

# STATE HOUSE *Update*

March 1, 2013

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## *What's New*



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If you would like your clients added to the distribution list, please send them to Courtney Belton at [cbelton@nexsenpruet.com](mailto:cbelton@nexsenpruet.com). Also, please let us know if you have any suggestions for improving the Update. There are a number of issues being discussed at the State House that directly impact our clients, and we want to make sure they get the most relevant information possible.

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## *Details from Each Chamber*



### **Budget Schedule**

Speaker Bobby Harrell (R-Charleston) announced on Thursday that the House of Representatives will go into session Monday, March 11 at 1:00 pm to begin budget deliberations. He expects that they will work throughout the week until finalizing the budget. Meanwhile, the Senate Finance Committee is continuing their subcommittee budget meetings and will take up the budget in full committee beginning April 16.

### **Freedom of Information Act Legislation**

The House Judiciary Committee gave a favorable as amended report to [H.3163](#), a bill that amends the Freedom of Information Act (FOIA) process in South Carolina. The Committee had heated debate over whether to exempt legislator and staff correspondences from the legislation. Representative Rick Quinn (R-Lexington) offered the amendment to delete the legislative

exemption.

### **Tax-Related Bills**

The Senate Finance Committee gave a favorable as amended report to [S.294](#) allowing the use of accommodation tax funds to be used for beach renourishment. The Committee also gave a favorable report to [S.163](#) that would provide additional incentives to film companies to make movies and TV shows in South Carolina. The bill requires film companies to spend \$1million or more in the State and provides greater incentives if the companies hire South Carolina residents.

The House of Representatives passed [H.3412](#) to redirect the \$300 sales cap on motor vehicles to the State non-federal aid highway fund. The Committee amended the bill to phase in the redirection of funds over a two year period and to hold EIA funds harmless during that time.

On Thursday, Senator Bright (R-Spartanburg) introduced [S.451](#), to relieve taxes on childcare facilities, private schools and home schools. The Senator argues that public school per pupil funding continues to increase while private entities have seen no tax relief over the years.

The gasoline tax was a major discussion this week. Representative B.R. Skelton (R-Pickens) made an amendment to H.3412 to raise the gas tax to 26 cents per gallon and raise \$335 million; using the funds to address statewide road construction issues. The amendment failed overwhelmingly. Two bills, [H.3640](#) and [H.3645](#), were introduced this week to increase the gas tax to 21 cents a gallon to fund infrastructure projects.

### **Concealed Weapons on College Campuses**

Senators Bright (R-Spartanburg) and Bryant (R-Anderson) introduced [S.454](#), which would allow students to carry a concealed weapon on college campuses. Statewide colleges and universities, the South Carolina Commission on Higher Education, and the South Carolina Campus Law Enforcement Association immediately came out against the bill, arguing that should instances occur on campus, it would be difficult for law enforcement officers to distinguish perpetrators from innocent citizens.

### **Healthcare**

The House 3M Health and Environmental Affairs subcommittee met Wednesday and gave a favorable as amended report to [H.3366](#), the disclosure of health information bill. Elizabeth Powers from the South Carolina Hospital Association (SCHA) spoke in opposition to the legislation. Powers stated that SCHA was supportive of the goal to enhance patient recovery but hospitals are already doing this and the bill would only create another mandate for hospitals.

The Senate Medical Affairs Affordable Care subcommittee met Thursday to take testimony. Ed Haislmaier from The Heritage Foundation in Washington, DC testified in opposition to Medicaid expansion. Haislmaier equated the expansion to welfare benefits, arguing that the disabled, children, and low-income pregnant women are by and large already covered under federal programs. He testified that the expansion would now cover non-disabled adults with no dependent children. Senator Shane Martin (R-Spartanburg) asked what South Carolina could do to lower Medicaid costs. Haislmaier replied that South Carolina could move into a more premium approach and allow an entire family to be under one policy. He also mentioned that states should look at giving less to hospitals and more to clinics.

Frank Knapp from the South Carolina Small Business Chamber of Commerce testified in support of expansion, saying that the Affordable Care Act provides tax credits for small businesses, reduces the burden of employers being responsible for their employees' healthcare, and ultimately

does more to help small business than hurt them.

