



# State of South Carolina

## Office of the Governor

MARK SANFORD  
GOVERNOR

POST OFFICE BOX 12267  
COLUMBIA 29211

June 27, 2007

The Honorable Robert W. Harrell, Jr.  
South Carolina House of Representatives  
Post Office Box 11867  
Columbia, South Carolina 29211

Dear Mr. Speaker and Members of the House:

I am returning H. 3471, R-174, the Fiscal Year 2007-2008 Contingency Reserve Fund Appropriations Act, with the line-item veto detailed below. Of the \$171,541,103 devoted to contingency reserve fund spending, I believe the vetoed item is not as important as some other more pressing needs in the state.

Before outlining the reason for my veto of this expenditure, however, it is worth noting the areas of reserve fund spending in which we agree with the Legislature. For example, we proposed funding the Port Access Road in our Executive Budget due to the economic benefits that will accrue to the state as a result of an expanded port at the Navy Base in North Charleston; the General Assembly, in providing \$167,541,103 for this road as a reserve fund appropriation, agreed.

That said, however, we also proposed in our Executive Budget the expenditure of \$5,541,103 from the Contingency Reserve Fund to cover the cost of weigh-station improvements and expansions throughout the state. This proposed reserve fund appropriation was in addition to the \$5 million in gas tax revenue that we also proposed be dedicated for this purpose. All told, we proposed in our Executive Budget a total expenditure of \$10,541,103 by the Department of Transportation to shore up our state's aging weigh-station system.

The General Assembly appropriated only \$6.7 million in the Conference Budget for these capital repairs, and we believe that the additional \$4 million appropriation is necessary. Reestablishing the state's aging weigh stations, and with it a greater level of commercial enforcement, would reduce the deterioration of the state's roads and bridges, prolonging their useful life, and avoid costly and inconvenient repaving jobs. This would be a capital expenditure that would benefit the entire state.

By contrast, the General Assembly's \$4 million appropriation from the Contingency Reserve Fund to the Lake Marion Water Authority is regional in scope and would benefit only a portion of the state. The ability of that water authority to provide water to the communities of Orangeburg, Clarendon and Calhoun is important to the development of those communities, but we believe that projects that are

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regional in their effect should primarily be paid for by the local communities that benefit from them. In our view, when it comes to expenditures from the Contingency Reserve Fund, a capital project that benefits the entire state is preferable to one that benefits only a particular region.

That is one reason why I have vetoed the referenced \$4 million appropriation from the Contingency Reserve Fund to the Lake Marion Water Authority. Another reason is the fact that water authority has the ability to pay for capital improvements through funding streams generated by consumers of its water, whereas a project like the improvement of our aging weigh station system can only be funded by the government.

Therefore, in an effort to better utilize the Contingency Reserve Fund for pressing weight station needs, some of which have few funding alternatives beyond state, I have set forth below the specific veto that eliminates spending of \$4,000,000 in contingency reserve funds appropriated to the Lake Marion Authority.

**Veto 1**      Section 1; Item 2; Budget and Control Board; Lake Marion Water Authority;  
\$4,000,000.

For the reasons stated above, and pursuant to the authority granted to the governor by Article IV, Section 21 of the South Carolina Constitution, I am vetoing the specific sections and items of H. 3471, R-174, the Fiscal Year 2007-2008 Contingency Reserve Fund Appropriations Act, as indicated. I look forward to working together toward the goal of disciplined budgetary practices and cooperative service to the citizens of South Carolina.

Sincerely,



Mark Sanford