

STATE HOUSE *Update*

May 17, 2013

Details from Each Chamber



The House of Representatives and the Senate met in regular session this week. The Senate started debating the budget on Monday afternoon.

State Budget Update

The Senate spent the week debating amendments to the [Senate Finance Committee's version](#) of the budget without voting on its passage. Senators had contentious debate on a number of issues.

On Monday and Tuesday, most of the debate centered around an amendment by Senator Gerald Malloy (D-Darlington) that would use unclaimed prize lottery money to fund new school buses. Opponents of the amendment argued that the amendment would take money away from other programs. Currently, Senate leaders are working on a compromise that would fund the new buses without causing other entities to lose funding.

The Senate also spent a lengthy amount of time debating an amendment by Senator Shane Martin to fully fund local government. The amendment was eventually carried over.

On Wednesday and Thursday, Senators proposed amendments to require all state agencies to cut their budgets by certain percentages to pay for the State's infrastructure needs. Additionally, considerable debate took place on a proposal by Senator Darrell Jackson (D-Richland) to sell the State's two airplanes. Senators have criticized Governor Haley recently for what they perceive as her misusing the State planes for political purposes. Senator Chip Campsen (R-Charleston) offered an alternative amendment that would require the Budget and Control Board to conduct a cost-benefit analysis on the State airplanes before selling them. After hours of debate, the Senate voted 26-14 to recommend selling the planes now.

The Senate never reached the point of voting on the actual budget, and will return next week to continue their deliberations.

Local Government Funding

The Ways and Means Local Government Funding Ad Hoc Study Committee met Thursday morning to discuss proposals to change the funding formula for the Local Government Fund beyond FY14 funding. Legislative staff mentioned that there was consensus to move away from the 4.5% funding formula and base it on what general revenue growth actually exists in a given year. The Study Committee will continue to meet to discuss various proposals in the weeks ahead.

Government Restructuring

This week, the House of Representatives amended and passed [S.22](#), a bill that transfers many bureaucratic duties to the Governor's office. The reform plan approved by a 91-23 vote, eliminates the State's powerful Budget and Control Board and transfers its employees to other existing agencies and a newly created Department of Administration. A similar bill came close to passing last year but died in the Senate on the last day of the legislative session because a compromise could not be reached on various provisions.

Internet Sales Tax

The Ways and Means Sales and Income Tax subcommittee met Wednesday and gave a favorable as amended report to [H.3763](#), the South Carolina Marketplace and Infrastructure Improvement Act. This bill requires the State Department of Revenue to take necessary administrative actions related to collecting sales and use taxes on internet services if a federal bill is signed into law. The bill's sponsor, Representative Nathan Ballentine (R-Lexington) mentioned that when Congress passes the Internet sales tax, South Carolina will be ready, and would be able to use the revenue to support road construction.

Health Information

The House Medical, Military, and Municipal Affairs Committee gave a favorable report to [S.17](#), a bill that requires health care providers to give a patient an opportunity to disclose certain information to family members.

Newly Introduced Legislation



ECONOMIC DEVELOPMENT / TAX:

[S. 695](#) Campbell: RELATING TO EXEMPTIONS FROM THE CERTIFICATE OF NEED REVIEW - Referred to the Committee on Medical Affairs.

[H. 4115](#) Finlay: RELATING TO THE CLASSIFICATION OF PROPERTY FOR PURPOSES OF THE PROPERTY TAX AND THE APPLICABLE ASSESSMENT RATIOS - Referred to Committee on Ways and Means.

[H. 4122](#) Simrill: RELATING TO THE TAX INCREMENT FINANCE ACT FOR COUNTIES - Referred to Committee on Ways and Means.

GOVERNMENT:

[H. 4124](#) Nanney: RELATING TO CONTINUATION OF SERVICE BY SPECIAL PURPOSE

DISTRICTS FOLLOWING ANNEXATION BY A MUNICIPALITY - Referred to Committee on Medical, Military, Public and Municipal Affairs.

[H. 4125](#) Nanney: SO AS TO PROVIDE THAT A MUNICIPALITY MUST NOT REQUIRE ANNEXATION AS A CONDITION PRECEDENT TO PROVIDING UTILITY SERVICES. - Referred to Committee on Judiciary.

[H. 4126](#) Loftis: SO AS TO REQUIRE ALL STATE AGENCIES TO USE A SINGLE THIRD PARTY ORIGINAL SOURCE COMPILER AND PUBLISHER OF UNENCUMBERED ADDRESS DATA FOR PURPOSES OF VALIDATING AND VERIFYING STATE RESIDENTS, HOUSEHOLDS, AND BUSINESSES - Referred to Committee on Ways and Means.

[H. 4131](#) G. M. Smith: SO AS TO PROVIDE THAT A MUNICIPALITY MAY NOT REQUIRE ANNEXATION AS A CONDITION PRECEDENT TO PROVIDING UTILITY SERVICES. - Referred to Committee on Labor, Commerce and Industry.

[S. 705](#) Leatherman: TO PROVIDE FOR THE CONTINUING AUTHORITY TO PAY THE EXPENSES OF STATE GOVERNMENT IF THE 2013-2014 FISCAL YEAR BEGINS WITHOUT A GENERAL APPROPRIATIONS ACT FOR THAT YEAR IN EFFECT - Referred to the Committee on Finance

JUDICIAL:

[H. 4132](#) Atwater: RELATING TO ACTIONS FOR DAMAGES RELATING TO PROFESSIONAL NEGLIGENCE AGAINST A PROFESSIONAL LICENSED OR REGISTERED BY THE STATE - Referred to Committee on Judiciary.

