

STATE FISCAL ACCOUNTABILITY AUTHORITY

Meeting of Tuesday, March 3, 2020 -- 9:30 A. M.

Room 252, Edgar A. Brown Building

AGENDA INDEX

<u>Item</u>	<u>Agency</u>	<u>Subject</u>
A.		MEETING OF STATE FISCAL ACCOUNTABILITY AUTHORITY
B.		ADOPTION OF PROPOSED AGENDA
C.		REGULAR SESSION
1.	Executive Director	2020 Ceiling Allocation

AGENCY: Executive Director

SUBJECT: 2020 Ceiling Allocations

The initial balance of the 2020 state ceiling allocation is \$540,614,970. In accord with Code Section 1-11-520, \$216,245,988 (40% of the total) is designated as the state pool and \$324,368,982 (60% of the total) is designated as the local pool. There is presently a state ceiling balance of \$540,614,970 remaining for 2020. Allocation requests for 2020 totaling \$60,000,000 have been received thus far.

The recommendation from the Department of Commerce for allocations for this cycle totals \$60,000,000. The Department of Commerce makes the following recommendation for allocation from the local pool:

JEDA, The Heritage at Forest Acres Properties, LLC, (Richland County) \$60,000,000 (Financing includes (i) costs of acquiring, developing and constructing 40 rental independent living cottage 88 assisted living units and 42 memory care units for a senior housing community; (ii) working capital; (iii) a capitalized interest fund; (iv) a liquidity support fund; and (v) other costs of issuance);

Given that the allocation request is for more than \$10 million, bond counsel for the project has indicated that the project should be granted ceiling allocation prior to July 1, because the project “is of such significance that approval of the allocation is warranted” prior to July 1. Bond counsel’s memo supporting the allocation is attached. (See also SC Code Section 1-11-54).

If the Authority approves the recommended request, this will leave an unexpended state ceiling balance of \$480,614,970 (state pool - \$216,245,988; local pool - \$264,368,982) to be allocated later in the calendar year.

AUTHORITY ACTION REQUESTED:

In accord with Code Section 1-11-500 et seq. and upon the recommendation of the Department of Commerce, grant the following tentative ceiling allocation from the local pool:

JEDA, The Heritage at Forest Acres Properties, LLC, (Richland County) \$60,000,000

ATTACHMENTS:

2020 Ceiling Allocation Requests; Young 3/03/20 Memo; Witherspoon 1/3/20 memo; Code Section 1-11-500 et seq.

2020 Ceiling Allocation Requests

Recd.	Issuing Authority	Project	Request	Cumulative	Bond Counsel	Request	St.Law	Location	NOTES
1	01/02/20 JEDA	The Heritage at Forest Acres Properties	60,000,000		Kimberly Witherspoon	x		Richland	

2020 South Carolina State Ceiling Allocations

Summary, CY 2019

2020 State Ceiling **540,614,970**
 Initial Allocations 60,000,000
 Expired/Relinquished 0
 Actual Allocations 60,000,000
 Certified for Issue 0
 Carried Forward 0

Balance Available: 480,614,970

Issuer	Name of Project	Allocation Amount	Expired/ Relinquished	Certified for Issue	Issue Date	Attorney
Allocation: 2/4/20						
JEDA	The Heritage at Forest Acres	60,000,000				Witherspoon
Expiration: 5/4/20						

2020 South Carolina State Ceiling
Balance as of February 4, 2020, if ceiling allocation granted

State Pool (40%)	216,245,988
Total State Pool (40%)	<u>216,245,988</u>
Local Pool (60%)	324,368,982
Total Local Pool (60%)	<u>324,368,982</u>
Certified State Ceiling 2020	<u>540,614,970</u>

<i>Date</i>	<i>Governmental Unit</i>	<i>Name of Project</i>	<i>Pool Total</i>	<i>Amount Allocated</i>	<i>Balance Available</i>	<i>Certified for Issue</i>	<i>Issue Date</i>	<i>Attorney</i>
01/02/19	STATE POOL		216,245,988					

TOTAL, STATE POOL			<u>216,245,988</u>	0	<u>216,245,988</u>	0		
01/02/19	LOCAL POOL							
02/04/20	JEDA	The Heritage at Forest Acres	324,368,982	60,000,000				Witherspoon

TOTAL, LOCAL POOL			<u>324,368,982</u>	60,000,000	<u>264,368,982</u>	0		
GRAND TOTAL			<u>540,614,970</u>	60,000,000	<u>480,614,970</u>	0		



Henry McMaster
Governor

SOUTH CAROLINA
DEPARTMENT OF COMMERCE

Robert M. Hitt III
Secretary

MEMORANDUM

To: Delbert Singleton
From: Daniel Young *ADY*
Date: March 2, 2020
Re: March 3, 2020, Meeting

At the request of SC State Fiscal Accountability Authority, the South Carolina Department of Commerce evaluates allocation requests that pertain to economic development.

