

pursuant to this provision are subject to the review and comment of the Joint Bond Review Committee. No later than thirty days following enactment hereof, the South Carolina State Housing and Finance Development Authority must identify and report to the President of the Senate, the Speaker of the House of Representatives, the Chairman of the Senate Finance Committee, the Chairman of the House of Representatives Ways and Means Committee, the Joint Bond Review Committee, and the State Fiscal Accountability Authority all qualified projects to which this one-time authorization of South Carolina housing tax credits is proposed to apply. The report must be made in such form and substance as may be directed by the Joint Bond Review Committee. Nothing in this provision grants any rights to, or in the processes used in the determination of, allocation of this one-time authorization of South Carolina housing tax credits. Decisions made pursuant to this provision are final and are not subject to judicial or administrative review.

2. This subsection B takes effect upon approval by the Governor.

C. This SECTION takes effect upon approval by the Governor and first applies to tax years beginning after 2021.

State ceiling allocation

SECTION 2. Article 3, Chapter 11, Title 1 of the 1976 Code is amended to read:

“Article 3

Allocation of State Ceiling on Issuance of Private Activity Bonds

Section 1-11-500. The state ceiling on the issuance of private activity bonds as defined in Section 146 of the Internal Revenue Code of 1986 established in the act must be certified annually by the Secretary of the State Fiscal Accountability Authority (the state authority) based upon the provisions of the act. The secretary of the state authority shall make this certification as soon as practicable after the estimates of the population of the State of South Carolina to be used in the calculation are published by the United States Bureau of the Census but in no event later than February first of each calendar year.

Section 1-11-510. (A) The private activity bond limit for all issuing authorities must be allocated by the state authority in response to

authorized requests as described in Section 1-11-530 by the issuing authorities, or as otherwise provided in Section 1-11-520(G).

(B) The aggregate private activity bond limit amount for all South Carolina issuing authorities is allocated initially to the State for further allocation within the limits prescribed herein.

(C) Nothing in this article or the State Ceiling Allocation Plan adopted pursuant to this article grants any rights to, or in the processes used in the allocation or disposition of, state ceiling. Decisions made pursuant to this article are final and are not subject to judicial or administrative review.

Section 1-11-520. (A) No later than September thirtieth of the year preceding the calendar year to which the state ceiling applies, and subject to review and comment by the Joint Bond Review Committee, the state authority must publish a State Ceiling Allocation Plan that assigns percentages of the state ceiling to categories of any of the permitted purposes prescribed by the Internal Revenue Code. Without limitation, categories of permitted purposes may include industrial and economic development bonds; single family housing bonds; multifamily housing bonds; student loan bonds; and any other bonds eligible for tax exemption as a private activity bond pursuant to the Internal Revenue Code. No initial assignment to any single category may exceed forty percent of the state ceiling, and no minimum assignment is required for any category.

(B) Further, the allocation plan must provide for a process of periodic allocations of the state ceiling within each category, which for any period generally may not exceed an amount of the state ceiling allocated to that category equally divided among the number of periods in the year during which allocations are to be made; provided, however, that the state authority may, upon findings of exceptional and compelling circumstances, amend the annual allocation plan following review and comment by the committee.

(C) Notwithstanding the assigned percentages set forth in the allocation plan, the state authority may but need not reassign any state ceiling unused in prior periods as a supplement to and means to address demand for ceiling allocation in a subsequent period. Such reassignment may be made for any allocation category, notwithstanding its original assignment.

(D) Unless otherwise approved in writing by the state authority following justification and substantial findings of significance, no authorized request may receive an allocation of state ceiling applicable to that calendar year exceeding ten percent of the total state ceiling in the

case of an industrial or economic development project, or five percent of the total state ceiling for any other allocation category.

(E) The allocation plan must establish competitive criteria for allocation of state ceiling to authorized requests. Competitive criteria may be unique to each category but must be uniform within each category and established to achieve highest value and greatest public benefit. Discussions of matters related to the periodic evaluation of authorized requests may be conducted in executive session. The state authority may utilize the services of the South Carolina Department of Commerce, the South Carolina State Housing Finance and Development Authority, any other state agency, and any other public or private resources to inform and provide services for the development of the allocation plan, including the evaluation and competitive criteria; and the periodic evaluation of authorized requests. The Department of Commerce and the State Housing Finance and Development Authority are directed to provide to the state authority such assistance as may be requested or required to accomplish the purposes of this article.

(F) Allocations of state ceiling to authorized requests must be made in accordance with the provisions of the allocation plan and policies and procedures adopted by the state authority.

(G) The state authority must determine the disposition of any remaining, unused state ceiling during the final period of the calendar year pursuant to a petition submitted in accordance with Section 1-11-530(D).

Section 1-11-530. (A) For private activity bonds proposed for issue by other than state government issuing authorities, an authorized request is a request included in a petition to the state authority that a specific amount of the state ceiling be allocated to the bonds for which the petition is filed. The petition must be accompanied by: (i) a copy of the Inducement Contract, Inducement Resolution, or other comparable preliminary approval entered into or adopted by the issuing authority, if any, relating to the bonds, and (ii) such other supporting documentation as the state authority may by policy prescribe.

(B) For private activity bonds proposed for issue by any state government issuing authority, an authorized request is a request included in a petition to the state authority that a specific amount of the state ceiling be allocated to the bonds for which the petition is filed. The petition must be accompanied by: (i) a bond resolution or comparable action by the issuing authority authorizing the issuance of the bonds, and (ii) such other supporting documentation as the state authority may by policy prescribe.

(C) Each authorized request must demonstrate that the allocation amount requested constitutes all of the private activity bond financing contemplated at the time for the project and any other facilities located at or used as a part of an integrated operation with the project.

(D) An issuing authority seeking an allocation of any remaining unused state ceiling for carry-forward designation must submit to the state authority a petition identifying the types of tax-exempt bonds to which the carry-forward designation will apply. The petition must be accompanied by such other supporting documentation as the state authority may by policy prescribe. Such allocations are not subjected to the provisions of Section 1-11-520(D), (E), and (F).

(E) Notwithstanding any other provision of this article, the state authority may disapprove, reduce, or defer any authorized request or petition for carryforward.

(F) The state authority must periodically furnish to the Joint Bond Review Committee a report of petitions received, along with their dispositions.

Section 1-11-540. Reserved.

Section 1-11-550. (A) An allocation of the state ceiling approved by the state authority is made formal initially by a certificate which allocates tentatively a specific amount of the state ceiling to the bonds for which the allocation is requested. This tentative allocation certificate must specify the state ceiling amount allocated, the issuing authority and the project involved, and the time period during which the tentative allocation is valid. This certificate must remind the issuing authority that the tentative allocation is made final after the issuing authority chairman or other duly authorized official or agent of the issuing authority, before the issue is made, certifies the issue amount and the projected date of issue, as is required by subsection (B) of this section. It also may include other information considered relevant by the secretary of the state authority.