[S. 700](#) Thurmond: RELATING TO THE DESTRUCTION OF RECORDS WHERE CHARGES HAVE BEEN DISMISSED - Referred to the Committee on Judiciary.

[S. 706](#) Malloy: RELATING TO A PERSON DRIVING A MOTOR VEHICLE WHILE UNDER THE INFLUENCE OF ALCOHOL OR OTHER DRUGS - Referred to the Committee on Judiciary.

In the Media



Jackson says state should remain under Voting Rights restrictions (5/10/13)

The Rev. Jesse Jackson said today he believes the Supreme Court should not lift federal restrictions on South Carolina's voting policies because of what he called continued attempts at black voter suppression. [Read more.](#)

Senate approves fewer rules for Clemson (5/10/13)

The state Senate has approved a bill that would allow Clemson University to operate its economic development, athletics and graduate-level research programs with less state government regulation, a move Clemson officials say would allow it to respond to business conditions more nimbly. [Read more.](#)

Haley, Sheheen trade barbs during ethics meeting (5/10/13)

The 2014 governor's race took a test drive Thursday during a marathon meeting of the state Senate Judiciary Committee. [Read more.](#)

CBS picks up Charleston-based drama after new SC tax incentives pass (5/13/13)

A pilot for a new TV show filmed in the Lowcountry has been picked up by CBS- just a few days after lawmakers increased the incentives for film production companies to do business in South Carolina. [Read more.](#)

House bill would scrutinize SC police drones (5/14/13)

The extent to which South Carolina's skies someday may be filled with the soft buzz of unmanned drone surveillance aircraft operated by state and local police agencies could well be determined by a bill now making its way through the S.C. House. [Read more.](#)

Higher education reform moving slowly (5/14/13)

Changing the way South Carolina pays for and evaluates its public colleges and universities isn't going to be easy or fast. [Read more.](#)

SC Senate moves to suspend eye-exam rule for drivers (5/14/13)

Drivers in violation of a state law requiring them to take an eye exam each five years may be getting a break from the Senate. [Read more.](#)

\$200,000 suggested for SC hacking compensation fund (5/14/13)

South Carolina should set aside \$200,000 next year for a fund to compensate victims of the massive computer hacking at the S.C. Department of Revenue, State Sen. Vincent Sheheen and State Treasurer Curtis Loftis proposed Tuesday. [Read more.](#)

SC probation agency's request for extra \$1.4 million meets resistance (5/14/13)

Some state lawmakers are questioning the state probation agency's bid to get an extra \$1.4 million to hire 33 employees. [Read more.](#)

Columbia, SC home sales continue climb in April (5/15/13)

Home sales in the Columbia area and throughout South Carolina continued to rebound in April as buyers took advantage of historically low interest rates. [Read more.](#)

SC lawmakers grapple over control of state purchasing (5/15/13)

The state House of Representatives passed a bill Wednesday that would reorganize state government. [Read more.](#)

Boeing, S.C. ties rattle state of Washington (5/15/13)

As S.C. officials and Boeing executives spent a sunny Friday celebrating the aerospace company's latest investment plans for the Palmetto State, some folks 2,400 miles away in the state of Washington fretted. [Read more.](#)

Tax writers chasing smokers, even fake ones (5/15/13)

Like many other businessmen across the country, Jason Hagan of Greer thought the idea of starting a shop that would sell electronic cigarettes was a good idea. [Read more.](#)

Senior hunger target of automaker, S.C.'s McConnell (5/16/13)

South Carolina Lt. Gov. Glenn McConnell, the state's future leaders and the Honda Motor Co. are targeting hunger among the state's senior citizens. [Read more.](#)

SC high school graduation exit exam could be history (5/16/13)

Exit exam scores at Darlington High School are rolling in this week, said principal Greg Harrison,

bringing difficult news to some seniors. [Read more.](#)

Sanford returns to Congress, says he'll focus on finances (5/16/13)

Former Gov. Mark Sanford is a member of the U.S. House of Representatives again after being sworn into office Wednesday during a ceremony in the House chamber in Washington, D.C. [Read more.](#)

SC Senate votes to sell controversial state-owned planes (5/16/13)

The S.C. Senate voted to sell the state's two planes Thursday, hours after Democrats demanded Republican Gov. Nikki Haley reimburse the state for flying a videographer paid by her campaign on a state-owned plane. [Read more.](#)

SC Senate to take up controversial school-choice proposal (5/16/13)

The S.C. Senate is poised to vote on a controversial school-choice proposal next week that the upper house's leader says "could be very close." [Read more.](#)

Congressman Wilson introduces bill to close Obamacare loophole (5/16/13)

U.S. Rep. Joe Wilson, R-Springdale, has introduced a bill that he says aims to close a loophole in President Barack Obama's healthcare law that would exempt some congressional staff members from following it. [Read more.](#)

S.C., Ga. senators voice MOX support to White House (5/17/13)

Republican senators from South Carolina and Georgia have called on the Obama administration to continue funding a program to turn weapons-grade plutonium into commercial nuclear reactor fuel, saying that slowing or ending the project would harm international and domestic relationships. [Read more.](#)

Meetings and Events



Tuesday, May 21st

6:00 Legislative Reception, by BMW, Boeing, General Electric and SC Manufacturing Alliance Nexsen Pruet, 7th Floor (legislators & staff)

Wednesday, May 22nd

6:00 Reception for Senator Ross Turner - Home of Margaret Ann and Ed McMullen, 4 Cedarwood Lane, Columbia

Thursday, May 23rd

8:00 Fundraising Breakfast for Representatives Heather Crawford, Stephen Goldfinch, Kevin Hardee, Mike Ryhal - Palmetto Club, McMeekin Room

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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.

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