

S. 785

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(R84, S785)

AN ACT TO AUTHORIZE THE BOARD OF TRUSTEES OF FLORENCE COUNTY SCHOOL DISTRICT FOUR TO ISSUE GENERAL OBLIGATION BONDS OF THE SCHOOL DISTRICT WITHIN ITS CONSTITUTIONAL DEBT LIMIT, IN ONE OR MORE SERIES, IN A TOTAL AMOUNT NOT TO EXCEED TWO MILLION FIVE HUNDRED THOUSAND DOLLARS, TO DEFRAY THE LOSS OF EDUCATION FINANCE ACT FUNDS TO THE SCHOOL DISTRICT, TO PRESCRIBE THE CONDITIONS UNDER WHICH THE BONDS MAY BE ISSUED AND THE PURPOSES FOR WHICH THE PROCEEDS MAY BE EXPENDED, AND TO MAKE PROVISION FOR THE PAYMENT OF THE BONDS.

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

Bond authorization

SECTION 1. (A) The General Assembly finds that Florence County School District Four did, in Fiscal Year 2010-2011, experience a revenue shortfall upon the loss of Education Finance Act funds to the school district which has resulted in a budgetary crisis. In responding to this financial crisis, the board of trustees of the school district is exploring all of its options, including eliminating teaching and other staff positions, eliminating programs, and increasing class size.

(B) There presently exists no statutory authorization for the school district to incur bonded indebtedness to fund an operating deficit or to fund school operating expenditures. The General Assembly has determined to authorize the board of trustees of the school district to issue general obligation bonds of the school district to fund the deficit and school operating expenditures to the extent permitted under the constitutional debt limit applicable to the school district under Section 15, Article X of the Constitution of this State.

(C) Florence County School District Four shall use the proceeds of the general obligation bonds provided in this act only to fund teacher salaries.

Bond authorization

SECTION 2. For the purpose of funding the 2010-2011 deficit of the school district and for the purpose of paying school operating expenses for Fiscal Years 2011-2012 and 2012-2013 so as to mitigate a deficit for Fiscal Years 2011-2012 and 2012-2013, the board may on or before December 31, 2012, issue general obligation bonds of the school district in an amount not to exceed a total of two million five hundred thousand dollars. The issuance of general obligation

bonds in an amount that does not exceed one million dollars may be effectuated by the district without an election. The issuance of general obligation bonds in amount exceeding one million dollars, but less than two million five hundred thousand dollars, must first be approved in a referendum as provided in Section 14 of this act. The total amount of general obligation bonds issued by the district must be within the constitutional debt limitation applicable to the school district.

Bond maturity

SECTION 3. Bonds issued pursuant to this act mature on the dates the board prescribes.

Bond redemption

SECTION 4. Bonds issued pursuant to this act may be issued with a provision for their redemption prior to their maturity at par and accrued interest, plus a redemption premium as may be prescribed by the board, but no bond is redeemable before maturity, unless it contains a statement to that effect. In the proceedings authorizing the issuance of the bonds, provision must be made specifying the manner of call and the notice of call must be given.

Bond form

SECTION 5. Bonds issued pursuant to this act must be in the form of fully registered bonds payable upon conditions as the board may prescribe.

Bond denomination

SECTION 6. Bonds issued pursuant to this act must be in a denomination and must be made payable at a place, within or without the State, as the board prescribes.

Bond interest

SECTION 7. Bonds issued pursuant to this act bear interest at a rate or rates determined by the board.

Bond execution

SECTION 8. Bonds must be executed in a manner as the board prescribes by resolution.

Sale of bonds

SECTION 9. Bonds issued pursuant to this act must be sold at a price of not less than par and accrued interest, if any, to the date of their respective deliveries. Bonds authorized by this act may be sold at private or public sale upon the terms prescribed by the board.

Full faith, credit, and taxing power of school district pledged

SECTION 10. For the payment of principal of and interest on all bonds issued pursuant to this act, as they respectively mature, and for the creation of a sinking fund as may be necessary therefor, the full faith, credit, and taxing power of the school district must be irrevocably pledged, and there may be levied annually by the Auditor of Florence County, and collected by the Treasurer of Florence County, in the same manner as county taxes are levied and collected, a tax without limit on all taxable property in the school district sufficient to pay the principal of and interest on the bonds as they respectively mature and to create a sinking fund as may be necessary therefor.

Bonds tax exempt

SECTION 11. The principal of and interest on bonds issued pursuant to this act have the tax-exempt status prescribed by Section 12-2-50 of the 1976 Code.

Bond proceeds

SECTION 12. The proceeds derived from the sale of any bonds issued pursuant to this act must be paid to the Treasurer of Florence County, to be deposited in a bond account fund for the school district and must be expended and made use of by the board as follows:

- (a) any accrued interest must be applied to the payment of the first installment of interest to become due on the bonds;
- (b) any premium may be applied to the payment of the first installment of principal on the bonds or be deposited in the bond fund account for the school district;
- (c) the remaining proceeds of the bonds must be used to defray the cost of issuing bonds authorized by this act and to fund the operating deficit for Fiscal Year 2010-2011 and to pay operating expenses for Fiscal Years 2011-2012 and 2012-2013 so as to mitigate a deficit for Fiscal Years 2011-2012 and 2012-2013; and
- (d) if any balance remains, it must be held by the Treasurer of Florence County in a special fund to be used to effect the retirement of bonds.

Board powers

SECTION 13. The powers and authorizations conferred upon the board by this act are in addition to all other powers and authorizations previously vested in the board and may be availed of pursuant to action taken at any regular or special meeting of the board by a resolution to take effect immediately upon its adoption.

Referendum required for certain bond amount

SECTION 14. The issuance of general obligation bonds as authorized by this act in amount exceeding one million dollars, but less than two million five hundred thousand dollars, must be first approved by majority vote of the qualified electors of the school district in a referendum

called for this purpose by the governing body of Florence County School District Four. The cost of the referendum must be paid by the school district. No approvals of any other public agency or entity to any action taken pursuant to the authorizations by this act is required.

Bond anticipation notes

SECTION 15. In anticipation of the issuance of the bonds authorized by this act, the school district may issue bond anticipation notes in accordance with state law provisions for the issuance of same.

Time effective

SECTION 16. This act takes effect upon approval by the Governor.

Ratified the 8th day of June, 2011.