After reviewing information provided by Haynesworth Sinkler Boyd, P. A., regarding a senior housing project the Department of Commerce recommends approval of this project at the March 3, 2020 meeting of the State Fiscal Accountability Authority.

Name	Requested Amount	Score	County
Heritage at Forest Acres	\$60,000,000	5	Richland

Please let me know if you have any questions.

Thank you.

MEMORANDUM

TO: Delbert Singleton
State Fiscal Accountability Authority

FROM: Kimberly Witherspoon

DATE: January 3, 2020

Re: State Ceiling Allocation for South Carolina Jobs-Economic Development Authority Senior Living Revenue Bonds (The Heritage at Forest Acres Project)

Pursuant to the provisions of South Carolina Code Annotated, Title 1, Chapter 11 (1976), as amended (the “Act”), the approval of the requested allocation is of such significance that approval of the allocation is warranted prior to July 1, 2020 for the following reasons.

The project had planned to close in December 2019, however due to year-end capital market holiday shutdowns the completion of the offering has now been pushed into 2020. All requisite elements are in place including executed construction contracts, and the building permit has been issued.

As the only remaining item, allocation under the Act has become critical path for the project at this time. To delay the project until July would put the borrower and the project at significant risk due to market volatility (election year), higher construction costs (contract pricing is valid through February 2020), higher interest rates, and existing committed institutional investor reallocation to other opportunities. The parties have expended substantial funds and need to complete the financing no later than February in order for the project to be able to begin construction in February 2020 and to open and be viable by June 2021. To delay the financing until July would severely jeopardize the project being located in South Carolina and leave many senior members of the community without a means to satisfy their needs for care and housing.

TRANSMITTAL FORM, REVENUE BONDS

TO: Delbert H. Singleton, Jr., Authority Secretary
State Fiscal Accountability Authority
600 Wade Hampton Building
Columbia, SC 29201
ORP. O. Box 12444, Columbia, SC 29211

DATE: February 12, 2020

Submitted for SFAA Meeting on:

March 24, 2020

FROM:

Kimberly Witherspoon, Haynsworth Sinkler Boyd, P.A.
Name of Law Firm

1 North Main Street, 2nd Floor
Street Address/Box Number

Greenville, SC 29601
City, State, Zip Code

864-240-3255
Area Code/Telephone Number

RE:

\$60,000,000
Amount of Issue

SC Jobs-Economic Development Authority
Name of Issuing Authority

Senior Living Revenue Bonds
Type of Bonds or Notes

April 2020
Projected Issue Date

Project Name: The Heritage at Forest Acres Project

Project Description: Financing includes (i) cost of acquiring, developing and constructing 40 rental independent living cottages, 88 assisted living units and 42 memory care units for a senior housing community; (ii) working capital; (iii) a capitalized interest fund; (iv) a liquidity support fund; and (v) other costs of issuance

Employment as a result of the project: Estimated minimum of 85 jobs within 24 months plus 500 construction jobs

Ceiling Allocation Required
[X] Yes (\$60,000,000) [] No
Amount

Refunding Involved
[] Yes (\$) [X] No
Amount

Project Approved Previously
[X] Yes (\$60,000,000) [] No
Amount

Documents enclosed (executed original and two copies of each):

(ALL documents required for state law approval; A and C only for ceiling allocation only.)

- A. [X] Petition
B. [N/A] Resolution or Ordinance
C. [X] Inducement Resolution or comparable preliminary approval
D. [N/A] Department of Health and Environmental Control Certificate if required
E. [N/A] State Fiscal Accountability Authority Resolution and Public Notice (original)

Plus copies for certification and return to bond counsel

F. [N/A] Draft bond counsel opinion letter

G. [N/A] Processing Fee
Amount: \$
Payor:

Check No:

Bond Counsel: Kimberly Witherspoon
Typed Name of Bond Counsel

By: [Signature] SFAA

Respectfully submitted,

**SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY**

By: _____
Harry A. Huntley
Executive Director

Dated: February __, 2020

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDUCEMENT AGREEMENT BY AND BETWEEN THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY, THE HERITAGE AT FOREST ACRES PROPERTIES, LLC AND THE HERITAGE AT FOREST ACRES MANAGEMENT COMPANY, LLC, WHEREBY UNDER CERTAIN CONDITIONS THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY WILL ISSUE NOT EXCEEDING \$60,000,000 OF ITS REVENUE BONDS PURSUANT TO THE PROVISIONS OF TITLE 41, CHAPTER 43, OF THE CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED; AND AUTHORIZING THE APPLICATION UPON CERTAIN CONDITIONS TO THE SOUTH CAROLINA COORDINATING COUNCIL FOR ECONOMIC DEVELOPMENT FOR APPROVAL OF THE ISSUANCE OF SUCH BONDS AND THE STATE FISCAL ACCOUNTABILITY AUTHORITY FOR APPROVAL OF STATE CEILING ALLOCATION.

WHEREAS, the South Carolina Jobs-Economic Development Authority (the "*Authority*"), acting by and through its Board of Directors is authorized and empowered under and pursuant to the provisions of Title 41, Chapter 43, of the Code of Laws of South Carolina 1976, as amended (the "*Act*"), to utilize any of its program funds to establish loan programs for the purpose of reducing the cost of capital to business enterprises which meet the eligibility requirements of Section 41-43-150 of the Act and for other purposes described in Section 41-43-160 of the Act and thus provide maximum opportunities for the creation and retention of jobs and improvement of the standard of living of the citizens of the State of South Carolina (the "*State*") and in the promotion and advancement of industrial, commercial, agricultural, and recreational development in the State; and

WHEREAS, the Authority is further authorized by Section 41-43-110 of the Act to issue revenue bonds, as defined in the Act to include notes, payable by the Authority solely from a revenue producing source and secured by a pledge of said revenues; and

WHEREAS, The Heritage at Forest Acres Properties, LLC and The Heritage at Forest Acres Management Company, LLC, each a Florida limited liability company (collectively, the "*Borrower*"), has applied to the Authority to issue not exceeding \$60,000,000 of its revenue bonds (the "*Bonds*") in one or more tax-exempt and taxable series in order to defray a portion of the cost of (i) acquiring approximately 26.49 acres of land in Richland County, South Carolina (the "*County*"), located at 1348 Sunnyside Drive, Forest Acres, South Carolina; (ii) constructing, developing and equipping an assisted living and memory care rental community for seniors to be known as The Heritage at Forest Acres, expected to consist of approximately one hundred seventy (170) total units of senior housing, including forty (40) independent living cottages, eighty-eight (88) assisted living units and forty-two (42) memory support units (the "*Series 2019 Project*"); (iii) funding capitalized interest on the Bonds; (iv) funding a working capital fund; (v) funding a liquidity support fund; and (vi) funding the cost of issuance of the Bonds (collectively, the "*Undertaking*"), and the Authority wishes to induce the Borrower to cause the Project to be acquired, renovated and constructed within the State; and

WHEREAS, it is in the public interest, for the public benefit and in furtherance of the public purposes of the Authority that its Board of Directors provide preliminary approval of the issuance of revenue bonds for the aforesaid purposes; and

WHEREAS, it is deemed advisable by the Authority to file with the South Carolina Coordinating Council for Economic Development (the "*Coordinating Council*"), in compliance with Section 41-43-110 of the Act, the Petition of the Authority requesting approval by the Coordinating Council for the issuance of the Bonds at public or private sale upon receipt by the Authority from the Borrower of evidence satisfactory to the Authority of the economic feasibility of the Project; and

WHEREAS, it is deemed advisable by the Authority to file with the State Fiscal Accountability Authority, in compliance with the provisions of Title 1, Chapter 11, of the Code of Laws of South Carolina 1976, as amended, the Petition of the Authority requesting not exceeding \$60,000,000 of the State ceiling to be allocated by the State Fiscal Accountability Authority to the Bonds;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

Section 1. It is hereby found, determined, and declared as follows:

(a) The Borrower is a responsible party engaged in the development, acquisition and operation of senior living communities.

(b) The Borrower has demonstrated to the Authority that the assistance of the Authority by the issuance of the Bonds will result in the creation of employment for those engaged in construction of the facilities of which the Project is an essential and necessary part, by providing employment for approximately eighty-five (85) people within twenty-four (24) months when the Project is placed in full operation, with a resulting alleviation of unemployment and a substantial increase in payrolls and other public benefits incident to the conduct of such businesses not otherwise provided locally, and the number of jobs resulting from the assistance authorized herein bears a reasonable relationship to the principal amount of the Bonds.