(B) The chairman or other authorized official or agent of an issuing authority issuing any private activity bond for which a portion of the state ceiling has been allocated tentatively shall execute and deliver to the secretary of the state authority an issue amount certificate setting forth the exact amount of bonds to be issued and the projected bond issue date which date must not be more than ten business days after the date of the issue amount certificate and it must be before the state ceiling allocation involved expires. The issue amount certificate may be an executed copy of the appropriate completed form to be submitted to the Internal Revenue Service on the issue or it may be in the form of a letter which

certifies the exact amount of bonds to be issued and the projected date of the issue.

(C) In response to the issuing authority's issue amount certificate required by subsection (B) of this section, the secretary of the state authority is authorized to issue and, as may be necessary, to revise a certificate making final the ceiling allocation previously approved by the state authority on a tentative basis, if the secretary of the state authority determines that:

(1) the issuing authority's issue amount certificate specifies an amount not in excess of the approved tentative ceiling allocation amount;

(2) the issue amount certificate was received prior to the issue date projected and that the certificate is dated not more than ten days prior to the issue date projected; provided, however, that if an issue amount certificate is dated more than ten days prior to the date of issue of the bonds, such certificate shall be void, and a new request must be provided to the secretary of the state authority prior to issuance of the bonds;

(3) the issue date projected is within the time period approved previously for the tentative ceiling allocation; and

(4) the bonds when issued and combined with the total amount of bonds requiring a ceiling allocation included in issue amount certificates previously submitted to the state authority by issuing authorities do not exceed the state ceiling for the calendar year. Except under extraordinary circumstances, the secretary of the state authority shall issue this certificate within two business days following the date the issue amount certificate is received.

(D) In accordance with Section 149(e)(2)(F) of the Internal Revenue Code, the secretary of the state authority is designated as the state official responsible for certifying, if applicable, that certain bonds meet the requirements of Section 146 of the Internal Revenue Code relating to the volume cap on private activity bonds.

(E) Any tentative or final state ceiling allocation granted by the state authority before the effective date of this act remains valid as an allocation of a portion of the volume cap for South Carolina provided under Section 146 of the Internal Revenue Code. The allocations expire in accordance with the law under which they were granted or extended and their validity may be extended or reinstated in accordance with the provisions of Sections 1-11-500 through 1-11-570.

Section 1-11-560. (A) Any state ceiling allocation approved by the state authority is valid only for the calendar year in which it is approved, unless eligible and approved for carry-forward election or unless specified differently in the certificates required by Section 1-11-550.

(B) Unless eligible and approved for carry-forward election or unless specified differently in certificates required by Section 1-11-550, each state ceiling allocation expires automatically if the bonds for which the allocation is made are not issued within ninety consecutive calendar days from the date the allocation is approved by the state authority.

(C) In response to a written request by the chairman or other duly authorized official or agent of an issuing authority, the state authority, acting during the period an approved allocation is valid, may but need not extend the period in which an allocation is valid in a single calendar year by thirty-one consecutive calendar days to a total of not more than one hundred twenty-one consecutive calendar days.

(D) In response to a written request by the chairman or other authorized official or agent of an issuing authority, the state authority may but need not reinstate for a period of not more than thirty-one consecutive calendar days in any one calendar year part or all of an allocation approved but not extended previously in accordance with subsection (C) of this section in that same calendar year which has expired. The reinstatement request must certify that the authorized request previously submitted is still true and correct or a new authorized request must be submitted.

(E) A tentative ceiling allocation is canceled automatically if the chairman or other authorized official or agent of the issuing authority fails to deliver the issue amount certificate required by Section 1-11-550 to the secretary of the state authority before the bonds for which the allocation is made are issued.

(F) The chairman or other authorized official or agent of an issuing authority shall advise the secretary of the state authority in writing as soon as is practicable after a decision is made not to issue bonds for which a portion of the state ceiling has been allocated. All notices of relinquishment of ceiling allocations must be entered promptly in the state authority's records by the secretary of the state authority.

(G) Ceiling allocations which are eligible and approved for carry-forward election are not subject to the validity limits of this section. The state authority shall join with the issuing authorities involved in carry-forward election statements to meet the requirements of the Internal Revenue Service.

Section 1-11-570. The state authority may adopt policies and procedures necessary to implement and administer the provisions of this article. All such policies and procedures, and any changes thereto, are subject to review and comment by the Joint Bond Review Committee.

Section 1-11-580. The State Fiscal Accountability Authority shall make quarterly payments on insurance contracts where the annual premium exceeds fifty thousand dollars. The board shall undertake necessary negotiations to implement this requirement. Where fees may be incurred for quarterly rather than annual payments, the State Fiscal Accountability Authority shall determine whether the investment income opportunity is greater or less than proposed fees and shall make the decision which best benefits South Carolina.”

Repeal

SECTION 3. Section 1-11-370 of the 1976 Code is repealed.

Conflicting provisions

SECTION 4. The provisions of Article 3, Chapter 11, Title 1 of the 1976 Code relating to the allocation of state ceiling on issuance of private activity bonds, as amended in this act, shall control if there is any conflict with any other provision of law or regulation, specifically including Regulation 19-103.

Severability

SECTION 5. If any section, subsection, paragraph, subparagraph, sentence, clause, phrase, or word of this act is for any reason held to be unconstitutional or invalid, such holding shall not affect the constitutionality or validity of the remaining portions of this act, the General Assembly hereby declaring that it would have passed this act, and each and every section, subsection, paragraph, subparagraph, sentence, clause, phrase, and word thereof, irrespective of the fact that any one or more other sections, subsections, paragraphs, subparagraphs, sentences, clauses, phrases, or words hereof may be declared to be unconstitutional, invalid, or otherwise ineffective.

Time effective

SECTION 6. The provisions of this act are effective for allocations of state ceiling beginning January 1, 2022, and thereafter. For the first year of implementation, the state authority may adopt such special procedures as may be necessary to effect the requirements of this act.

Ratified the 12th day of May, 2022.

President of the Senate

Speaker of the House of Representatives

Approved the _____ day of _____ 2022.

Governor

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AGENCY: Executive Director

SUBJECT: 2022 Ceiling Allocations

The initial balance of the 2022 state ceiling allocation is \$570,977,550. There is presently a state ceiling balance of \$570,977,550 remaining for 2022. Allocation requests for 2022 totaling \$53,000,000 have been received thus far.

The Housing Authority of the City of Florence has made the following request for allocation:

- A. Housing Authority of the City of Florence—**Dillon Graded School Senior Apartments** (City of Dillon) \$10,000,000—to provide construction and permanent financing for a portion of the costs of acquisition and renovating of a 37-unit multifamily apartment development to be known as Dillon Graded School Senior, in the City of Dillon.
- B. Housing Authority of the City of Greenville—**Dunean Mill Townhomes** (Greenville) \$10,000,000—to provide construction and permanent financing for a portion of the costs of acquisition and construction of multifamily housing to be known as Dunean Mill Townhomes, in Greenville, South Carolina.
- C. South Carolina Regional Housing Authority No. 3—**Shannon Park Apartments** (City of Goose Creek) \$18,000,000—to provide a portion of the financing needed for the acquisition and rehabilitation of an approximately 96-unit affordable housing development located in Goose Creek.

If the Authority approves the requests, this will leave an unexpended state ceiling balance of \$532,977,550 to be allocated later in the calendar year.

