

# ALERTS

## South Carolina Legislative Report - July 12, 2013

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### *Year End Review*

The General Assembly finished the first half of the 120th Session and adjourned Sine Die in accordance with S. 744 (Sine Die Resolution). Both chambers may return pursuant to the Sine Die Resolution, but are scheduled to return on January 14, 2014.

In total, 805 bills and resolutions were filed in the Senate and 1399 bills and resolutions were filed in the House. Of those, 123 were ratified and 99 became Acts. Below are highlights of bills that passed, bills still pending, and other insight. Any proposed legislation still pending at the end of this year's session will be able to be taken up when the General Assembly returns in January.

We appreciate you taking the time to review our updates and if we can be of service or if you have any questions or suggestions, please do not hesitate to contact us.

### Approved Legislation

#### Tax/Incentives

- S. 261 (Act 10) - IRS Code Conformity  
Updates the South Carolina Code of Laws to conform to the current IRS Code.
- S. 578 (Act 13) - Boeing Incentive  
Revises the State General Obligation Economic Development Bond Act to support enhanced economic development projects, which must have an investment of over \$1.1 billion and create over 2000 new jobs. It is anticipated that the State is providing approximately \$120 million for Boeing's expansion.
- S. 163 (Act 26) - Motion Picture Tax Incentives  
Increases payroll tax rebates and other incentives for motion pictures filmed in South Carolina.
- H. 3093 (Act 57) - Abandon Buildings  
The legislation provides tax credits or credits against property tax liability to individuals who make investments of a certain size for rehabilitating abandoned buildings.
- H. 3505 (Act 80) - High Growth Small Bus. Access to Capital  
Authorizes a tax credit up to \$5 million for qualified "angel" investments for start-up companies. The provision will sunset after 6 years.
- H. 3557 (Act 81) - Port Cargo Tax Credits  
Expands the tax credit to businesses engaged in freight forwarding, freight handling, goods processing, cross docking, transloading, or wholesaling of goods.

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### Utilities

- H. 3568 (Act 23) - Utility Theft  
Enhances the penalties for altering, tampering with or bypassing electric, and gas or water meters.

### Health Care

- S. 448 (Act 28) - Physician Assistant  
Modifies the South Carolina Physician Assistant Practice Act by improving the ratio of physician assistants to physicians and increase the distance authorized for off-site supervision.
- S. 465 (Act 48) - Small Employer Health Insurance  
Revises the definition of an "eligible employee" under the Small Employer Health Insurance Availability Act - employee works on a full-time basis and has a normal workweek of thirty or more hours.
- S. 530 (Act 49) - Closed Health Panel  
Removes the requirement that certain employers that offer closed health insurance plans must also offer point-of-service options and increases the allowable difference for coinsurance percentages for covered services under a point-of-service option.
- S. 341 (Act 64) - Emerson Rose Act  
Provides new provisions for the detection of critical congenital heart defects in newborns.
- H. 3960 (Act 88) - Multiple Employer Self-Insured Health Insurance  
Establishes criteria for employers participating in multiple employer self-insured health plan to pay all unpaid portions of insured claims and a multiple employer self-insured health plan must include aggregate excess stop-loss coverage and individual excess stop-loss coverage.

### Business and Banking

- H. 3538 (Act 35) - Tobacco Products  
The legislation restricts sales of alternative tobacco products, electronic cigarette devices and consumable materials to minors and provides for a regulatory framework for enforcing the restrictions.
- S. 221 (Act 42) - Uniform Commercial Code  
Clarifies the relationship between the UCC and the Electronic Funds Transfer Act.
- S. 417 (Act 45) - Military Occupation Creditability  
Authorizes educational credit for a student honorably discharged for a course related to military training or service; provides for a temporary exemption for certain continuing education requirements for professional or occupational licensures regulated under Title 40 of the South Carolina Code of Laws while on active duty; authorizes temporary professional and occupational licenses that have been established to assist military spouses to continue their careers following relocation of an active duty spouse; and authorizes professional and occupational boards and commissions to accept education, training, and experience completed by a member of the military or state militia toward qualifications for licensure.
- S. 438 (Act 46) - Government Contracts  
Provides for fair and open competition in government contracts by local officials, entities or employees from forbidding or requiring offerers from entering into contracts with labor unions.

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- S. 323 (Act 96) UCC /Secured Transactions  
Updates Article 9 with recommendations by the Uniform Law Commission.

### Infrastructure

- H. 3360 (Act 98) - Secondary Roads/Highway Funding  
Revises the procedures for transferring secondary roads into the state highway system and provides for the following: \$50 million in recurring dollars for the State Infrastructure Bank; allocates half of the revenue generated by the sales tax on automobiles, approximately \$40 million, to the Highway Fund; and \$50 million as the match requirement for active federal aid eligible bridge replacement projects.

### Permitting and Environmental

- H. 3774 - Joint Resolution - Permits  
The joint resolution provides for an extension for building permits, air and water quality certifications, and certain other government approvals affecting the development of real property that was current and valid on December 31, 2012, extending these permit approvals through December 2016.
- S. 635 (Act 60) - LEED/Forestry  
Requires a major facility project as defined in Section 48-52-810(10) requesting third-party certification not be allowed to seek a rating point that would discriminate against wood products of this State derived from forest lands certified by the Sustainable Forestry Initiative or the American Tree Farm System.

