



South Carolina House of Representatives

Legislative Update

Robert W. Harrell, Jr., Speaker of the House

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HOUSE WEEK IN REVIEW

The House of Representatives approved its **2006-2007 STATE BUDGET PLAN** in the form of **H.4810**, the **GENERAL APPROPRIATION BILL**, **H.4811**, a joint resolution appropriating **SURPLUS GENERAL FUND REVENUE**, and **H.4812**, a joint resolution appropriating monies from the **CAPITAL RESERVE FUND**. Highlights of the \$6.3 billion budget include:

Statewide Issues:

Fully funded the General Reserve Fund at \$167.7 million.

Fully funded the Capital Reserve Fund at \$111.8 million.

Restored all true trust funds with \$98.5 million.

Allocated \$116.8 million for property tax relief (based on House Bill 4449)

Provided \$420 million for continued property tax relief.

Adopted a 4.8% General Fund spending limit. This limit excludes the EFA, Medicaid and appropriations in the supplemental spending bill.

Provided a 3% pay raise to state employees at a cost of \$51.7 million.

Funded the state employee and retiree health insurance program with \$30.5 million, resulting in no increased premiums to subscribers and no changes in benefits to the plan.

K-12 Education:

The Education Finance Act (EFA) was fully funded with \$69.5 million in new money to achieve a Base Student Cost (BSC) of \$2,367.

Initiated a 15-year or 250,000-mile replacement cycle for school buses by appropriating \$26 million for bus purchases and \$26.8 million for fuel. (Senate Bill 1026 provides \$13 million in funding in the current year to address school bus fuel and replacement parts.)

A career path for mechanics was established at \$1.3 million in an effort to reduce the attrition rate at the state's bus shops.

Provided \$6 million in the First Steps budget for an early childhood program. The first year, the program will be available only to students in the trial districts cited in the recent court ruling. This venture will include participation from both the public and private sectors. At a minimum, full day four-year-old kindergarten must be made available to all students in the trial districts. If additional funds are available, services for zero- to three-year-olds may be provided.

Fully funded the growth in the National Board Certification program with \$6.1 million.

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Funded two bills passed last year: the Education and Economic Development Act at \$14.8 million and the Student Health and Fitness Act at \$4.1 million. The Education and Economic Development Act focuses high school curriculum into sixteen career clusters that are complemented by programs at the state's colleges and universities and the Employment Security Commission. The Student Health and Fitness Act increases access to physical education, provides increased instruction in health, safety, and nutrition, and provides for an individual fitness assessment for each student.

The High Schools That Work program received an additional \$1.1 million, increasing the number of sites from 100 to 140. The goal of the High Schools That Work program is to increase the number of students who meet reading, math, science, and performance goals and who complete an upgraded academic core with a career focus. The program complements the career clusters of the Education and Economic Development Act.

Supplied an additional \$5 million for instructional materials.

The Education Accountability Act assessment program received an additional \$2.88 million to assist with ongoing assessment needs. South Carolina is one of the first states to meet the federal assessment guidelines established under the No Child Left Behind legislation.

A proviso revises the way in which Education Accountability Act funds are distributed. Rather than requiring all districts to use the model emphasizing teacher specialists, principal specialists, and homework centers, schools will receive grants that they may use to tailor the assistance programs to their specific needs. Schools must develop a plan for these funds to be approved by the State Department of Education.

Higher Education:

\$10 million was appropriated to provide funding parity at higher education institutions with Coastal Carolina receiving \$3.7 million.

The two research Universities each received \$6 million to keep S.C. on the path of developing an educated workforce capable of meeting the demands of industry in the 21st century.

The Medical University received \$4 million for the College of Dental Medicine and another \$500,000 to fund the Hollings Cancer Center.

Health:

Medicaid growth was fully funded with \$109 million in new money. The appropriation for Trauma Centers was increased by \$2 million.

Breast Cancer Screening and Treatment was funded with a \$1 million appropriation.

The Colleton Veterans nursing home received the \$6 million necessary for it to operate during the coming year.

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\$9.2 million was provided to reduce the waiting list at the Department of Disabilities and Special Needs to provide care for the disabled adult children of aging parents who are no longer able to care for their children.

Economic Development:

The Department of Parks Recreation and Tourism received \$4.1 million to promote South Carolina nationally and internationally.

The Department of Commerce received over \$17 million in new funding for a variety of programs intended to bring new industries into the State and help foster our competitiveness in the global marketplace.

Related projects for economic development under the Department of Transportation provide \$3.5 million for a port access road for the new terminal in Charleston, and \$1.5 million for roads at the Clemson automotive research center.