In accord with Code Section 1-11-500 et seq. and upon the request of the named local housing authority, grant the following tentative ceiling allocations:

- A. Housing Authority of the City of Florence—**Dillon Graded School Senior Apartments** (City of Dillon) \$10,000,000.
- B. Housing Authority of the City of Greenville—**Dunean Mill Townhomes** (Greenville) \$10,000,000.
- C. South Carolina Regional Housing Authority No. 3—**Shannon Park Apartments** (City of Goose Creek) \$18,000,000.

ATTACHMENTS:

Petitions requesting allocation; Code Section 1-11-500 et seq.

PETITION FOR APPROVAL

TO: THE STATE FISCAL ACCOUNTABILITY
AUTHORITY

)
) Dillon Graded School Senior
) Apartments
)

This Petition of the Housing Authority of the City of Florence (the "Authority"), is submitted to the State Fiscal Accountability Authority (the "SFAA") pursuant to Sections 31-13-90 and 1-11-530 of the Code of Laws of South Carolina 1976, as amended, and respectfully shows:

1. The Authority was created by a resolution adopted by the City Council of the City of Florence pursuant to Title 31, Chapter 3, Article 5 of the Code of Laws of South Carolina 1976, as amended.

2. The Authority, acting by and through its Board of Commissioners, is authorized and empowered pursuant to the provisions of Act No. 369 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1986, to have the same powers as the South Carolina State Housing Finance and Development Authority under the South Carolina State Housing Finance and Development Authority Act of 1977, as amended, with respect to multi-family housing (collectively, the "Enabling Act").

3. The Enabling Act, among other things, provides that whenever the Authority shall have determined by resolution that sufficient persons or families of either beneficiary class (as defined in the Enabling Act) (the "Beneficiary Classes") are unable to pay the amounts at which private enterprise is providing decent, safe, and sanitary housing and that through the exercise of one or more of the programs authorized by the Enabling Act, decent, safe, and sanitary housing will become available to members of the class in need therefor, then, upon obtaining the approval of the SFAA pursuant to the Enabling Act, and in order to provide funds for its corporate purposes, the Authority is authorized to issue from time to time its bonds or notes for the purpose of obtaining funds with which to make construction and permanent mortgage loans to housing sponsors who agree to and are required to provide for construction or rehabilitation of residential housing (as defined in the Enabling Act) for rental by persons or families of either Beneficiary Class; provided, however, that with respect to any particular issue of bonds or notes, one of the following conditions must be met: (a) if there is a public distribution of the bonds or notes, the issue must be rated by one or more of the national rating agencies, and one or more of the following conditions must be met: (i) there must be in effect a federal program providing assistance in repayment of the loans; or (ii) the proceeds must be used to acquire either federally insured mortgage loans or mortgage loans insured by a private mortgage insurer authorized to do business in the State of South Carolina; or (iii) the payment of the bonds or notes to the purchasers and holders of them must be assured by the maintenance of adequate reserves or insurance or a guaranty from a responsible entity which has been determined to be sufficient by the Authority and the SFAA; or (b) if the bonds or notes are secured by a mortgage or other security agreement and are offered and sold as a unit with such mortgage or other security

agreement in transactions with banks, institutional investors, or other nonregistered persons as provided in Section 35-1-202(11)(A) of the Code of Laws of South Carolina 1976, as amended, and the documents pursuant to which the bonds or notes are issued must permit the Authority to avoid any default by it by completing an assignment of, or foregoing its rights with respect to, any collateral or security pledged to secure the bonds or notes.

4. Dillon School Senior, LP (the "Housing Sponsor"), a South Carolina limited partnership, has requested that the Authority assist it with the construction financing for the acquisition and rehabilitation of a 37-unit apartment development to be located in the City of Dillon, South Carolina, and to be known as Dillon Graded School Senior Apartments (the "Project") by the funding of one or more mortgage loans (the "Mortgage Loan") through the issuance of its revenue bonds.

5. In compliance with the provisions of Section 31-3-400 of the Code of Laws of South Carolina 1976, as amended, the Authority is authorized to exercise its powers within the boundaries of the City of Dillon, South Carolina (the "City"), to issue bonds or notes to assist in the financing of the Project by virtue of adoption of a resolution by the City Council of the City on December 13, 2021, satisfying the requirements of Section 31-3-410 of the Code of Laws of South Carolina 1976, as amended.

6. The Authority proposes to fund the Mortgage Loan to the Housing Sponsor by the issuance of one or more series of bonds by the Authority pursuant to a Bond Resolution to be adopted by the Authority (the "Bond Resolution"), such bonds to be issued in the aggregate principal amount not to exceed \$10,000,000 (the "Bonds"). The proceeds of the Bonds will be used to fund the Mortgage Loan to the Housing Sponsor to provide construction financing for a portion of the costs of the Project and to qualify the Project for federal and South Carolina Low Income Housing Tax Credits (the "Tax Credits").

7. Pursuant to the provisions of Title 1, Chapter 11, Article 3 of the Code of Laws of South Carolina 1976, as amended, the SFAA has been assigned certain responsibilities with respect to allocation of the private activity bond ceiling applicable to the State of South Carolina under Section 146 of the Internal Revenue Code of 1986, as amended (the "Tax Code").

8. In order to issue the Bonds as tax-exempt under the Tax Code, it is necessary that an allocation of the State Ceiling for private activity bonds be made in the amount of not to exceed \$10,000,000 for the Bonds. An allocation of \$10,000,000 of State Ceiling constitutes all of the private activity bond financing contemplated at this time for the Project and any other facilities located at or used as a part of an integrated operation with the Project.

9. The Authority has determined that:

(a) Sufficient persons or families of the Beneficiary Classes are unable to pay rent in the amounts at which private enterprise is providing decent, safe, and sanitary housing in the City of Dillon; (ii) through the exercise of one or more of the loan programs authorized by the Enabling Act, decent, safe, and sanitary housing would become available to members of the Beneficiary Classes in need therefor; and (iii) a

series of bonds or notes must be sold in order to alleviate the lack of decent, safe, and sanitary housing available to individuals of the Beneficiary Classes.

(b) In order to provide the funds necessary to provide the Mortgage Loan for the acquisition and rehabilitation of the Project, the Bonds must be issued.

(c) The Bonds, which will be issued and sold in a public distribution, are expected to be rated "Aaa" by one of the national rating agencies. In addition, the payment of the Bonds will be assured by the maintenance of sufficient cash and U.S. Treasury bond reserves in an escrow fund to be held by the trustee bank and pledged to the payment of the Bonds to pay debt service in full on the Bonds, which arrangement has been determined by the Authority to be sufficient for purposes of the Enabling Act. As a result, the revenues or other funds estimated to be available for the payment of debt service will provide moneys required for the repayment of the principal and interest on the bonds and notes of the Authority, including the Bonds.