(c) The principal amount of the Bonds bears a reasonable relationship to the amount of private funds committed to the Project.

(d) The size and scope of the Project is such that a definite benefit to the economy of the State and the County, in particular, is reasonably expected to result therefrom.

Section 2. Subject to such approval by the State Fiscal Accountability Authority (as authorizer of State ceiling allocation) and the Coordinating Council, as required by law, the Board of Directors of the Authority preliminarily approves the issuance and sale of revenue bonds of the Authority pursuant to Section 41-43-110 of the Act in a principal amount of not exceeding \$60,000,000 for the purpose of providing financing to the Borrower for the acquisition, equipping and construction of the Project.

Section 3. The issuance and sale of the Bonds shall be upon such terms and conditions as may be mutually agreed upon by the Authority, the Borrower, and the purchaser of the Bonds, and shall be subject to completion of proceedings for issuance, sale, and delivery of the Bonds satisfactory to the Authority. The provisions, terms, and conditions of the agreements to be entered into in connection with the issuance of the Bonds by the Authority, and the form, details, rate or rates of interest, maturity, and redemption provisions, if any, of the Bonds, other details of any loan agreement relating to the Bonds, and findings required by the Act shall be prescribed by subsequent resolution of the Authority and shall be reasonable and proper, taking into account such factors as the type of program involved, the principal amount of the Bonds, and the

number and type of program involved, the principal amount of the Bonds, and the number and type of jobs involved; the public interest shall be adequately protected by the terms thereof.

Section 4. The Executive Director of the Authority is hereby authorized and directed to execute the Inducement Agreement attached hereto in the name and on behalf of the Authority, and is hereby further authorized and directed to deliver said executed Inducement Agreement to the Borrower.

Section 5. It is the intention of the Authority that this resolution shall constitute official intent on the part of the Authority within the meaning of the applicable regulations of the Treasury Department relating to the issuance of tax-exempt revenue bonds.

Section 6. To be eligible for reimbursement of any expenditures, the Borrower will allocate the proceeds of any bonds to reimburse such expenditures not later than 18 months after the later of (a) the date on which the original expenditures were paid or (b) the date the project was placed in service or abandoned, but in no event more than three years after the original expenditures were paid. Expenditures, for purposes of the declaration of official intent and the reimbursement allocation, do not apply to any "preliminary expenditures" for a project, up to an amount not in excess of 20 percent of the aggregate issue price of the Bonds. "*Preliminary expenditures*" include architectural, engineering, surveying, soil testing, reimbursement bond issuance, and similar costs that were incurred prior to the commencement of acquisition, construction or rehabilitation of the Project. Costs such as land acquisition, site preparation, and similar costs incident to commencement of construction are not "preliminary expenditures" and official intent must be expressed as to these costs.

Any expenditures to be reimbursed from bond proceeds and initially paid from operating or capital reserve funds of the Borrower will be incurred solely to acquire, construct, or rehabilitate property having a reasonably expected economic life of at least one year.

Section 7. The Bonds shall never constitute an indebtedness of the Authority or the State within the meaning of any State constitutional provision or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the Authority or the State or a charge against the general credit of the Authority or the State or the taxing powers of the State.

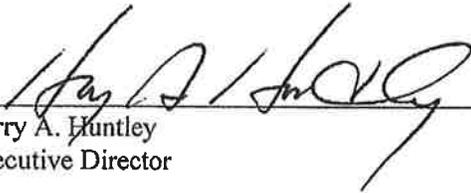
Section 8. Upon receipt by the Authority from the Borrower of evidence, which shall be satisfactory to the Authority, of the economic feasibility of the Project, there shall be and is hereby authorized and directed the submission on behalf of the Authority, of (i) a Petition requesting approval by the Coordinating Council pursuant to the provisions of Section 41-43-110 of the Act of the issuance of the Bonds through public or private sale, and (ii) a Petition requesting approval by the State Fiscal Accountability Authority of allocation to the Bonds of \$60,000,000 from the state ceiling for calendar year 2019, which Petitions constitute and are hereby made a part of this authorizing resolution, to be in form acceptable to the Coordinating Council and State Fiscal Accountability Authority, respectively.

Section 9. The Executive Director of the Authority shall be and is hereby authorized and directed to execute said Petitions in the name and on behalf of the Authority and thereafter, upon the conditions set forth hereinabove, to submit an executed copy of this resolution to the Coordinating Council and the State Fiscal Accountability Authority.