Law Enforcement and Criminal Justice:

The Department of Corrections, the Department of Juvenile Justice, and Probation, Pardon, and Parole received a combined total of \$22 million. This includes funds to operate the Turbeville institution and employ modern technology for the efficient monitoring and supervision of individuals on probation or parole. \$5.8 million of these funds will be used to provide a pay incentive for officers who work at the institutions that house the most violent offenders.

A new class of Highway patrol troopers was funded at a cost of \$8.9 million. The State Law Enforcement Division (SLED) received \$4 million for additional agents and to provide support to the local law enforcement community.

Law enforcement officers were also funded in the Department of Natural Resources budget at a cost of \$1.7 million.

Transportation and Regulatory:

The Department of Transportation received \$1.3 million for Mass Transit. These funds will allow providers to match approximately \$14 million in federal funds and defray operating expenses resulting from recent spikes in fuel prices.

The Department of Transportation received \$1.5 million for road and Infrastructure improvements for Greenville, which will be earmarked for ICAR.

The Department of Transportation also received a total of \$3.5 million for a port access road in Charleston.

Legislative and Executive:

\$2.9 million in non-recurring funds at the Lieutenant Governor's Office on Aging will provide Community Based Support Services such as Meals on Wheels.

BILLS INTRODUCED IN THE HOUSE THIS WEEK

AGRICULTURE, NATURAL RESOURCES, AND ENVIRONMENTAL AFFAIRS

S.1263 DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL EXPEDITED REVIEW PROGRAM Sen. Ritchie

This bill establishes within the Department of Health and Environmental Control (DHEC) the Expedited Review Program to provide a voluntary expedited process for review of permit applications. DHEC is required to promulgate regulations for the administration of the program, including expedited process application fees. The bill also creates a pilot program to test and evaluate the economic and administrative benefits of a statewide review program.

EDUCATION AND PUBLIC WORKS

S.54 SCHOOL TERMS Sen. Rankin

This bill authorizes local school boards to establish an annual school calendar for teachers, staff, and students. The bill establishes certain parameters for school terms, including a provision that the opening date for students must not be before the third Monday in August. The bill allows the State Board of Education to waive the opening date requirement on a showing of "good cause" or for an "educational purpose" as those terms are defined in the bill.

The bill requires three days for collegial professional development which must address, at a minimum, standards specified in the bill. The bill allows up to two days for preparation of opening of schools and five days for teacher planning, academic plans, and parent conferences.

The bill requires that days missed because of weather conditions or other disruptions must be made up, and allows school districts to designate at least three days within their school calendars to be used as make-up days in the event of these occurrences. The bill includes make-up provisions for schools which have used those days, and allows the General Assembly to waive the make-up requirements.

The bill requires that the instructional day for secondary students must be at least six hours a day, excluding lunch, and the school day for elementary students must be at least six hours a day including lunch. The bill requires that priority during the instructional day must be given to teaching and learning tasks

S.1107 AMERICAN SIGN LANGUAGE Rep. Hawkins

This bill requires the State Board of Education to develop and recommend curriculum, standards, and a proficiency exam for teachers of American Sign Language.

H.4919 *ADVOCACY MATERIALS IN SCHOOLS* Rep. Duncan

This bill requires that local school boards implement policies to ensure that public school students are not required to convey or deliver materials that advocate election or defeat of candidates for elective office; passage or defeat of a referendum question; or passage or defeat of a matter pending before the local school board, local governing body, General Assembly, or United States Congress. The bill also prohibits the use of district equipment or materials that advocate for any of these items and requires the State Board of Education to report on the implementation of these requirements by January 15, 2007.

H.4924 *U.S. NAVAL ACADEMY LICENSE PLATES* Rep. Clark

This bill authorizes and provides for the creation and distribution of United States Naval Academy special license plates. After the Department of Motor Vehicles has been reimbursed for expenses relating to the special plate, funds remaining from extra fees charged for the plate would be deposited to the General Fund.

H.4929 *IMMUNIZATIONS AT INSTITUTIONS OF HIGHER LEARNING* Rep. Haley

This bill requires and provides for public or private institutions of higher learning to provide immunization information to each student upon initial entry to the institution. These institutions would not be required to provide these vaccinations. The bill repeals a current provision which requires institutions of higher learning to notify students or parents of the risk of contracting meningococcal disease and Hepatitis B if living in on-campus student housing.