10. As described above, it is expected that the Bonds will be issued and sold in a public distribution. Pursuant to S.C. Regulation Section 19-104.01(F)(11)(a), the Bonds will be rated no less than "investment grade" by one of the national rating agencies, and one or more of the following conditions will be met: (i) there must be in effect a federal program providing assistance in repayment of the Bonds; or (ii) the Bond proceeds must be used to acquire either federally insured mortgage loans or mortgage loans insured by a private mortgage insurer authorized to do business in the State of South Carolina; or (iii) the payment of the Bonds must be assured by the maintenance of adequate reserves or insurance or a guaranty from a responsible entity. The Authority has determined that the arrangement for assuring repayment of the Bonds is sufficient for purposes of the Enabling Act and related regulations. In compliance with Regulation 19-104.01, the documents pursuant to which the Bonds will be issued shall provide (i) that all expenses, costs, and fees of the Authority in connection with the issuance of the Bonds, including legal fees, printing, and all disbursements shall be paid by the Housing Sponsor; (ii) the Project will be managed in compliance with the requirements of Regulation 19-104.01(F)(10); and (iii) the Bond financing will be structured to protect the interests of prospective bondholders and the Authority in accordance with Regulation 19-104.01(F)(11).

11. The Authority proposes to adopt its final Bond Resolution authorizing the issuance and delivery of the specific maximum amount of the Bonds and establishing the definitive terms thereof, including those revenues and assets to be pledged to the payment of the Bonds as described above. The Authority will take steps necessary to comply with the requirements of Sections 103 and 141-150 of the Tax Code.

12. The trustee for the issue is expected to be U.S. Bank National Association, or such other a bank or trust company with corporate trust powers approved by the Authority. Estimates of the size, date, interest rates, maturity schedule, payment dates, and repayment provisions with respect to the Bonds, based on current estimates and bond market conditions, are included with this Petition. The final provisions with respect to the Bonds shall be finally determined prior to the date the Bonds are issued. As soon as these matters are finally determined, a schedule showing the sources of revenues available for the payment of such debt

service requirements will be provided to the State Treasurer prior to the issuance of the Bonds, as provided by the Enabling Act.

13. The Bonds will be outstanding only during the construction phase. The interest rate to be borne by the Bonds has not been determined. It is currently expected that the interest rate on the Bonds will be approximately Zero and 60/100 percent (0.60%).

14. The Authority requests that the SFAA delegate to the State Treasurer the ability to approve the interest rates on the Bonds, and upon making determination that the funds anticipated to be available for the payment of the Authority's notes and bonds, including the Bonds, will be sufficient to provide for the payment of principal and interest thereon, to grant on behalf of the SFAA final approval for the issuance of the Bonds. Prior to the issuance of the Bonds, the Authority shall have provided to the State Treasurer, to the extent not previously provided herein or otherwise, the information required to be submitted to the SFAA by the provisions of Section 31-13-220, to wit:

- (a) the principal amount of the Bonds to be issued;
- (b) the maturity schedule of the Bonds to be issued;
- (c) schedules showing the annual debt service requirements on all outstanding notes and bonds of the Authority;
- (d) schedules showing the amount and source of revenues available for the payment of the debt service requirements established by the schedules referenced in item (c); and
- (e) the method to be employed in selling the Bonds.

Attached hereto in response to the requirements of Section 31-13-220 are the following schedules, certain of which are pro forma schedules because the Bonds has not been priced or sold as of the date of this Petition, to wit:

- (i) a pro forma (in lieu of final schedules) of the principal amount of the Bonds to be issued;
- (ii) a pro forma (in lieu of final schedules) of the maturity schedule of the Bonds to be issued;
- (iii) schedules showing the annual debt service requirements on all outstanding notes and bonds of the Authority;
- (iv) schedules showing the amount and source of revenues available for the payment of the debt service requirements established by the schedules referenced in item (iii); and
- (v) the method to be employed in selling the Bonds.

15. The Bonds are special obligations of the Authority secured by and payable solely from moneys, income, and receipts of the Authority pledged under the Bond Resolution and related documents.

16. The Authority agrees, pursuant to S.C. Regulation 19-104.01(F)(13), that the management agent for the Project must be approved by the SFAA. The initial management agent of the Project is Southern Development Management Company, Inc. (or an affiliate thereof).

17. (a) The Authority hereby requests the SFAA to grant an allocation of private activity bond volume cap under Section 146(f)(2) of the Tax Code, which may be allocated to the Bonds by the Authority. The Authority is an "issuing authority" as such term is used under Section 1-11-510(A) of the Code of Laws of South Carolina 1976, as amended (the "Allocation Act"), establishing a plan for the allocation of the State of South Carolina's volume limitation with respect to private activity bonds under Section 146 of the Tax Code.

(b) The Allocation Act authorizes the Authority to submit its request to the SFAA that a portion of the State Ceiling established by the Tax Reform Act (the "State Ceiling") be allocated to the Bonds.

(c) This Petition constitutes an "authorized request" within the meaning of Section 1-11-530 of the Allocation Act.

(d) Such assistance will permit the Housing Sponsor to obtain the Tax Credits under Section 42 of the Tax Code and under South Carolina law producing equity contributions to fund a portion of the costs of the Project, thereby increasing the availability of safe and affordable housing in South Carolina and increasing the assessed value of the Project, to the benefit of the local and State governments.

(e) The Authority represents that it is not at this time considering the issuance of any additional bonds for the Project.

Upon the basis of the foregoing, the Authority respectfully prays:

The State Fiscal Accountability Authority (i) to accept the filing of this Petition and the documents submitted herewith; (ii) to undertake such review as it deems necessary; (iii) to give conditional approval of the issuance of the Bonds, in the aggregate principal amount of not to exceed \$10,000,000 for the purpose of financing the Mortgage Loan to pay a portion of the cost of the acquisition and construction of the Project, as set forth above, and for paying the costs of issuance in connection therewith; (iv) to approve the initial management agent for the Project; (v) to determine that the allocation amount requested is not disproportionately large in comparison with the State Ceiling not yet allocated or with the public benefits to be derived from the issuance of the Authority's Bonds, and (vi) to approve an allocation for the Bonds of State Ceiling of private activity bond volume cap for calendar year 2022 in the amount of not to exceed \$10,000,000 in accordance with the provisions of the Tax Code.

Respectfully submitted.

**HOUSING AUTHORITY OF THE CITY OF
FLORENCE**

By: Christine V. Elmore
Its: CEO / Executive Director

December 7, 2021

PETITION FOR APPROVAL

TO: THE STATE FISCAL ACCOUNTABILITY
AUTHORITY

) Dunean Mill Townhomes (f/k/a
) Dunean Mill Apartments)
)

This Petition of the Housing Authority of the City of Greenville, South Carolina (the "Authority"), is submitted to the State Fiscal Accountability Authority (the "SFAA") pursuant to Sections 31-13-220 and 1-11-530 of the Code of Laws of South Carolina 1976, as amended, and respectfully shows:

1. The Authority was created by a resolution adopted by the City Council of the City of Greenville pursuant to Title 31, Chapter 3, Article 5 of the Code of Laws of South Carolina 1976, as amended.

2. The Authority, acting by and through its Board of Commissioners, is authorized and empowered pursuant to the provisions of Act No. 369 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1986, to have the same powers as the South Carolina State Housing Finance and Development Authority under the South Carolina State Housing Finance and Development Authority Act of 1977, as amended (collectively, the "Enabling Act"), with respect to multi-family housing.