### **Cyber Breach**

The Senate Finance subcommittee on the cyber breach at the Department of Revenue met Thursday. They took additional testimony from the Department of Consumer Affairs, the Budget and Control Board, the Inspector General's Office, and IT officials from the Medical University of South Carolina and the University of South Carolina. MUSC asked for a waiver from any proposed legislation since they had already taken significant steps to protect the institution from cyber breaches and believe their processes are efficient.

The subcommittee also amended [S.334](#), the Cyber-breach and Identity Theft Protection Bill, to give the Department of Consumer Affairs additional staff.

### **Local Government Funding**

The House of Representatives passed [H.3501](#), a bill that would suspend the requirement that the local government fund receive 4.5% of the previous year's revenue. House Ways and Means Chairman, Bill White (R-Anderson) said that the bill gives the legislature flexibility. Democrats have been vocal in the opposition to the bill, arguing that it places additional burdens on local governments.

### **Ignition Interlock Device**

This week, the Senate passed [S.137](#), the ignition interlock devices bill. This bill requires drivers convicted of a first-offense DUI with a blood alcohol level of .12 or above to install ignition interlocks on their cars. The Senate also voted overwhelmingly to adopt an amendment that would name the legislation "Emma's Law" in honor and memory of the six-year old Lexington County girl who was killed by a drunk driver on New Year's Day. The bill now goes to the House.

### **Uniform Commercial Code (UCC) Changes**

The Senate passed a bill that would make changes to the UCC section on Secured Transactions. The bill, [S.323](#), now heads to the House of Representatives.

## *The Governor's Office*



Governor Nikki Haley was in Washington, DC this week attending the National Governor's Association Winter Meeting. Below are a couple articles from national outlets detailing her trip to Washington.

[Nikki Haley slams Washington after meeting with Obama](#)

[Gov. Haley blames 'psychotic' Washington for spending cuts](#)



## *Newly Introduced Legislation*

### **ALCOHOL & BEVERAGE**

[S. 423](#) Campbell: RELATING TO SAMPLES AND SALES OF BEER AT BREWERIES - Referred to the Committee on Judiciary.

### **DOR SECURITY BREACH**

[H. 3628](#) Toole: TO PROVIDE FOR CERTAIN MEASURES TO SAFEGUARD A CLASS OF PROTECTED CONSUMERS FROM BECOMING VICTIMS OF IDENTITY THEFT - Referred to Committee on Judiciary.

### **ECONOMIC DEVELOPMENT/TAX:**

[H. 3617](#) Ott: RELATING TO THE APPLICATION OF THE INTERNAL REVENUE CODE TO STATE INCOME TAX LAWS - Placed on calendar without reference.

[H. 3632](#) G. M. Smith: RELATING TO THE MAINTENANCE TAX IMPOSED BY THE WORKERS' COMPENSATION COMMISSION ON SELF INSURERS - Referred to Committee on Ways and Means.

[H. 3640](#) Bales: RELATING TO THE USER FEE ON GASOLINE AND DIESEL FUEL - Referred to Committee on Ways and Means.

[H. 3645](#) Stringer: RELATING TO THE USER FEE ON GASOLINE AND DIESEL FUEL - Referred to Committee on Ways and Means.

[H. 3733](#) Pope: TO PROVIDE WHEN CALCULATING ROLL-BACK TAX DUE ON A PARCEL OF REAL PROPERTY CHANGED FROM AGRICULTURAL TO COMMERCIAL OR RESIDENTIAL USE THE VALUE USED FOR PLATTED GREEN SPACE FOR CONSERVATION OR OPEN SPACE USE OF THE PARCEL - Referred to Committee on Ways and Means.

[S. 437](#) Cleary: RELATING TO VALUATION AND CLASSIFICATION OF PROPERTY FOR PURPOSES OF THE PROPERTY TAX - Referred to the Committee on Finance.

### **EDUCATION:**

[H. 3643](#) Loftis: RELATING TO THE POWER OF A SCHOOL DISTRICT BOARD CONCERNING THE FUNDING AND PROVISION OF ADULT EDUCATION, - Referred to Committee on Education and Public Works.

[S. 454](#) Bright: RELATING TO POSSESSION OF A FIREARM ON ANY PREMISES OR PROPERTY OWNED, OPERATED, OR CONTROLLED BY A PRIVATE OR PUBLIC COLLEGE, UNIVERSITY, TECHNICAL COLLEGE, OR OTHER POST-SECONDARY INSTITUTION - Referred to the Committee on Judiciary.

