

# ALERTS

## South Carolina Legislative Report - March 30, 2012

March 26 - March 30, 2012

### *On the Floor*

#### **Unemployment benefits**

The House gave second reading to H.4043, which would terminate unemployment benefits for people who either fail or refuse a drug test as a condition of employment. Democrats in the House vehemently opposed the bill during floor debate, citing privacy concerns and the chilling effect on the unemployed actively seeking work. The bill was amended to prohibit employers from obtaining any other information from a urine sample, such as testing for diabetes or other health-related conditions. The legislation is awaiting a final vote upon return of the House from furlough.

S.1125, a bill that would disqualify a person who has been terminated for "misconduct" from receiving unemployment benefits passed the Senate this week and was sent to the House for consideration. During floor debate, Senate Democrats amended the bill to emphasize that the termination must be for misconduct and not simply unsatisfactory conduct. The move paved the way for a unanimous vote on the floor.

H.4786, regarding unemployment benefits for certain school personnel, was given second and third reading and sent to the Senate. The committee amendment, inserting H.4592, was tabled and the bill was passed as originally introduced.

These measures are a part of a broad effort to reign-in jobless benefits with the state's unemployment agency trying to pay back a nearly \$1 billion federal loan.

#### **LLR Director**

Mrs. Holly G. Pisarik, Governor Haley's nominee for Director of South Carolina Department of Labor, Licensing and Regulation received confirmation from the Senate. Pisarik, 34, has served as the department's lead attorney since 2011. She is a graduate of the University of South Carolina School of Law and previously worked as an attorney at Nelson Mullins Riley and Scarborough.

#### **Pollution Control Act**

H.4654 received third reading this week and was introduced in the Senate where it was referred to the Medical Affairs Committee. S. 1126, the companion bill to H.4654, was previously carried over in the full Medical Affairs committee.

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The legislation amends the Pollution Control Act and is intended to clarify and ease the unintended burden on businesses stemming from the recent South Carolina Supreme Court opinion in *Georgetown League of Women Voters vs. Smith Land Company* while keeping the state's right to protect the environment.

In the *Smith Land* case, the Court ruled that the Pollution Control Act requires DHEC to regulate by permit any release into the environment and that a third party may seek enforcement of an environmental standard through a cause of action. The bill clarifies that a permit is not required if DHEC does not regulate the release or the release is below a certain threshold. Additionally, the bill prohibits a private cause of action under the PCA.

### *In Committee*

#### **Introductions: Certificate of Need Reform**

S. 1388, relating to DHEC's administration of the Certificate of Need (CON) program, including the application process and assessment and collection of fees was introduced and sent to the Medical Affairs Committee. The legislation is part of the withdrawal and resubmission of proposed regulations by DHEC. The legislature has preferred to deal with fees in legislation rather than in regulation. Also S. 1394, a joint resolution approving the resubmission of DHEC's regulations regarding the CON program was introduced.

#### **False statements relating to unemployment benefits**

The House Labor, Commerce and Industry Committee sent H.5063 to the floor this week. The bill deals with penalties for giving false statements in order to increase unemployment benefits. It also deals with penalties for employers who give false statements in order to reduce benefits. The House is expected to take up the legislation when it returns from furlough in April.

#### **Abandoned Buildings Revitalization Act**

H. 4802, regarding tax incentives for the redevelopment of abandon buildings, received a favorable report from the House Ways and Means Committee this week and will be considered by the House when the it returns in April. The legislation will provide an income tax or property tax credit of 25% of the cost to rehabilitate an abandoned building. An abandon building, according to the legislation, is a building or structure which at least 66% or more of the space has been closed or nonoperational for income-producing purposes for at least five years.

#### **State Tax Reform**

The full Ways & Means Committee took a number of the tax reform bills this week. The reform package, introduced as a series of stand-alone bills, is a major agenda item for the House Republican Caucus.

- H. 4996 - Dealing with income tax rates was given a favorable report as amended. The amendment shortens time for the reduction of the rate from 5% to 3%.
- H. 4997 - Dealing with income tax brackets was given a favorable report as amended. The amendment is similar to Governor Haley's tax reform plan and adjusts the middle bracket of the proposed three brackets

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to 3.75% from 3.00%. The amendment will still reduce the brackets from six to three.

- H. 4993 - Dealing with property Tax Exemptions was carried over by the committee.
- H. 4998 - Dealing with commercial property tax was carried over by the committee.

### **Demolisher bill**

S.1031 received a favorable report as amended by the House Education and Public Works Committee. The amendment clarified the Director of the Department of Motor Vehicles or his designee may levy fines or hold hearings pursuant to the legislation.

The legislation proposes to increase the eight-year title provision to twelve years. In addition, the bill increases penalties for violations and makes it a felony for falsifying ownership of a vehicle and the demolisher is required to hold a vehicle for three days prior to shredding the vehicle.

### *In the News*

#### **DNR Chair steps down**

Caroline Rhodes, Chairwoman of the Department of Natural Resources has stepped down as chairwoman, but will continue to serve on the board. Ms. Rhodes cited family reasons for relinquishing her position. She has been under fire from the legislature regarding the removal of the department's former executive director and for statements she made to the Senate Agriculture Committee regarding the Savannah River Ports issue.

#### **Filing for election for office closes**

On Friday, filing to be a candidate for office officially closed. Some notable races are as follows:

7th Congressional District

#### *Republicans*

- Andre Bauer
- Renee Culler
- Katherine Jenerette
- Jay Jordan
- Jim Mader
- Chad Prosser
- Tom Rice
- Randal Wallace
- Dick Withington

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### *Democrats*

- Ted Vick
- Parnell Diggs
- Gloria Tinubu

### Senate District 41 (formerly held by Glenn McConnell)

- Paul Thurmond (R)
- John Steinberger (R)
- Sean Pike (D)

### Senate District 18

- Ronnie Cromer (R-Incumbent)
- Kara Gormley (R)
- Rich Bolen (R)

### **Senate and House on furlough next week**

Both the Senate and the House of Representatives will be on furlough from April 2nd through April 6th. The House will also be in furlough the week of