

Subject:

FW: Weekly Update from the State House - May 10, 2013



May 10, 2013

Details from Each Chamber



The Senate conducted normal business this week, but the House of Representatives was on furlough all week and did not meet in session or hold subcommittee or committee meetings. Both chambers will be back on a normal schedule next week, and the Senate will debate and pass the state budget.

State Budget

The Senate will spend next week debating the state budget. Senators voted to come in at 2:00 p.m. on Monday and plan to meet until they finish their deliberations. The Finance Committee has released spreadsheets detailing their recommended appropriations. You can access these documents [here](#).

Transportation

A Finance subcommittee consisting of Senators Ray Cleary, Yancey McGill, Thomas Alexander, Darrell Jackson, Paul Campbell and Joel Lourie continued to meet to create a comprehensive transportation bill. The subcommittee amended [H. 3412](#) the bill that has already passed the House of Representatives, that is intended to stabilize highway funding and provide infrastructure improvements. Highlights of the amendment include redirecting general fund revenues to the State Infrastructure Bank, increasing registration and drivers' license fees, indexing the motor fuel user fee to inflation, issuing General Obligation Bonds, and authorizing a local penny to be used for highway improvements.

Ethics Reform

The Senate Judiciary gave favorable reading of [H. 3945](#), a bill that establishes a new commission on ethics and makes several changes to the State's current ethics laws. The bill contained several amendments, including one eliminating the local government lobbying registration requirement that was in the original bill. The bill will likely go to the Senate floor after the budget is finalized.

Clemson University

The Senate passed [S. 535](#), the Clemson Enterprise Act, Thursday morning. Senator Cromer moved to set the bill for Special Order and the motion was adopted. The bill exempts the University from State oversight for big construction projects and land purchases. It now goes over to the House.

Engineers

A Senate Labor, Commerce and Industry Special subcommittee gave a favorable report to [H. 4038](#), a bill establishing an exemption from State provisions governing the licensure and regulation of engineers and surveyors. The exemption is intended to help aviation manufacturers in South Carolina that need specific engineering services. The full committee will now take up the bill

Energy Incentives for Schools

The Senate passed a resolution, [S. 642](#), this week that encourages school districts in the State to take advantage of all available energy efficiency incentives and rebates provided by their local utilities.

Beach Preservation

The Senate gave third reading to [S. 503](#), also known as the Beach Preservation Act. The bill would allow municipalities along the coast to determine if they want to impose a one percent accommodations tax to fund coastal restoration. The bill now goes to the House.

Board of Economic Advisors

The Board of Economic Advisors (BEA) met Thursday to review revenue projections. The economic indicators show that the pace of job creation continues to slow this year; slower income withholding growth reflects weaker job growth. Home sales increased in the spring.

Retail sale tax collections have slowed due to the increase in payroll taxes and people having less money to spend on taxable items. Since the February 2013 estimate, sales tax revenues are \$10 million below estimate. The BEA had estimated 4.2% growth, but the actual growth is 3.5%. The average growth in calendar year 2013 is 1.6% - at this rate, the revenue shortfall could reach \$23.4 million.

The BEA staff predicts some economic improvement and a shortfall closer to \$20 million that would mean a \$5 million shortfall in EIA and Homestead Exemption. BEA previously estimated a 5.4% growth rate in withholdings, but the growth is currently 4.3%. Staff indicated this could translate into a \$30 million shortfall.

The Department of Revenue changed their processing to ensure prompt refund payments in April, and they anticipate revenues to be \$10 million over their previous estimate. Refunds are below estimates, and they expect a \$30 million surplus. Corporate income continues to grow, currently \$43.8 million above the estimate. The BEA staff predicts \$50 million above the estimate by the end of the fiscal year. Corporate licenses are \$29.9 million below the estimate, but they anticipate an upswing in May.

The Governor's Office



Offshore Drilling

This week, Governor Nikki Haley joined fellow members of the Outer Continental Shelf (OCS) Governors Coalition including Governors Sean Parnell (AK), Rick Perry (TX), Phil Bryant (MS), Robert Bentley (AL), and Pat McCrory (N.C.), to discuss the importance of offshore drilling to job creation and economic growth. They specially called on the Obama Administration to open up more waters to offshore drilling and to streamline the permitting process.

According to the OCS website, the coalition says that it "advocates for energy expansion through responsible resource development, supporting proactive offshore energy production as part of a comprehensive national energy policy."

During her remarks, Governor Haley mentioned that "expanding access to affordable energy through offshore drilling is all about jobs." She went on to say that "It's time for the federal government to partner with governors, who are focused on creating jobs in the states, to make energy more affordable for families and businesses - we can accomplish this and protect our rich natural resources along the east coast."

Film Incentives

On Thursday, Governor Haley signed into law a bill offering more incentives to movies and television shows that want to film in South Carolina. The law allows film companies to be reimbursed 20 percent on payroll taxes for wages given to out-of-state people and 25 percent for state residents. Productions also save up to 30 percent on the taxes spent at local business. The TV or film is required to spend \$1M before accessing the incentive.

In a statement issued with the bill, Governor Haley said that "Although I have reservations as to the manner in which this program is funded, I signed this bill because it improves the effectiveness of the existing program without increasing its annual cost to the state's taxpayers."

Cabinet Appointment

Governor Haley announced Cheryl Stanton to serve as the new Director of the Department of Employment and Workforce. Stanton is a partner at the employment and labor law firm, Ogletree, Deakins, Nash, Smoak & Stewart in New York. She served as an Associate Counsel for President George W. Bush from 2006 to 2008. After graduating from the University of Chicago law school in 1997, she worked two years for now Supreme Court Justice Samuel Alito, while he was a judge on the 3rd Circuit Court of Appeals.