3. The Enabling Act, among other things, provides that whenever the Authority shall have determined by resolution that sufficient persons or families of either beneficiary class (as defined in the Enabling Act) (the "Beneficiary Classes") are unable to pay the amounts at which private enterprise is providing decent, safe, and sanitary housing and that through the exercise of one or more of the programs authorized by the Enabling Act, decent, safe, and sanitary housing will become available to members of the class in need therefor, then, upon obtaining the approval of the SFAA pursuant to the Enabling Act, and in order to provide funds for its corporate purposes, the Authority is authorized to issue from time to time its bonds or notes for the purpose of obtaining funds with which to make construction and permanent mortgage loans to housing sponsors who agree to and are required to provide for rehabilitation of residential housing (as defined in the Enabling Act) for rental by persons or families of either Beneficiary Class; provided, however, that with respect to any particular issue of bonds or notes, one of the following conditions must be met: (a) if there is a public distribution of the bonds or notes, the issue must be rated by one or more of the national rating agencies, and one or more of the following conditions must be met: (i) there must be in effect a federal program providing assistance in repayment of the loans; or (ii) the proceeds must be used to acquire either federally insured mortgage loans or mortgage loans insured by a private mortgage insurer authorized to do business in the State of South Carolina; or (iii) the payment of the bonds or notes to the purchasers and holders of them must be assured by the maintenance of adequate reserves or insurance or a guaranty from a responsible entity which has been determined to be sufficient by the Authority and the SFAA; or (b) if the bonds or notes are secured by a mortgage or other security agreement and are offered and sold as a unit with such mortgage or other security

agreement in transactions with banks, institutional investors, or other nonregistered persons as provided in Section 35-1-202(11)(A) of the Code of Laws of South Carolina 1976, as amended, and the documents pursuant to which the bonds or notes are issued must permit the Authority to avoid any default by it by completing an assignment of, or foregoing its rights with respect to, any collateral or security pledged to secure the bonds or notes.

4. Dunean Mill Developer, LLC (the "Housing Sponsor"), a South Carolina limited liability company, has requested that the Authority assist it with construction and permanent financing for the acquisition and construction of a 60-unit apartment development located at 130 Prospect Street, in Greenville, South Carolina, known as Dunean Mill Townhomes f/k/a Dunean Mill Apartments (the "Project"), by the funding of one or more mortgage loans (the "Mortgage Loan") through the issuance of its revenue note.

5. The Authority proposes to fund the Mortgage Loan to the Housing Sponsor by the issuance of its revenue bonds or notes pursuant to a Resolution to be adopted by the Authority (the "Resolution"), such bonds or notes to be issued in the aggregate principal amount of not to exceed \$10,000,000 (the "Note"). The proceeds of the Note will be used to fund the Mortgage Loan to the Housing Sponsor to provide construction and permanent financing for a portion of the costs of the Project and to qualify the Project for federal and South Carolina Low Income Housing Tax Credits (the "Tax Credits").

6. Pursuant to the provisions of Title 1, Chapter 11, Article 3 of the Code of Laws of South Carolina 1976, as amended, the SFAA has been assigned certain responsibilities with respect to allocation of the private activity bond ceiling applicable to the State of South Carolina under Section 146 of the Internal Revenue Code of 1986, as amended (the "Tax Code").

7. In order to issue the Note as tax-exempt under the Tax Code, it is necessary that an allocation of the State Ceiling for private activity bonds be made in the amount of not to exceed \$10,000,000 for the Note. An allocation of \$10,000,000 of State Ceiling constitutes all of the private activity bond financing contemplated at this time for the Project and any other facilities located at or used as a part of an integrated operation with the Project.

8. The Authority has determined that:

(a) (i) Sufficient persons or families of the Beneficiary Classes are unable to pay rent in the amounts at which private enterprise is providing decent, safe, and sanitary housing in Greenville County; (ii) through the exercise of one or more of the loan programs authorized by the Enabling Act, decent, safe, and sanitary housing would become available to members of the Beneficiary Classes in need therefor; and (iii) a series of bonds or notes must be sold in order to alleviate the lack of decent, safe, and sanitary housing available to individuals of the Beneficiary Classes.

(b) In order to provide the moneys necessary to provide the Mortgage Loan for the acquisition and construction of the Project, the Note must be issued.

(c) The Note will be issued and delivered to Citibank, N.A., or such other institutional lender (the "Lender") as is requested by the Housing Sponsor and approved by the Authority, which arrangement has been determined by the Authority to be sufficient for purposes of the Enabling Act, and that the revenues and other funds estimated to be available for the payment of debt service will provide sufficient moneys required for the repayment of the principal and interest on the bonds and notes of the Authority, including the Note.

9. It is expected that the Note will be issued and placed with the Lender pursuant to one or more loan agreements pursuant to which the proceeds of the Note will be used to finance a portion of the costs of acquisition and construction of the Project and the costs of issuance of the Note. Such loan agreements or related documents shall contain (a) provision for the avoidance of default by the Authority pursuant to S.C. Regulation Section 19-104.01(F)(11)(b) and (b) representation from the Lender that the Note is being acquired as a vehicle to make a commercial loan rather than resale purposes pursuant to S.C. Regulation 19-104.01(D).

10. The Authority proposes to adopt the Resolution authorizing the issuance and delivery of the specific maximum principal amount of the Note and establishing the definitive terms thereof, including those revenues and assets to be pledged to the payment of the Note as described above. The Authority will take steps necessary to comply with the requirements of Sections 103 and 141-150 of the Tax Code.

11. The size, date, maturity schedule, payment dates, and repayment provisions with respect to the Note shall be finally determined prior to the date the Note is issued. As soon as these matters are finally determined, a precise schedule thereof shall be presented to the SFAA or its designee as provided by the Enabling Act. There are hereby filed with the SFAA pro forma schedules with respect to the Note based on current estimates and market conditions.

12. The interest rate to be borne by the Note has not been determined. It is currently expected that the interest rate on the Note (a) during the construction period will be approximately four and 30/100 percent (4.30%).

13. The Authority requests that the SFAA delegate to the State Treasurer the ability to approve the interest rates on the Note, and upon making determination that the funds anticipated to be available for the payment of the Authority's notes and bonds, including the Note, will be sufficient to provide for the payment of principal and interest thereon, to grant on behalf of the SFAA final approval for the issuance of the Note. Prior to the issuance of the Note, the Authority shall have provided to the State Treasurer, to the extent not previously provided herein or otherwise, the information required to be submitted to the SFAA by the provisions of Section 31-13-220, to wit:

- (a) the principal amount of the Note to be issued;
- (b) the maturity schedule of the Note to be issued;
- (c) schedules showing the annual debt service requirements on all outstanding notes and bonds of the Authority;

- (d) schedules showing the amount and source of revenues available for the payment of the debt service requirements established by the schedules referenced in item (c); and
- (e) the method to be employed in selling the Note.

Attached hereto in response to the requirements of Section 31-13-220 are the following schedules, certain of which are pro forma schedules because the Note has not been priced or sold as of the date of this Petition, to wit:

- (i) a pro forma (in lieu of final schedules) of the principal amount of the Note to be issued;
- (ii) a pro forma (in lieu of final schedules) of the maturity schedule of the Note to be issued;
- (iii) schedules showing the annual debt service requirements on all outstanding notes and bonds of the Authority;
- (iv) schedules showing the amount and source of revenues available for the payment of the debt service requirements established by the schedules referenced in item (iii); and
- (v) the method to be employed in selling the Note.