### **ENERGY**

[H. 3644](#) Loftis: TO ESTABLISH WITHIN THE DIVISION OF STATE DEVELOPMENT OF THE DEPARTMENT OF COMMERCE THE CLEAN ENERGY INDUSTRY MARKET DEVELOPMENT ADVISORY COUNCIL AND PROVIDE FOR ITS MEMBERSHIP AND FUNCTIONS - Referred to Committee on Labor, Commerce and Industry.

### **GOVERNMENT:**

[H. 3639](#) Sandifer: TO PROVIDE FOR THE FAIR AND OPEN COMPETITION IN GOVERNMENTAL CONTRACTS - Referred to Committee on Labor, Commerce and Industry.

[H. 3641](#) Newton: RELATING TO EXEMPTIONS FOR CERTAIN WORK OF THE MEMBERS

OF THE GENERAL ASSEMBLY AND THEIR STAFF FROM THE FREEDOM OF INFORMATION ACT - Referred to Committee on Judiciary.

[H. 3642](#) Stavrinakis: TO PROVIDE THAT THE DIRECTOR OF THE DEPARTMENT OF INSURANCE MUST BE ELECTED TO OFFICE BY THE QUALIFIED ELECTORS OF THE STATE IN THE GENERAL ELECTION - Referred to Committee on Labor, Commerce and Industry.

[H. 3646](#) G. R. Smith: A BILL TO ENACT THE "SOUTH CAROLINA RESTRUCTURING ACT OF 2013" - Referred to Committee on Judiciary.

[S. 438](#) L. Martin: TO PROVIDE FOR THE FAIR AND OPEN COMPETITION IN GOVERNMENTAL CONTRACTS - Referred to the Committee on Finance.

[S. 446](#) Massey: RELATING TO THE ELECTION, QUALIFICATIONS, AND TERM OF THE LIEUTENANT GOVERNOR, - Referred to the Committee on Judiciary.

### **HEALTHCARE:**

[H. 3618](#) K. R. Crawford: RELATING TO DEFINITIONS IN THE PHYSICIAN ASSISTANTS PRACTICE ACT, - Referred to Committee on Medical, Military, Public and Municipal Affairs.

[H. 3731](#) K. R. Crawford: TO ENACT THE "SOUTH CAROLINA LAY MIDWIFE ACT" - Referred to Committee on Medical, Military, Public and Municipal Affairs.

[S. 422](#) Lourie: RELATING TO REQUIRED COVERAGE FOR MAMMOGRAMS BY INDIVIDUAL AND GROUP HEALTH INSURANCE POLICIES AND HEALTH MAINTENANCE ORGANIZATION POLICES - Referred to the Committee on Banking and Insurance.

[S. 429](#) Medical Affairs Committee: A JOINT RESOLUTION TO APPROVE REGULATIONS OF THE DEPARTMENT OF LABOR, LICENSING AND REGULATION - PANEL FOR DIETETICS - Placed on the Calendar without reference.

[S. 448](#) Alexander: RELATING TO DEFINITIONS IN THE PHYSICIAN ASSISTANTS PRACTICE ACT - Referred to the Committee on Medical Affairs.

### **JUDICIAL:**

[H. 3627](#) Gagnon: RELATING TO THE ISSUANCE OF CONCEALED WEAPONS PERMITS - Referred to Committee on Judiciary.

[H. 3630](#) Felder: TO CREATE THE OFFENSE OF CARELESS DRIVING AND TO PROVIDE PENALTIES - Referred to Committee on Judiciary.

[H. 3715](#) J. E. Smith: TO ENACT THE "COLLABORATIVE LAW ACT" - Referred to Committee on Judiciary.

[H. 3723](#) Funderburk: TO ENTITLE THE ARTICLE "DIGITAL IMPERSONATION PREVENTION ACT" - Referred to Committee on Judiciary.

[S. 426](#) Jackson: TO PROVIDE THAT CERTAIN NONVIOLENT OFFENSES MAY BE EXPUNGED AND TO ESTABLISH THE CIRCUMSTANCES UNDER WHICH THE EXPUNGEMENT MAY OCCUR. - Referred to the Committee on Judiciary.

[S. 439](#) Fair: RELATING TO CRIMINAL BACKGROUND CHECKS FOR EMPLOYMENT IN CHILDCARE FACILITIES - Referred to the Committee on Judiciary.

[S. 441](#) Fair: TO CREATE THE OFFENSE OF SEXTING FOR A PERSON LESS THAN EIGHTEEN YEARS OF AGE - Referred to the Committee on Judiciary.