In the Media

Bill reforming S.C. open records law again fails to pass (5/4/13)



South Carolina residents hoping for reform of the state's freedom of information law will have to wait until at least next year. [Read more.](#)

S.C. requires reporting of mental illness to buy guns (5/4/13)

Legislation that seeks to keep handguns out of the hands of the mentally ill - a measure prompted by the arrest in February of a Lady's Island woman accused of trying to shoot a loaded gun outside a Charleston school - was signed Friday by Gov. Nikki Haley. [Read more.](#)

Jim DeMint: Immigration Reform Will Cost U.S. Trillions (5/5/13)

Former South Carolina Republican senator and current Heritage Foundation president Jim DeMint argued that implementing immigration reform as proposed by the so-called "Gang of Eight" would "cost Americans trillions of dollars," citing a soon-to-be released update to the conservative group's 2007 study on the impact of immigration reform. [Read more.](#)

Coastal governors call for more offshore drilling (5/6/13)

Six coastal governors have called on Washington to open up more waters to offshore drilling and to make permitting a quicker, more efficient process. [Read more.](#)

Boeing S.C. adding 737 MAX design work (5/6/13)

[Boeing South Carolina](#) is getting a small piece of another airplane program now that the company has placed some [737 MAX](#) design work in North Charleston. [Read more.](#)

Senate bill lets states tax Internet purchases (5/6/13)

Attention online shoppers: The days of tax-free shopping on the Internet may soon end for many of you. [Read more.](#)

'Pint bill' held up in S.C. legislature by Greenville senator (5/6/13)

South Carolina craft breweries hoping to change state law to allow them to sell larger portions of their product for on-site consumption are facing opposition from activists who fear a change could contribute to the state's poor drinking-and-driving safety record. [Read more.](#)

SC Senate panel: Legislators must discipline legislators (5/7/13)

When lawmakers break the law, who should investigate and punish them? That's the question the General Assembly has been wrestling with for weeks. [Read more.](#)

SC budget board hopes to erase insurance fund's deficit (5/7/13)

Officials are closing a state insurance fund, but first they have to figure out how to deal with its more than \$200 million shortfall. [Read more.](#)

Job prospects brighter for SC's college grads this year (5/8/13)

Students who will be graduating this week from the University of South Carolina have much brighter chances for landing jobs than in 2012, a new USC report shows. [Read more.](#)

SC top court upholds sales-tax exemptions (5/8/13)

The state Supreme Court declined Wednesday to strike down South Carolina's 78 sales-tax exemptions, but it offered a blueprint to anyone who might want to challenge individual exemptions in the future. [Read more.](#)

SC hacking solution could cost \$15 million next year (5/8/13)

The tab to fix the largest hacking at a U.S. state agency keeps growing. [Read more.](#)

Mark Sanford: The new comeback kid (5/8/13)

Mark Sanford is headed back to Congress after trouncing Democrat Elizabeth Colbert Busch with 54 percent of the votes, a 9 percentage point victory that dashed predictions of a close race. [Read more.](#)

SC Lt. Gov. urging financial break for family caregivers (5/8/13)

More than 770,000 South Carolinians provide free care for their elderly or disabled loved ones each year, providing 737 million hours of care worth \$7.4 billion. [Read more.](#)

S.C. lieutenant governor's race could heat up soon (5/8/13)

Lt. Gov. Glenn McConnell is preparing to run for re-election while a pair of potential challengers weigh bids to unseat the Charleston Republican. [Read more.](#)

County Council approves second reading on Boeing incentives package (5/8/13)

A [Boeing Co.](#) incentives package received its second round of approval Tuesday night during a [Charleston County Council](#) meeting. [Read more.](#)

SC senators advance education bills to floor (5/8/13)

Bills aimed at boosting children's chances for success in school are heading to the Senate floor. [Read more.](#)

South Carolina, Israel team up to fund high tech (5/8/13)

The S.C. Research Authority and a government agency in Israel each have set aside \$1 million to invest in high-tech collaborations between Palmetto State and Israeli companies over the next two years. [Read more.](#)

Consultants urge state to spend \$15 million as first step in preventing cyber attacks (5/8/13)

Consultants are urging South Carolina officials to spend nearly \$15 million next year as a first step in preventing cyber attacks like last year's data breach at the state Department of Revenue. [Read more.](#)

Lindsey Graham faces down primary challenge (5/9/13)

If any Senate Republican up for re-election next year would seem ripe for a primary defeat it's Lindsey Graham. [Read more.](#)

Meetings and Events



Tuesday, May 14th

6:30 SC House Democratic Women's Caucus, honoring Representatives Bernstein, Douglas, Norrell and Robinson-Simpson - McNair Law Firm, 18th Floor

Wednesday, May 15th

5:30 House Republican Caucus Spring Business Roundtable Reception - Home of Representative Kirkman Finlay

The Nexsen Pruet State House Update is published as a service to our attorneys, clients, and friends. It is intended to be a high level overview of the weekly activity at the South Carolina State House and does not constitute legal advice regarding any specific situation.

Firm clients who wish to receive individualized legislative updates, bill monitoring, or lobbying services may discuss options with Bob Coble. He can be reached at 803-253-8211 or bcoble@nexsenpruet.com.

Contact: Bob Coble, SC Public Policy & Governmental Affairs Chair
1230 Main Street, Columbia, SC | 803.771.8900



[Forward this email](#)



This email was sent to keichelberger@nexsenpruet.com by tpreston@nexsenpruet.com | [Update Profile/Email Address](#) | Instant removal with [SafeUnsubscribe™](#) | [Privacy Policy](#).
Nexsen Pruet, LLC | 1230 Main Street, Suite 700 | Columbia | SC | 29201