14. The Note is a special obligation of the Authority secured by and payable solely from moneys, income, and receipts of the Authority pledged under the Resolution and related documents.

15. In compliance with Regulation 19-104.01, the documents pursuant to which the Note will be issued shall provide (i) that all expenses, costs, and fees of the Authority in connection with the issuance of the Note, including legal fees, printing, and all disbursements shall be paid by the Housing Sponsor; (ii) the Project will be managed in compliance with the requirements of Regulation 19-104.01(F)(10) pursuant to the terms of an Agreement as to Restrictive Covenants and the non-arbitrage and tax agreement with the Housing Sponsor; and (iii) the Note financing will be structured to protect the interests of the prospective Noteholder and the Authority in accordance with Regulation 19-104.01(F)(11).

16. The Authority agrees, pursuant to S.C. Regulation 19-104.01(F)(13), that the management agent for the Project must be approved by the SFAA. The initial management agent of the Project is Weller Workforce LLC, St. Petersburg, Florida (or an affiliate thereof).

17. (a) The Authority hereby requests the SFAA to grant an allocation of private activity bond volume cap under Section 146(f)(2) of the Tax Code, which may be allocated to the Note by the Authority. The Authority is an "issuing authority" as such term is used under Section 1-11-510(A) of the Code of Laws of South Carolina 1976, as amended (the "Allocation Act"), establishing a plan for the allocation of the State of South Carolina's volume limitation with respect to private activity bonds under Section 146 of the Tax Code.

- (b) The Allocation Act authorizes the Authority to submit its request to the SFAA

that a portion of the State Ceiling established by the Tax Reform Act (the "State Ceiling") be allocated to the Note.

(c) This Petition constitutes an "authorized request" within the meaning of Section 1-11-530 of the Allocation Act.

(d) Such assistance will permit the Housing Sponsor to obtain low income housing tax credits under Section 42 of the Tax Code and under South Carolina law producing equity contributions to fund a portion of the costs of the Project, thereby increasing the availability of safe and affordable housing in the upstate of South Carolina and increasing the assessed value of the Project, to the benefit of the local and State governments.

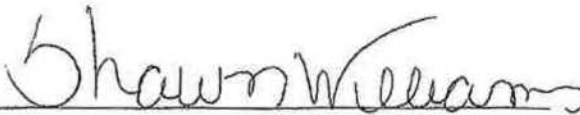
(e) The Authority represents that it is not at this time considering the issuance of any additional notes or bonds for the Project.

Upon the basis of the foregoing, the Authority respectfully prays:

The State Fiscal Accountability Authority (i) to accept the filing of this Petition and the documents submitted herewith; (ii) to undertake such review as it deems necessary; (iii) to give conditional approval of the issuance of the Note, in the aggregate principal amount of not to exceed \$10,000,000 for the purpose of financing the Mortgage Loan to pay a portion of the cost of the acquisition and construction of the Project, as set forth above, and for paying the costs of issuance in connection therewith; (iv) to approve the initial management agent for the Project; (v) to determine that the allocation amount requested is not disproportionately large in comparison with the State Ceiling not yet allocated or with the public benefits to be derived from the issuance of the Authority's Note, and (vi) to approve an allocation for the Note of State Ceiling of private activity bond volume cap for calendar year 2022 in the amount of not exceeding \$10,000,000 in accordance with the provisions of the Tax Code.

Respectfully submitted,

**HOUSING AUTHORITY OF THE CITY OF
GREENVILLE, SOUTH CAROLINA**

By: 
Shawn Williams, Chief Executive Officer

August 31, 2021

STATE OF SOUTH CAROLINA

COUNTY OF Barnwell

PETITION

TO THE STATE FISCAL ACCOUNTABILITY
AUTHORITY OF SOUTH CAROLINA

SHANNON PARK
APARTMENTS PROJECT

The South Carolina Regional Housing Authority No. 3 (the "**Authority**") submits this petition to the State Fiscal Accountability Authority of South Carolina (the "**SFAA**") pursuant to Act 369 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina 1986, the South Carolina State Housing Finance and Development Authority Act of 1977, Act No. 76 of the Acts and Joint Resolutions of the General Assembly of 1977, as amended (the "**Act**"), and Title I, Chapter 11 of the Code of Laws of South Carolina 1976, as amended (the "**State Ceiling Act**"), and specifically Section 1-11-530 thereof, and respectfully shows:

1. The Act, among other things, provides that whenever the Authority has determined by resolution that sufficient persons and families of either beneficiary class (as defined in the Act) (the "**Beneficiary Classes**") are unable to pay the amounts at which private enterprise is providing decent, safe and sanitary housing and that through the exercise of one or more of the programs authorized by the Act, decent, safe and sanitary housing will become available to members of the Beneficiary Classes in need therefore, then, on receipt of approval from the SFAA, the Authority is authorized, subject to the conditions set forth in the Act, to issue from time to time its notes and bonds for the purpose of, among other things, obtaining funds with which to make (a) construction loans secured by mortgages of housing sponsors (as defined in the Act), or of persons or families of the Beneficiary Classes; and (b) permanent mortgage loans to housing sponsors who agree to and are required to provide for construction or rehabilitation of residential housing (as defined in the Act) for rental by persons or families the Beneficiary Classes.

2. The State Ceiling Act, among other things, authorizes the SFAA to allocate the State of South Carolina's ("**State**") ceiling on the issuance of private activity bonds in response to authorized requests from issuing authorities.

3. Each State ceiling allocation made by the SFAA (unless eligible and approved for carry-forward election) is valid only for the calendar year in which the State ceiling allocation is made.

4. Standard Shannon Venture LP (the "**Sponsor**"), has applied to and requested the Authority to assist the Sponsor by issuing bonds or notes, anticipated to be designated as South Carolina Regional Housing Authority No. 3 (Shannon Park Apartments Project) Series 2021 ("**Notes**"), in the aggregate principal amount of not exceeding \$18,000,000 for the acquisition and rehabilitation of a 96-unit affordable housing developments located in the City of Goose Creek, Berkeley County, South Carolina, to be known collectively as Shannon Park Apartments (the "**Project**").

5. The Authority has preliminarily approved the issuance of the Notes pursuant to a resolution adopted September __, 2021, to provide funds to make a mortgage loan to the Sponsor for the acquisition and rehabilitation of the Project, to establish the necessary reserve funds and to pay the costs and expenses incurred in connection with the issuance of the Notes.

6. The Authority will adopt a final resolution (the "**Resolution**") authorizing the issuance and sale of the Notes and establishing the definitive terms thereof, including those revenues and assets to be pledged to the payment of the Notes. The Authority will take steps necessary to comply with the requirements of Section 142 of the Internal Revenue Code of 1986, as amended.

7. The Notes to be issued for the Project would require an allocation of not exceeding \$18,000,000 of the State ceiling. The Notes constitutes all of the private activity bond financing contemplated for the Project as of the date of this Petition.

8. The net interest rate to be borne by the Notes has not been determined. The interest rate will not exceed the limitations or contravene the conditions described in the Act.

