qualified as determined by the appointing senators, representatives, or chairman.

(B) Except as provided in subsection (C), members must serve a three‑year term and must be limited to two terms. Any vacancy on the authority must be filled in the same manner as the original appointment. Members of the authority shall serve without mileage, per diem, and subsistence. (C) Initial appointments to the authority pursuant to subsection (A)(3) must be made within sixty days of the enactment of this section. Appointments pursuant to subsections (A)(1) and (2) must be made from sixty to one hundred twenty days of the enactment of this section.

Four appointees shall serve for a one‑year term and four appointees shall serve for a two‑year term, all determined by lot at the first called meeting except for the chairman who shall serve a three‑year term.

(D) The initial meeting of the authority shall be convened by the chairman as soon as practical after the initial appointments are made. Business of the authority only may be conducted when a quorum is present. A quorum consists of a majority of the members appointed pursuant to subsection (A)(1)‑(3).

Section 11‑54‑30. (A) The authority shall receive state funds as appropriated by the General Assembly.

(B) In addition to funding sources listed in subsection (A), the authority is authorized to solicit and accept private and public donations, grants, gifts, and federal funds. All funds received by the authority, regardless of their source, are to be held and accounted for by the State Treasurer in a separate investment account to be known as the ‘I‑95 Corridor Authority Fund’. This fund is separate and distinct from all other funds. Earnings and interest on this fund must be credited to it and any balance in this fund at the end of a fiscal year carries forward in the fund in the succeeding fiscal year. Disbursements from the authority fund only must be made upon the signature of the chairmen of the board of directors, or a designee of the board, upon written warrants of the Comptroller General drawn on the State Treasurer to the payee designated in the requisition.

(C) The authority must distribute funds as loans or grants, in a manner which fulfills the charge in Section 11‑54‑10. The authority must create guidelines to govern the selection of recipients of grants or loans and the distribution of these funds.

(D) The authority must be audited annually by the State Auditor or by an independent certified public accounting firm approved by the State Auditor.”

SECTION 2. This act takes effect upon approval by the Governor. /

Renumber sections to conform.

Amend title to conform.

G. MURRELL SMITH, JR. for Committee.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

**Explanation of Fiscal Impact**

**State Expenditure**

This bill establishes the I-95 Corridor Authority as a state agency for the purpose of carrying out economic development, health, and educational improvement activities to improve the economic conditions in its member counties or adjacent census tract. This bill requires the Authority to annually report to the General Assembly on progress made as well as guidance on statutory changes that would allow the Authority to better fulfill its stated purpose. This bill further allows the Authority to adopt bylaws and procedures for operation in a manner consistent with the establishment of a state agency.

The bill specifies that member counties of the Authority must meet the definition of persistent poverty as defined by the Congressional Research Service (CRS). According to CRS, persistent poverty counties are those that have experienced poverty rates of 20 percent or greater for at least thirty years. Based on a study conducted by CRS in 2021, the counties of Allendale, Bamberg, Barnwell, Clarendon, Colleton, Darlington, Dillon, Hampton, Lee, Marion, Marlboro, Orangeburg, and Williamsburg meet the definition of persistent poverty in South Carolina and will make up the member counties of the Authority.

Under the provisions of the bill, the Authority will be governed by a board of directors composed of the following thirteen members:

 Four members appointed by the Senators whose districts include member counties,

 Four members appointed by the Representatives whose districts include member counties, and

 Five members appointed by the Governor, one of whom is designated as chairperson.

This bill prohibits two board members from residing in the same county and requires that each member have sufficient experience in the fields of education, economic development, healthcare or business management. The bill further establishes term limits and requirements for the board in its governance of the Authority. The bill specifies that members of the board will serve without mileage, per diem, or subsistence. As a result, this section of the bill will have no expenditure impact.

Under the provisions of this bill, the Authority will receive state funds as appropriated by the General Assembly in addition to donations, grants, gifts, and federal funds that may be available. The Authority must distribute funds as loans or grants pursuant to its stated purpose of carrying out economic development, health, and educational improvement activities to improve the economic conditions of its member counties. Because funding is contingent upon appropriations by the General Assembly, the fiscal impact of the Authority is undetermined.

**State Treasurer’s Office.** This bill requires the State Treasurer’s Office to establish the I-95 Corridor Authority Fund to contain any funds received by the Authority and work with the Comptroller General to facilitate disbursements. The Treasurer indicates that this will take place under normal business operation and have no expenditure impact.

**Office of Comptroller General.** Disbursements from the I-95 Corridor Authority Fund may only be made upon the signature of the chairman of the Authority’s board of directors, upon written warrants of the Comptroller General. The Office of Comptroller General reports that this requirement will take place under normal business operation and have no expenditure impact.

**Office of State Auditor.** This bill requires the State Auditor or an independent certified public accounting firm approved by the State Auditor to perform an annual audit of the Authority. The Office of State Auditor indicates that this requirement will take place under normal business operation and have no expenditure impact.