[S. 443](#) Fair: RELATING TO THE ADMISSIBILITY OF OUT-OF-COURT STATEMENTS MADE BY CHILDREN UNDER CERTAIN CIRCUMSTANCES - Referred to the Committee on Judiciary.

[S. 447](#) Fair: TO ENACT THE "SOUTH CAROLINA STOP METHAMPHETAMINE PRODUCTION ACT" - Referred to the Committee on Medical Affairs.

### **INSURANCE:**

[H. 3619](#) Sandifer: TO REQUIRE THAT A PERSON APPLYING TO THE DEPARTMENT OF INSURANCE FOR LICENSURE AS A PROFESSIONAL SURETY BONDSMAN OR RUNNER MUST PROVIDE HIS BUSINESS, MAILING, RESIDENTIAL, AND EMAIL ADDRESSES WITH THE APPLICATION - Referred to Committee on Labor, Commerce and Industry.

[H. 3620](#) Sandifer: RELATING TO THE EXEMPTION OF CAPTIVE INSURANCE COMPANIES FROM CERTAIN PROVISIONS OF TITLE 38 - Referred to Committee on Labor, Commerce and Industry.

[H. 3621](#) Sandifer: RELATING TO THE REVOCATION OR SUSPENSION OF A CERTIFICATE OF AUTHORITY TO TRANSACT BUSINESS IN THIS STATE BY AN INSURER - Referred to Committee on Labor, Commerce and Industry.

[H. 3623](#) Atwater: TO PROVIDE THAT AN AUTOMOBILE INSURER MUST VERIFY THE COVERAGE OF AN INSURED BY ELECTRONIC FORMAT TO A MOBILE ELECTRONIC DEVICE UPON REQUEST OF THE INSURED - Referred to Committee on Labor, Commerce and Industry.

[H. 460](#) Hayes: RELATING TO THE DUTY OF DUE CARE THAT A SURPLUS LINES INSURANCE BROKER MUST EXERCISE WHEN PLACING BUSINESS WITH NONADMITTED INSURERS - Referred to the Committee on Banking and Insurance.

[S. 461](#) Fair: RELATING TO COMPENSATION AND FEES CONCERNING AUTOMOBILE INSURANCE PROPERTY DAMAGE LIABILITY CLAIMS ARBITRATION - Referred to the Committee on Banking and Insurance.

[H. 462](#) Hayes: RELATING TO THE REVOCATION OR SUSPENSION OF A CERTIFICATE OF AUTHORITY TO TRANSACT BUSINESS IN THIS STATE BY AN INSURER - Referred to the Committee on Banking and Insurance.

[H. 463](#) Hayes: TO REQUIRE THAT A PERSON APPLYING TO THE DEPARTMENT OF INSURANCE FOR LICENSURE AS A PROFESSIONAL SURETY BONDSMAN OR RUNNER MUST PROVIDE HIS BUSINESS, MAILING, RESIDENTIAL, AND EMAIL ADDRESSES WITH THE APPLICATION - Referred to the Committee on Banking and Insurance.

[H. 464](#) Hayes: RELATING TO THE MANDATORY UNINSURED MOTORIST PROVISION FOR AUTOMOBILE INSURANCE POLICIES - Referred to the Committee on Banking and Insurance.

[H. 465](#) Hayes: RELATING TO DEFINITIONS IN THE SMALL EMPLOYER HEALTH INSURANCE AVAILABILITY ACT - Referred to the Committee on Banking and Insurance.

#### **TRANSPORTATION:**

[H. 3607](#) Atwater: TO ENACT THE "MOTOR VEHICLE OPERATOR INSURANCE REFORM ACT" - Referred to Committee on Education and Public Works.