### Miscellaneous

- H. 3560 (Act 22) - Firearms  
Requires individuals determined mentally ill by the courts to be reported to the National Instant Criminal Background Check System (NICS.)

### State Appropriations

- H. 3710 - Annual Appropriations  
The budget compromise settled on a \$22.8 billion spending plan that included funds for road and bridge repairs, expanded 4-year old kindergarten, privacy protection for taxpayers, a reduction in insurance premium hikes on state employees and an increase in school funding. Additionally, the pay increase for state employees was struck from the budget. The state's two airplanes will also remain available for official government use.
- H. 3711 - Capital Reserve Fund  
The \$113 million spending plan includes \$10 million for school buses, over \$9.9 million for the state's farmers market and over \$3 million for the Department of Commerce's closing fund.

### **Pending Consideration in 2014**

- S. 22 -Restructuring - *Currently in Conference Committee*  
The legislation specifically deals with the creation of a new Department of Administration that would

effectively eliminate the state's Budget & Control Board. The House and Senate have different plans on how to break up the responsibilities of the B&CB. A major difference between the Senate and the House plans revolves around the office of procurement. The House passed plan places this under the Department of Administration that is effectively control by the Governor. The Senate version creates a new entity called the Contracts and Accountability Authority.

- H. 3847 - Electronic Waste Recycling - *House Calendar (Senate Amendments)*  
The legislation revises the current electronic waste provisions by creating manufacturer driven solutions for the collection and recycling of covered electronic devices.
- H. 3925 - Pollution Control Act - *House Calendar (Contested Calendar - Second Reading)*  
The legislation clarifies the parties that may petition regarding a violation of the Act and the applicability of the savings clause of Act 198 of 2012 to cases filed before June 6, 2012.
- H. 3644 - Clean Energy Market Advisory Council - *House Calendar (Contested Calendar - Second Reading)*  
The legislation establishes the Clean Energy Industry Market Development Advisory Council, redesignates "renewable energy" tax credits as "clean energy" tax credits, and expands ethanol and biodiesel credits to all liquid fuels derived from renewable resources.
- H. 4074 - Electronic Cigarettes - *House Ways and Means Committee*  
The legislation to tax and regulate electronic cigarettes, nicotine vapor products and other tobacco derived products. As written the legislation would create a regulatory framework for product retailers and assess and levy a tax on consumable material that is a tobacco-derived product.
- H. 3945 - Ethics Reform - *Senate Calendar (Special Order)*  
The reform package calls for more income disclosure, reporting of pre-election political donations and disclosure of business ties between elected officials and state government. Some of the amendments adopted on Thursday would require former elected officials to wait 8 years before becoming a lobbyist and requiring organizations affiliated with candidates to file disclosures with the state ethics commission.

## 2013-14 Elections

### Special Elections

There are two special elections this year to fill vacant seats in the General Assembly.

#### Senate District #42

Senator Robert Ford (D) resigned his seat amid an ethics investigation into improper use of campaign funds.

Filing: June 21- July 1

Primary: August 13

Run-off: August 27

General Election: October 1

Candidates:

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Marlon Kimpson, Attorney (D)  
Emmanuel Ferguson, Attorney (D)  
Herbert Fielding, Funeral Home Director (D)  
Margaret Rush, Businesswoman (D)  
Bob Thompson, Contractor (D)  
Maurice Washington, former Charleston City Councilman (D)  
Billy Shuman, Real Estate Broker (R)  
Rodney Travis, Maintenance Worker (L)  
Alex Thornton, Photographer (L)

### House District #93

Representative Harry Ott (D) resigned his seat at the end of the legislative session to accept an appointment from the Obama Administration to be the state director for the Federal Farm Service Agency.

Filing: July 12 - July 26  
Primary: September 10  
Run-off: September 24  
General Election: October 29

Candidates: (Filing officially opens Friday)  
Russell Ott, Lobbyist (D)

### **2014 Election Cycle**

The state's two US Senate seats, all seven US House of Representatives seats, all state constitutional officers, and the entire SC House of Representatives will be up for election in 2014.

We will send out regular updates as the race for 2014 begins to take shape.

## *In The News*

### **S.C. hospitals waiting for high court's direction**

Officials at South Carolina's medical facilities are taking a wait-and-see approach to spending millions of dollars on construction and equipment after a budget veto from Gov. Nikki Haley put a bureaucratic permission process she's long opposed in limbo.

### **Haley, Sheheen raise \$1.2M in last quarter**

Democratic state Sen. Vincent Sheheen out-raised Gov. Nikki Haley in the quarter since he officially launched his second bid for governor, but Haley's war chest for the expected rematch is still \$1.9 million deeper.

### Rand Paul testing 2016 waters during SC visit

U.S. Sen. Rand Paul hopes a visit Friday to South Carolina, home to the South's first presidential primary balloting, can show voters that he can appeal to a broad audience, including some who haven't traditionally supported Republicans.