9. The trustee for the issue and the size, date, maturity schedule, payment dates and repayment provisions with respect to the Notes shall be finally determined prior to the date the Notes is issued. As soon as these matters are finally determined, a precise schedule thereof shall be presented to the SFAA or its designee as provided by the Act.

10. The Authority requests that the SFAA delegate to the State Treasurer the ability to approve the interest rate on the Notes and to grant on behalf of the SFAA final approval for the issuance of the Notes. Prior to the issuance of the Notes, the Authority shall have provided to the State Treasurer, to the extent not previously provided herein or otherwise, the information required to be submitted to the SFAA by the provisions of Section 31-13-220, to wit:

- (a) the principal amount of the Notes to be issued;
- (b) the maturity schedule of the Notes to be issued;
- (c) a schedule showing the annual debt service requirements of all outstanding notes and bonds of the Authority;
- (d) a schedule showing the amount and source of revenues available for the payment of debt service on said bonds and notes;
- (e) the method to be employed in selling the Notes.

11. The Notes will be a special obligation of the Authority secured by and payable solely from monies, income and receipts of the Authority pledged under the Resolution with respect thereto.

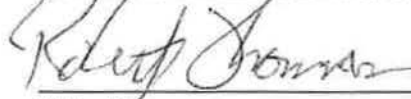
12. A schedule showing the annual debt service requirements of all outstanding bonds and notes of the Authority and source of revenues available for the payment of such debt service requirements has previously been provided to the SFAA.

13. The Authority will produce any further information with respect to the Notes required by the SFAA.

14. the Project financed with the Notes will be managed as a multifamily housing project in accordance with applicable provisions of State and federal law.

WHEREFORE, on the basis of the foregoing, the Authority prays that the SFAA (i) preliminarily approve the issuance of the Notes in the aggregate principal amount set forth above for the purpose of financing the acquisition, construction and equipping of the Project, establishing necessary reserve funds, and paying the costs and expenses incurred in connection with the issuance of the Notes, (ii) approve a State ceiling allocation for the Notes of \$18,000,000, (iii) approve the management company for the project.

Respectfully submitted,
**SOUTH CAROLINA REGIONAL
HOUSING AUTHORITY NO. 3**

A handwritten signature in cursive script, appearing to read "Robert Thomas", written over a horizontal line.

Robert Thomas
Executive Director

September 13, 2021

State ceiling allocation

SECTION 2. Article 3, Chapter 11, Title 1 of the 1976 Code is amended to read:

"Article 3

Allocation of State Ceiling on Issuance of Private Activity Bonds

Section 1-11-500. The state ceiling on the issuance of private activity bonds as defined in Section 146 of the Internal Revenue Code of 1986 established in the act must be certified annually by the Secretary of the State Fiscal Accountability Authority (the state authority) based upon the provisions of the act. The secretary of the state authority shall make this certification as soon as practicable after the estimates of the population of the State of South Carolina to be used in the calculation are published by the United States Bureau of the Census but in no event later than February first of each calendar year.

Section 1-11-510. (A) The private activity bond limit for all issuing authorities must be allocated by the state authority in response to authorized requests as described in Section 1-11-530 by the issuing authorities, or as otherwise provided in Section 1-11-520(G).

(B) The aggregate private activity bond limit amount for all South Carolina issuing authorities is allocated initially to the State for further allocation within the limits prescribed herein.

(C) Nothing in this article or the State Ceiling Allocation Plan adopted pursuant to this article grants any rights to, or in the processes used in the allocation or disposition of, state ceiling. Decisions made pursuant to this article are final and are not subject to judicial or administrative review.

Section 1-11-520. (A) No later than September thirtieth of the year preceding the calendar year to which the state ceiling applies, and subject to review and comment by the Joint Bond Review Committee, the state authority must publish a State Ceiling Allocation Plan that assigns percentages of the state ceiling to categories of any of the permitted purposes prescribed by the Internal Revenue Code. Without limitation, categories of permitted purposes may include industrial and economic development bonds; single family housing bonds; multifamily housing bonds; student loan bonds; and any other bonds eligible for tax exemption as a private activity bond pursuant to the Internal Revenue Code. No initial assignment to any single category may exceed forty percent of the state ceiling, and no minimum assignment is required for any category.

(B) Further, the allocation plan must provide for a process of periodic allocations of the state ceiling within each category, which for any period generally may not exceed an amount of the state ceiling allocated to that category equally divided among the number of periods in the year during which allocations are to be made; provided, however, that the state authority may, upon findings of exceptional and compelling circumstances, amend the annual allocation plan following review and comment by the committee.

(C) Notwithstanding the assigned percentages set forth in the allocation plan, the state authority may but need not reassign any state ceiling unused in prior periods as a supplement to and means to address demand for ceiling allocation in a subsequent period. Such reassignment may be made for any allocation category, notwithstanding its original assignment.

(D) Unless otherwise approved in writing by the state authority following justification and substantial findings of significance, no authorized request may receive an allocation of state ceiling applicable to that calendar year exceeding ten percent of the total state ceiling in the case of an industrial or economic development project, or five percent of the total state ceiling for any other allocation category.

(E) The allocation plan must establish competitive criteria for allocation of state ceiling to authorized requests. Competitive criteria may be unique to each category but must be uniform within each category and established to achieve highest value and greatest public benefit. Discussions of matters related to the periodic evaluation of authorized requests may be conducted in executive session. The state authority may utilize the services of the South Carolina Department of Commerce, the South Carolina State Housing Finance and Development Authority, any other state agency, and any other public or private resources to inform and provide services for the development of the allocation plan, including the evaluation and competitive criteria; and the periodic evaluation of authorized requests. The Department of Commerce and the State Housing Finance and Development Authority are directed to provide to the state authority such assistance as may be requested or required to accomplish the purposes of this article.

(F) Allocations of state ceiling to authorized requests must be made in accordance with the provisions of the allocation plan and policies and procedures adopted by the state authority.

(G) The state authority must determine the disposition of any remaining, unused state ceiling during the final period of the calendar year pursuant to a petition submitted in accordance with Section 1-11-530(D).

Section 1-11-530. (A) For private activity bonds proposed for issue by other than state government issuing authorities, an authorized request is a request included in a petition to the state authority that a specific amount of the state ceiling be allocated to the bonds for which the petition is filed. The petition must be accompanied by: (i) a copy of the Inducement Contract, Inducement Resolution, or other comparable preliminary approval entered into or adopted by the issuing authority, if any, relating to the bonds, and (ii) such other supporting documentation as the state authority may by policy prescribe.

(B) For private activity bonds proposed for issue by any state government issuing authority, an authorized request is a request included in a petition to the state authority that a specific amount of the state ceiling be allocated to the bonds for which the petition is filed. The petition must be

accompanied by: (i) a bond resolution or comparable action by the issuing authority authorizing the issuance of the bonds, and (ii) such other supporting documentation as the state authority may by policy prescribe.

(C) Each authorized request must demonstrate that the allocation amount requested constitutes all of the private activity bond financing contemplated at the time for the project and any other facilities located at or used as a part of an integrated operation with the project.