H.4931 *TRAINING AND RATING FOR CHILD CARE PROVIDERS* Rep. Davenport

This bill requires and provides for the Office of South Carolina First Steps to solely develop and implement a statewide, comprehensive technical assistance and training program for private and public day care providers with an emphasis on improving the quality of four year old kindergarten statewide, and to improve the quality of childcare and of educational programs that serve infants, pre-kindergarten, and after-school care children. The bill also requires and provides for the First Steps office to develop, select, and approve a voluntary rating system for the providers of childcare who operate in South Carolina.

H.4932 *KINDERGARTEN PROGRAMS* Rep. Cotty

This bill requires and provides for the First Steps to School Readiness Board to establish, develop, implement, and monitor prekindergarten programs in the State. The program must be open to students who are at risk for learning problems and school failure as provided in the bill. Classrooms would be limited to sixteen students and teachers would include a lead teacher with a four-year degree in early childhood education or a closely related area, and an assistant teacher with preservice or inservice training in early childhood education.

The bill includes requirements for length of the school day and requires a one-hundred-eighty-day school calendar. The bill also includes curriculum requirements and requirements for health and developmental screenings, assessments and referrals.

The bill requires the First Steps office to develop a technical assistance system for program personnel that focuses on professional development related to certain critical child development skills.

The bill requires the Education Oversight Committee to establish and maintain a collaborative evaluation of these programs and report in five years to the General Assembly and to the First Steps Board.

JUDICIARY

S.626 *ILL-TREATMENT OF ANIMALS* Sen. Hawkins

This bill provides that it is illegal to confine or restrict the movement of an animal in a way that inflicts extended and unnecessary suffering upon an animal. The bill also provides that a magistrate may not issue an arrest warrant for a person alleged to have violated any law in relation to cruelty to animals until an investigating law enforcement officer or appropriate county or city animal control officer provides the magistrate with an incident report of the alleged violation.

S.998 *CHILDREN IN THE CUSTODY OF THE DEPARTMENT OF SOCIAL SERVICES* Sen. Ritchie

The bill requires any person seeking approval to adopt a child in the custody of the Department of Social Services (DSS) to undergo a fingerprint review. Currently, there is a prohibition against placing a child in foster care with a person who has a substantiated history of child abuse or neglect or a conviction for certain criminal offenses. This bill clarifies that this prohibition applies to children in the custody of DSS. The bill also applies this prohibition to children being placed by DSS for adoption and to children already placed in foster care. Additionally, the bill includes the criminal offenses of unlawful conduct towards a child and cruelty to children as prohibited criminal offenses.

S.1057 *MEDICAL MALPRACTICE ACTIONS* Sen. Hutto

Current law provides that at any time before a medical malpractice action is brought to trial, the parties shall participate in mediation governed by procedures established in the South Carolina Circuit Court Alternative Dispute Resolution Rules in effect at the time for the State or any portion of the State. This bill provides that parties may also agree to participate in binding arbitration, non-binding arbitration, early neutral evaluation, or other forms of alternative dispute resolution.

S.1138 *"SEX OFFENDER ACCOUNTABILITY AND PROTECTION OF MINORS*

***ACT OF 2006"* Senate Judiciary Committee**

This bill makes comprehensive revisions relating to sex offenders:

- Relating to punishment for murder, this bill adds to the list of aggravating circumstances that murder was committed by a person deemed a sexually violent predator.
- With regards to criminal sexual conduct with a minor in the first degree when the actor engages in sexual battery with a victim who is less than eleven years of age, the bill provides for a mandatory minimum sentence of twenty-five years, no

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part of which may be suspended or probation granted, or imprisonment for life. Imprisonment for life means imprisonment until death.

- The bill allows prosecutors to seek the death penalty in cases where a person has a prior conviction for criminal sexual conduct with a minor in the first degree or for a similar federal or out-of-state offense. The bill outlines statutory aggravating circumstances and mitigating circumstances for the imposition of the death penalty under this section.
- With regards to criminal sexual conduct with a minor in the second degree, the bill provides that, upon conviction, a person must be imprisoned for not more than twenty years according to the discretion of the court.
- The bill requires sex offenders to register bi-annually for life.
- Current law requires the State Law Enforcement Division to develop and maintain a protocol manual used in the administration of the sex-offender registry. This bill outlines certain factors that must be included in the manual.
- The bill requires active electronic monitoring of certain sex offenders. The bill also outlines provisions whereby certain offenders, after ten years, may petition to be removed from electronic monitoring.
- The bill creates a felony offense of assisting or harboring an unregistered sex offender.
- The bill provides for the admission of out-of-court statements made to a third party by a child victim or child witness in general sessions court.

