

# ALERTS

## South Carolina Legislative Report - May 11, 2012

May 7- May 11, 2012

### *On the Floor*

#### **SC Restructuring Act - Department of Administration**

This week the Senate voted to non-concur with House amendments to H. 3066, the Department of Administration legislation, setting up what is expected to be a contentious conference committee. As previously reported, the legislation effectively eliminates the Budget & Control Board (B&CB) in favor of a new cabinet-level Department of Administration. At issue has been the division of authority previously vested in the B&CB and how it would be divided after its elimination.

#### **Demolishers Bill**

S. 1031 was amended to include copper theft protection provisions and returned to the Senate this week by the House of Representatives. As previously reported, the legislation proposes to increase the eight-year title provision to twelve years. In addition, the bill increases penalties for violations, makes it a felony for falsifying ownership of a vehicle, and requires the demolisher to hold a vehicle for three days prior to shredding the vehicle.

#### **Datacenter - Sales Tax Exemptions**

Consideration of House amendments to H. 3720 was carried over by the Senate this week. The Senate may either concur with the amendments or non-concur, setting up a conference committee to sort out the differences. The legislation provides for thresholds and sales tax exemptions for datacenters (equipment, electricity, etc.).

### *In Committee*

#### **State Budget**

This week the Senate Finance committee approved its version of H. 4813, the General Appropriations Bill. In addition the state's Board of Economic Advisors also added another \$137 million in recurring revenue and \$155 million in non-recurring revenue to the general fund. The budget currently provides for a mandatory 3% pay increase for state workers and a 2% pay increase for teachers. The bill will be debated on the Senate floor beginning next week.

The additional revenue added by the state's economists also prompted lawmakers to pass H. 4996, a bill to provide income tax relief for small businesses. The cuts would total \$15 million and reduce rates on small business from 5% to 3%.

**Unemployment Benefits**

S. 1125 was passed out of the House Labor, Commerce and Industry Committee this week as amended and will be up for consideration on the floor next week. The bill would disqualify a person from receiving unemployment benefits for twenty weeks if they were terminated for willful or wanton misconduct. The amended strives to define causes for termination that would disqualify an individual from seeking benefits.

**Board and Commissions Elected by Congressional District**

S. 1088, which deals with the new 7<sup>th</sup> Congressional District and Boards and Commissions (whose members are elected based on congressional boundaries), was given a favorable report as amended by the House Judiciary Committee this week. The amendment increases the membership of the Santee Cooper Board of Directors to 12 and enhances qualifications for the two positions for cooperative experience on the board.

**School Choice**

The Education Subcommittee of the Senate Finance Committee allowed H. 4894 to proceed to full committee without a recommendation. The school choice bill is a scaled back version of previous school choice proposals. The current version of the legislation is targeted at helping low-income students and children with special educational needs through privately funded scholarships. The legislation also contains tax-reductions for parents who home-school.

As written, it would give parents a \$4,000 tax deduction if they send their children to private schools, a \$2,000 tax deduction if they home-school their children and a \$1,000 tax deduction if they transfer their child from one public school to another. The bill has already passed the House, making it the furthest any school choice bill has made it through the General Assembly.

***In the News*****Election Fallout Continues**

This week the General Assembly attempted to find some way to provide relief to candidates who were removed from the ballot as a result of last week's Supreme Court ruling. At issue, was the deadline and manner in which prospective candidates filed a "Statement of Economic Interest." The ruling resulted in 180 challengers being wiped off the ballot for state and local offices. Incumbents were not affected, as they are required to file financial disclosure on an annual basis.

In an effort to quell public outcry, the Senate debated language that would have allowed a small window for refilling for candidates affected by the ruling. However, no agreement could be reached and ultimately the matter was tabled. A federal court heard arguments from one of the candidates on Thursday, but questioned her standing to sue after being restored to the ballot. On Friday, the attorney for the candidate announced that his client would be dropping their arguments and pursuing the legality of sending separate state and federal ballots to overseas military personnel. They are asking the court to consider moving the June Primary date.