(D) An issuing authority seeking an allocation of any remaining unused state ceiling for carry-forward designation must submit to the state authority a petition identifying the types of tax-exempt bonds to which the carry-forward designation will apply. The petition must be accompanied by such other supporting documentation as the state authority may by policy prescribe. Such allocations are not subjected to the provisions of Section 1-11-520(D), (E), and (F).

(E) Notwithstanding any other provision of this article, the state authority may disapprove, reduce, or defer any authorized request or petition for carryforward.

(F) The state authority must periodically furnish to the Joint Bond Review Committee a report of petitions received, along with their dispositions.

Section 1-11-540. Reserved.

Section 1-11-550. (A) An allocation of the state ceiling approved by the state authority is made formal initially by a certificate which allocates tentatively a specific amount of the state ceiling to the bonds for which the allocation is requested. This tentative allocation certificate must specify the state ceiling amount allocated, the issuing authority and the project involved, and the time period during which the tentative allocation is valid. This certificate must remind the issuing authority that the tentative allocation is made final after the issuing authority chairman or other duly authorized official or agent of the issuing authority, before the issue is made, certifies the issue amount and the projected date of issue, as is required by subsection (B) of this section. It also may include other information considered relevant by the secretary of the state authority.

(B) The chairman or other authorized official or agent of an issuing authority issuing any private activity bond for which a portion of the state ceiling has been allocated tentatively shall execute and deliver to the secretary of the state authority an issue amount certificate setting forth the exact amount of bonds to be issued and the projected bond issue date which date must not be more than ten business days after the date of the issue amount certificate and it must be before the state ceiling allocation involved expires. The issue amount certificate may be an executed copy of the appropriate completed form to be submitted to the Internal Revenue Service on the issue or it may be in the form of a letter which certifies the exact amount of bonds to be issued and the projected date of the issue.

(C) In response to the issuing authority's issue amount certificate required by subsection (B) of this section, the secretary of the state authority is authorized to issue and, as may be necessary, to revise a certificate making final the ceiling allocation previously approved by the state authority on a tentative basis, if the secretary of the state authority determines that:

(1) the issuing authority's issue amount certificate specifies an amount not in excess of the approved tentative ceiling allocation amount;

(2) the issue amount certificate was received prior to the issue date projected and that the certificate is dated not more than ten days prior to the issue date projected; provided, however, that if an issue amount certificate is dated more than ten days prior to the date of issue of the bonds, such certificate shall be void, and a new request must be provided to the secretary of the state authority prior to issuance of the bonds;

(3) the issue date projected is within the time period approved previously for the tentative ceiling allocation; and

(4) the bonds when issued and combined with the total amount of bonds requiring a ceiling allocation included in issue amount certificates previously submitted to the state authority by issuing authorities do not exceed the state ceiling for the calendar year. Except under extraordinary circumstances, the secretary of the state authority shall issue this certificate within two business days following the date the issue amount certificate is received.

(D) In accordance with Section 149(e)(2)(F) of the Internal Revenue Code, the secretary of the state authority is designated as the state official responsible for certifying, if applicable, that certain bonds meet the requirements of Section 146 of the Internal Revenue Code relating to the volume cap on private activity bonds.

(E) Any tentative or final state ceiling allocation granted by the state authority before the effective date of this act remains valid as an allocation of a portion of the volume cap for South Carolina provided under Section 146 of the Internal Revenue Code. The allocations expire in accordance with the law under which they were granted or extended and their validity may be extended or reinstated in accordance with the provisions of Sections 1-11-500 through 1-11-570.

Section 1-11-560. (A) Any state ceiling allocation approved by the state authority is valid only for the calendar year in which it is approved, unless eligible and approved for carry-forward election or unless specified differently in the certificates required by Section 1-11-550.

(B) Unless eligible and approved for carry-forward election or unless specified differently in certificates required by Section 1-11-550, each state ceiling allocation expires automatically if the bonds for which the allocation is made are not issued within ninety consecutive calendar days from the date the allocation is approved by the state authority.

(C) In response to a written request by the chairman or other duly authorized official or agent of an issuing authority, the state authority, acting during the period an approved allocation is valid, may but need not extend the period in which an allocation is valid in a single calendar year by thirty-one consecutive calendar days to a total of not more than one hundred twenty-one consecutive calendar days.

(D) In response to a written request by the chairman or other authorized official or agent of an issuing authority, the state authority may but need not reinstate for a period of not more than thirty-one consecutive calendar days in any one calendar year part or all of an allocation approved but not extended previously in accordance with subsection (C) of this section in that same calendar year which has expired. The reinstatement request must certify that the authorized request previously submitted is still true and correct or a new authorized request must be submitted.

(E) A tentative ceiling allocation is canceled automatically if the chairman or other authorized official or agent of the issuing authority fails to deliver the issue amount certificate required by Section 1-11-550 to the secretary of the state authority before the bonds for which the allocation is made are issued.

(F) The chairman or other authorized official or agent of an issuing authority shall advise the secretary of the state authority in writing as soon as is practicable after a decision is made not to issue bonds for which a portion of the state ceiling has been allocated. All notices of relinquishment of ceiling allocations must be entered promptly in the state authority's records by the secretary of the state authority.

(G) Ceiling allocations which are eligible and approved for carry-forward election are not subject to the validity limits of this section. The state authority shall join with the issuing authorities involved in carry-forward election statements to meet the requirements of the Internal Revenue Service.

Section 1-11-570. The state authority may adopt policies and procedures necessary to implement and administer the provisions of this article. All such policies and procedures, and any changes thereto, are subject to review and comment by the Joint Bond Review Committee.

Section 1-11-580. The State Fiscal Accountability Authority shall make quarterly payments on insurance contracts where the annual premium exceeds fifty thousand dollars. The board shall undertake necessary negotiations to implement this requirement. Where fees may be incurred for quarterly rather than annual payments, the State Fiscal Accountability Authority shall determine whether the investment income opportunity is greater or less than proposed fees and shall make the decision which best benefits South Carolina."

Repeal

SECTION 3. Section 1-11-370 of the 1976 Code is repealed.

Conflicting provisions

SECTION 4. The provisions of Article 3, Chapter 11, Title 1 of the 1976 Code relating to the allocation of state ceiling on issuance of private activity bonds, as amended in this act, shall control if there is any conflict with any other provision of law or regulation, specifically including Regulation 19-103.

Severability

SECTION 5. If any section, subsection, paragraph, subparagraph, sentence, clause, phrase, or word of this act is for any reason held to be unconstitutional or invalid, such holding shall not affect the constitutionality or validity of the remaining portions of this act, the General Assembly hereby declaring that it would have passed this act, and each and every section, subsection, paragraph, subparagraph, sentence, clause, phrase, and word thereof, irrespective of the fact that any one or more other sections, subsections, paragraphs, subparagraphs, sentences, clauses, phrases, or words hereof may be declared to be unconstitutional, invalid, or otherwise ineffective.

Time effective

SECTION 6. The provisions of this act are effective for allocations of state ceiling beginning January 1, 2022, and thereafter. For the first year of implementation, the state authority may adopt such special procedures as may be necessary to effect the requirements of this act.

Ratified the 12th day of May, 2022.

President of the Senate

Speaker of the House of Representatives

Approved the _____ day of _____ 2022.

Governor