

1979 WL 43153 (S.C.A.G.)  
Office of the Attorney General  
State of South Carolina  
November 5, 1979

\*1 Mr. William T. Putnam  
Executive Director  
State Budget and Control Board  
Post Office Box 12444  
Columbia, South Carolina 29211

Dear Mr. Putnam:

In response to your request for an opinion from this Office as to whether or not the provisions of [Sections 4-29-10 et seq., CODE OF LAWS OF SOUTH CAROLINA](#), 1976, as amended, the 'Industrial Revenue Bond Act,' authorize the issuance of refunding industrial revenue bonds in the absence of an original bond issue, my opinion is that they do not authorize such an issuance.

[Section 4-29-110 of the 1976 Code](#) provides in part that:

Any bonds issued hereunder and at any time outstanding may at any time and from time to time be refunded by a county, but only with the approval of the State Board being first obtained, by the issuance of its refunding bonds in such amount as the county board may deem necessary but not exceeding an amount sufficient to refund the principal of the bonds to be refunded, . . .

This language clearly contemplates and intends that refunding bonds, as their name implies, are to be used to refinance previously-issued, outstanding industrial revenue bonds. See generally, 64 AM.JUR.2d Public Securities and Obligations § 261 at 295 ('to 'refund' denotes the issuance of bonds to extend the time of payment of indebtedness which has already once or oftener been funded by being put into the form of bonds').

In response to your second inquiry, industrial revenue bonds can be issued to expand an already existing project notwithstanding the fact that the original project was not financed with industrial revenue bonds, assuming, of course, that the project otherwise comes within the purview of the Industrial Revenue Bond Act. See, [§ 4-29-10\(3\)\(d\), CODE OF LAWS OF SOUTH CAROLINA](#), 1976, as amended.

With kind regards,

Karen LeCraft Henderson  
Senior Assistant Attorney General

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