Frank A. Rainwater, Executive Director

Revenue and Fiscal Affairs Office

**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING CHAPTER 54 TO TITLE 11 SO AS TO ESTABLISH THE “I‑95 CORRIDOR AUTHORITY ACT” AND TO PROVIDE FOR THE COMPOSITION, DUTIES, AND POWERS OF THE AUTHORITY.

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

SECTION 1. Title 11 of the 1976 Code is amended by adding:

“CHAPTER 54

I‑95 Corridor Authority Act

Section 11‑54‑5. This chapter may be cited as the ‘I‑95 Corridor Authority Act’.

Section 11‑54‑10. There is established the I‑95 Corridor Authority. The authority must:

(1) carry out economic development, health, and educational improvement activities which, in the opinion of the authority, will improve the economic conditions in its member counties and are located in a member county or an adjacent census tract.

(2) report to the General Assembly, at least annually, on the progress made related to its charge, any modification of the laws of this State needed to allow the authority to better fulfill its charge, programs, and operations.

Section 11‑54‑15. The authority is a public body, politic and corporate, and an agency of the State and may:

(1) adopt bylaws, procedures, and regulations for the directors, officers, and employees and for implementation and operation of the programs authorized by this act;

(2) sue and be sued in its own name;

(3) enter into contracts, agreements, and instruments and make offers to contract with persons, partnerships, firms, corporations, agencies, or entities, whether public or private, considered desirable in the furtherance of its purpose;

(4) acquire by purchase, donation, exchange, or otherwise, hold, improve, mortgage, pledge, or otherwise, encumber, manage, lease, convey, transfer, or dispose of any real or personal property, whether tangible or intangible, together with rights and privileges as may be incidental and appurtenant thereto. To the extent that administrative funds are involved, the authority must comply with the provisions of the South Carolina Consolidated Procurement Code. To the extent that the liability of the authority is limited to program funds, any acquisition or disposition may be pursuant to public or private sale upon terms and conditions as the authority may approve in accordance with prudent business practices;

(5) appoint officers, agents, employees, and consultants, prescribe their duties, and fix their compensation; and

(6) participate in and cooperate with any agency or instrumentality of the United States and with any agency or political subdivision of this State in the administration of any of the programs authorized by this act.

Section 11‑54‑20. The member counties of the authority consist of all counties that meet the definition of persistent poverty as determined by the Congressional Research Service.

Section 11‑54‑25. (A) The authority is governed by a board of directors that is composed of thirteen members. The members must be appointed as follows:

(1) four members appointed by the senators whose districts include the member counties;

(2) four members appointed by the representatives whose districts include the member counties; and

(3) five members appointed by the Governor, one of whom is designated as chairperson.

No two members designated in items (1) through (3) may reside in the same county. All members designated in items (1) through (3)must have sufficient experience in the fields of education, economic development, healthcare, or business management to deem them qualified as determined by the appointing senators, representatives, or chairman.

(B) Except as provided in subsection (C), members must serve a three‑year term and must be limited to two terms. Any vacancy on the authority must be filled in the same manner as the original appointment. Members of the authority shall serve without mileage, per diem, and subsistence. (C) Initial appointments to the authority pursuant to subsection (A)(3) must be made within sixty days of the enactment of this section. Appointments pursuant to subsections ( A)(1) and (2) must be made from sixty to one hundred twenty days of the enactment of this section.

Four appointees shall serve for a one‑year term and four appointees shall serve for a two‑year term, all determined by lot at the first called meeting except for the chairman who shall serve a three‑year term.

(D) The initial meeting of the authority shall be convened by the chairman as soon as practical after the initial appointments are made. Business of the authority only may be conducted when a quorum is present. A quorum consists of a majority of the members appointed pursuant to subsection (A)(1)‑(3).

Section 11‑54‑30. (A) The authority shall receive state funds as appropriated by the General Assembly.

(B) In addition to funding sources listed in subsection (A), the authority is authorized to solicit and accept private and public donations, grants, gifts, and federal funds. All funds received by the authority, regardless of their source, are to be held and accounted for by the State Treasurer in a separate investmentaccount to be known as the ‘I‑95 Corridor Authority Fund’. This fund is separate and distinct from all other funds. Earnings and interest on this fund must be credited to it and any balance in this fund at the end of a fiscal year carries forward in the fund in the succeeding fiscal year. Disbursements from the authority fund only must be made upon the signature of the chairmen of the board of directors, or a designee of the board, upon written warrants of the Comptroller General drawn on the State Treasurer to the payee designated in the requisition.

(C) The authority must distribute funds as loans or grants, in a manner which fulfills the charge in Section 11‑54‑10. The authority must create guidelines to govern the selection of recipients of grants or loans and the distribution of thesefunds.

(D) The authority must be audited annually by the State Auditor or by an independent certified public accounting firm approved by the State Auditor.”

SECTION 2. This act takes effect upon approval by the Governor.

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