Statement of Estimated State Revenue Impact

Date: April 18, 2011

Bill Number: H.B. 3191

Author: Huggins

Committee Requesting Impact: House Ways & Means Committee

Bill Summary
A bill to amend Section 41-43-90, as amended, of the Code of Laws of South Carolina, 1976, relating to the powers of the Jobs-Economic Development Authority, so as to further provide for the power of the Authority to use program funds to purchase insurance, the benefits of which must be used to fund, directly or indirectly, projects or activities which create jobs or provide other significant public benefits; to amend Section 41-43-110, as amended, relating to the issuance of bonds by the Authority, so as to specify that the Authority may issue bonds to finance the acquisition by construction or purchase of tangible or intangible assets; to amend Section 41-43-140, relating to the creation of an insurance fund by the Authority as security for bond holders, so as to further provide for the creation of the insurance fund and the use of funds therein; to amend Section 41-43-150, relating to persons and projects eligible for assistance from the Authority, so as to further provide for persons and projects eligible for assistance and the criteria therefor; and to amend Section 41-43-160, as amended, relating to loan programs of the Authority, so as to provide the use which can be made of proceeds of loans made under this section.

REVENUE IMPACT
This bill is not expected to impact state General Fund revenue in FY2011-12.

Explanation
Created in 1983, the Jobs-Economic Development Authority (JEDA) promotes the business and economic welfare of South Carolina by assisting in the financing of public and private projects throughout the state. JEDA provides innovative financing through loans and investments to promote growth and competitiveness among new and existing businesses within the state. This bill would amend Section 41-43-90(L) to allow JEDA to use program funds to purchase insurance to benefit projects or activities that create jobs or provide other significant public benefits. Section 41-43-140 is amended to allow the insurance to be pledged for the security of the holders of any bonds issued under this act “or for any other purpose authorized by law”. Where insurance is pledged as security, neither the credit nor taxing power of the State or any political subdivision is available to satisfy any obligation. The Jobs-Economic Development Authority is not funded with any General Fund revenue; therefore, this bill is not expected to impact state General Fund revenue in FY2011-12. This act takes effect upon approval by the Governor.

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This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, or Section 2-7-76 for a local revenue impact of Section 6-1-85(8) for an estimate of the shift in local property tax incidence by the Office of Economic Research.

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