## *In the Media*

### **S.C. counties commit to improving workforce (2/22/13)**

The applications of 34 counties seeking designation as a S.C. Work Ready Community In Progress have been approved by the state Workforce Investment Board. [Read more.](#)

### **DHEC to widen health services where actually needed, director says (2/23/13)**



South Carolina's health department director says the state can do a better job providing health care where residents actually need it. [Read more.](#)

**Don't block our sun power (2/24/13)**

There are lots of good reasons to consider solar power. Lower energy bills. A smaller carbon footprint. Free sunshine. Financial incentives. And new ways for people of ordinary means to afford it. [Read more.](#)

**Haley, S.C. brace for federal budget cuts (2/25/13)**

South Carolina stands to lose about \$21 million in money for schools over the next seven months under automatic federal budget cuts set to take effect Friday, according to the White House. [Read more.](#)

**Early voting remains source of controversy in Legislature (2/25/13)**

After years of having their efforts turned aside by state House Republicans, Democrats in South Carolina this year now appear to have more support for early voting from the GOP than at any time in recent memory. [Read more.](#)

**Plan would make state workers pay more to see a doctor (2/25/13)**

In the battle to control health-care costs in South Carolina, House Republicans last week chose to make it more expensive for the 247,000 public-sector workers who are members of the state health plan to go to a doctor. [Read more.](#)

**\$160M in federal cuts headed for S.C. (2/26/13)**

South Carolina stands to lose about \$160 million in federal funding this year if Congress and the White House fail to stop sequestration from taking effect. [Read more.](#)

**SC legislative exemption fuels debate over public records reform (2/26/13)**

A state House bill aimed at improving access to public records advanced Tuesday but not without disagreement over whether legislators should be exempted from the law. [Read more.](#)

**Cyber security not priority at DOR on eve of data breach, House concludes (2/26/13)**

Cyber security was not a priority at the Department of Revenue prior to a massive data breach at the agency last year, the chairman of a House special committee investigating the breach has concluded. [Read more.](#)

**Boeing South Carolina adding new Dreamlifter Operations Center (2/26/13)**

Boeing South Carolina is adding a "new Dreamlifter Operations Center" to its North Charleston 787 Dreamliner factory complex, according to a notice filed with Charleston County this month. [Read more.](#)

**Supreme Court to hear arguments in voting rights case (2/26/13)**

South Carolina and a handful of other states have a lot at stake in a voting rights case to be argued before the Supreme Court on Wednesday. [Read more.](#)

**Ex-wildlife chief warns of climate change in SC (2/26/13)**

Following revelations the state wildlife department has failed to release a major climate change report, the agency's former chief said the department should be leading efforts to brace South Carolina for the consequences of global warming. [Read more.](#)

**SC Senate proposes higher incentives to lure film companies (2/27/13)**

The state Senate wants to pay film companies more money to make movies and TV shows in South Carolina. [Read more.](#)

**SC education gets \$175 million boost in House budget plan (2/27/13)**

Public school districts would get more state money to pay for teacher pay raises and increase security if a budget proposal in the S.C. House becomes law. [Read more.](#)

**A milestone at Clemson University's wind turbine testing facility, as machinery takes shape (2/27/13)**

Clemson University's \$98 million wind turbine drivetrain testing facility marked a milestone Tuesday as the enormous machinery that will test the world's largest wind turbines began to take shape. [Read more.](#)

**S.C. legislators wouldn't be able to keep communication secret under altered House bill (2/27/13)**

A bill strengthening the state's freedom of information law is headed to the full state House after clearing a key panel Tuesday afternoon. [Read more.](#)

**AT&T investment tops \$800M in S.C. (2/27/13)**

AT&T reported it has invested more than \$800 million in its South Carolina wireless and wireline networks from 2010 through 2012. [Read more.](#)

**Senate approves bill expanding in-vehicle breathalyzers (2/27/13)**

A bill that would expand a state program requiring DUI offenders to install breathalyzers in their vehicles advanced in the Senate Wednesday. [Read more.](#)

**Plan advances to fix S.C. roads with auto sales tax (2/27/13)**

House lawmakers have begun the process of addressing the state's roads needs by passing a bill to send most of the revenue collected from the vehicle sales tax to a fund to fix secondary roads. [Read more.](#)

**Supreme Court gives go-ahead for Capt. Sam's Spit development on Kiawah Island (2/28/13)**

The way was cleared for homes on Capt. Sam's Spit with a state Supreme Court decision Wednesday that an environmental advocate called a "drastic reversal." [Read more.](#)

## *Meetings and Events*



**Monday, March 4**

10:00 PURC Energy Advisory Committee - Gressette 207

2:30 SCHIEX Governance and Transition Subcommittee - SCHA Conference Room

**Tuesday, March 5**

9:00 Budget and Control Board - Brown 252

**Wednesday, March 6**

5:30 Reception for Senator Vincent Sheheen - 701 Whaley



**Thursday March 7**

10:00 SCHIEX Marketing and Communications Subcommittee - SCPHCA Conference Room

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