

## SHORT TERM NOTES

Code **DFE**

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### **Constitutional and Statutory Provisions:**

The State Board of Education is empowered to borrow such sums of money as it shall require to enable it to purchase school bus equipment, *provided*, that the aggregate of such indebtedness to be outstanding shall not at any time exceed one million five hundred thousand (1,500,000) dollars and shall be compatible with the indebtedness limitation established by §59-71-420. (See §59-67-440, South Carolina Code\*.) The indebtedness thus incurred shall be in such form and shall bear such rate of interest as may be agreed upon between the State Budget and Control Board and the State Board of Education. (See §59-67-450, South Carolina Code.) Section 59-21-140 provides that the State Budget and Control Board may borrow money in anticipation of receipt of revenues provided for school aid. Money so borrowed is distributed to the counties for school aid as provided in §59-21-130, South Carolina Code. The State Board of Education is empowered to borrow sums of money for textbook purchase. (See §59-31-60, South Carolina Code.)

Article X, §13, South Carolina Constitution states: (Paragraphs 1-6 omitted)

- (7) General obligation indebtedness may be incurred in anticipation of state tax collections (tax anticipation notes) under such terms and conditions as the General Assembly may prescribe by law. Such tax anticipation notes shall be secured by a pledge of such taxes and by a pledge of the full faith, credit and taxing power of the State. All tax anticipation notes shall be expressed to mature not later than ninety (90) days from the end of the fiscal year in which such notes are issued.
- (8) General obligation notes may be issued in anticipation of the proceeds of general obligation bonds which may be lawfully issued (bond anticipation notes) under terms and conditions which the General Assembly may prescribe by law. Such bond anticipation notes shall be secured by a pledge of the proceeds of the bonds in anticipation of which such bond anticipation notes are issued and by a pledge of the full faith, credit, and taxing power of the State.

Bond anticipation notes shall be expressed to mature not later than one (1) year following the date of issuance, but if the General Assembly shall so authorize by law, bond anticipation notes may be refunded or renewed.

- (9) The General Assembly may authorize the State or any of its agencies, authorities, or institutions to incur indebtedness for any public purpose payable solely from a revenue-producing project or from a special source, which source does not involve revenues from any tax but may include fees paid for the use of any toll bridge, toll road, or tunnel. Such indebtedness may be incurred upon such terms and conditions as the General Assembly may prescribe by law. All indebtedness incurred pursuant to the provisions of this subsection shall contain a statement on the face thereof specifying the sources from which payment is to be made.

(\*See also Section 11-27-30(3).)

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### **State Board Rule:**

**SOUTH CAROLINA STATE BOARD OF EDUCATION**