Section 10. All orders and resolutions and parts thereof in conflict herewith are to the extent of such conflict hereby repealed, and this resolution shall take effect and be in full force from and after its passage and approval.

Passed and approved July 17, 2019.

**SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY**



Harry A. Huntley
Executive Director

ARTICLE 3.

ALLOCATION OF STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS

SECTION 1-11-500. Calculation and certification of state ceiling.

The state ceiling on the issuance of private activity bonds as defined in Section 146 of the Internal Revenue Code of 1986 (the Code) established in the act must be certified annually by the Budget and Control Board secretary based upon the provisions of the act. The board secretary 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. Allocation of bond limit amounts.

- (A) The private activity bond limit for all issuing authorities must be allocated by the board in response to authorized requests as described in Section 1-11-530 by the issuing authorities.
- (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) Except as is provided in Section 1-11-540, all allocations must be made by the board on a first-come, first-served basis, to be determined by the date and time sequence in which complete authorized requests are received by the board secretary.

SECTION 1-11-520. Private activity bond limits and pools.

- (A) The private activity bond limit for all state government issuing authorities now or hereafter authorized to issue private activity bonds as defined in the act, to be known as the "state government pool", is forty percent of the state ceiling less any amount shifted to the local pool as described in subsection (B) of this section or plus any amount shifted from that pool.
- (B) The private activity bond limit for all issuing authorities other than state government agencies, to be known as the "local pool", is sixty percent of the state ceiling plus any amount shifted from the state government pool or less any amount shifted to that pool.
- (C) The board, with review and comment by the Joint Bond Review Committee, may shift unallocated amounts from one pool to the other at any time.

SECTION 1-11-530. Authorized requests for allocation of bond limit amounts.

- (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 board 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 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. The board shall forward promptly to the committee a copy of each petition received.
- (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 board 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 a bond resolution or comparable action by the issuing authority authorizing the issuance of the bonds. The board shall forward promptly to the committee a copy of each petition received.
- (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.

SECTION 1-11-540. Limitations on allocations.

(A) The board, with review and comment by the committee, may disapprove, reduce, or defer any authorized request. If it becomes necessary to exercise this authority, the board and the committee shall take into account the public interest in promoting economic growth and job creation.

(B) Authorized requests for state ceiling allocations of more than ten million dollars for a single project are deferred until after July first unless the board, after review and comment by the committee, determines in any particular instance that the positive impact upon the State of approving an allocation of an amount greater than ten million dollars is of such significance that approval of the allocation is warranted.

SECTION 1-11-550. Certificates by issuing authority and by board.

(A) An allocation of the state ceiling approved by the board 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 board secretary.

(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 board secretary 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 Internal Revenue Service 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 board secretary is authorized to issue and, as may be necessary, to revise a certificate making final the ceiling allocation approved previously by the board on a tentative basis, if the secretary 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;

(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 submitted previously to the board by issuing authorities do not exceed the state ceiling for the calendar year. Except under extraordinary circumstances, the board secretary 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 Code, the secretary of the Budget and Control Board is designated as the state official responsible for certifying, if applicable, that certain bonds meet the requirements of Section 146 of the Code relating to the volume cap on private activity bonds.

(E) Any tentative or final state ceiling allocation granted by the board 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 Code. The allocations expire in accordance with the regulations 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. Time limits on allocations.

(A) Any state ceiling allocation approved by the board 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 board certificates required by Section 1-11-550.

(B) Unless eligible and approved for carry-forward election or unless specified differently in board 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 board.

(C) In response to a written request by the chairman or other duly authorized official or agent of an issuing authority, the board, acting during the period an approved allocation is valid, may 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 board may 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 submitted previously 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 involved fails to deliver the issue amount certificate required by Section 1-11-550 to the board secretary 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 board secretary 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 board's records by the board secretary.

(G) Ceiling allocations which are eligible and approved for carry-forward election are not subject to the validity limits of this section. The board 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. Budget and Control Board to adopt policies and procedures.

The Budget and Control Board, after review and comment by the committee, may adopt the policies and procedures it considers necessary for the equitable and effective administration of Sections 1-11-500 through 1-11-570.

SECTION 1-11-580. Budget and Control Board to make quarterly payments on certain insurance contracts.

The Budget and Control Board 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 Budget and Control Board shall determine whether the investment income opportunity is greater or less than proposed fees and shall make the decision which best benefits South Carolina.