H.4911 ALTERNATIVES TO INCARCERATION FOR NONPAYMENT OF CHILD SUPPORT Rep. Merrill

This bill provides that a court or administrative order for child support, or an order for contempt for nonpayment of child support, may direct a noncustodial parent who is unemployed or underemployed to participate in an alternative to incarceration program administered by a private nonprofit organization that provides employment services. Upon failure of a noncustodial parent to comply with an order of contempt that directed the noncustodial parent to participate in the alternative to incarceration program, the family court, upon receiving an affidavit of noncompliance from the organization, immediately may issue a bench warrant for the arrest of the noncustodial parent. The Office of Court Administration shall approve the eligibility criteria, accountability, and implementation plan of any private nonprofit organization that serves as an alternative to incarceration program.

H.4914 ALCOHOLIC LIQUORS Rep. Kirsh

This bill makes revisions relating to alcoholic liquors. Revisions include the following:

- Clarifies where a license has to be displayed.

- Clarifies that alcohol cannot be taken into a licensed establishment for consumption. Clarifies that alcohol may only be purchased from licensed retailers with a federal basic wholesaler's permit.
- Provides that the State Law Enforcement Division will be responsible for auctioning off confiscated alcohol.
- Transfers to the correct article, language dealing with temporary permits, so that the liquor by the drink tax will apply.
- Clarifies issues related to pre-hearing remedies for purposes of hearings.

**H.4918 CREATION OF THE OFFENSES OF UNLAWFUL RESTRAINT AND FALSE IMPRISONMENT, AMENDMENTS TO KIDNAPPING
Rep. Jennings**

This bill creates the felony offense of unlawful restraint; this is a lesser-included offense of kidnapping. The bill also creates the misdemeanor offense of false imprisonment; this is also a lesser-included offense of kidnapping. This bill further provides that a person is guilty of kidnapping when committed for specific delineated purposes.

**H.4920 PRACTICING FUNERAL SERVICES IN VIOLATION OF THE LAW
Rep. Breeland**

This bill changes the penalty for practicing funeral services in violation of the law from a misdemeanor to a felony.

**H.4921 REVIEW OF RETIRED JUSTICES AND JUDGES QUALIFICATIONS FOR CONTINUED JUDICIAL SERVICE
Rep. Limehouse**

This bill provides that upon a retired justice or judge being reviewed by the Judicial Merit Selection Commission and found qualified to serve, the House of Representatives and the Senate meeting in joint assembly by majority vote must ratify the findings of the Judicial Merit Selection Commission in order for the retired justice or judge to be eligible for appointment.

LABOR, COMMERCE AND INDUSTRY

**H.4896 CHILDCARE HOMES REQUIRED TO NOTIFY PARENTS ABOUT A LACK OF LIABILITY INSURANCE
Rep. Rutherford**

This bill requires all group childcare homes and family childcare homes that do not carry liability insurance to obtain statements from each parent or guardian of a child enrolled in the childcare facility indicating that the parent has received notice from the facility about the lack of liability insurance. The legislation requires the Department of Social Services to inform each group childcare home and family childcare home of this requirement.

**H.4897 PAYMENT OF POST-TERMINATION CLAIMS TO SALES REPRESENTATIVES
Rep. Rice**

This bill revises definitions relating to the payment of post-termination claims to sales representatives, so as to provide that a sales representative is one who sells to both wholesalers and end users and one who does not sell primarily for his own account.

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The legislation includes orders for products and services, and defines “commissions” as including a percentage of profits, and to make a technical change.

S.1162 FIRE EQUIPMENT DEALER LICENSES AND PERMITS Sen. Grooms
This bill further specifies requirements to obtain Class D fire equipment dealer licenses and permits. The legislation provides that the Division of State Fire Marshal shall establish fees for equipment licenses and permits in regulation, which may be revised every two years. The legislation further provides that the initial fees may not exceed the current fees of one hundred dollars for licenses and twenty-five dollars for permits.

MEDICAL, MILITARY, PUBLIC AND MUNICIPAL AFFAIRS

S.66 THE ADMINISTRATION OF EPINEPHRINE IN A COMPREHENSIVE STATEWIDE EMERGENCY MEDICAL SERVICES PLAN Sen. Short

This bill requires the Department of Health and Environmental Control to include guidelines for the administration of epinephrine in a comprehensive statewide emergency medical services plan. The bill requires guidelines for the administration of epinephrine to a child suffering from a severe allergic reaction.

S.217 GROUP CHILDCARE HOMES AND FAMILY CHILDCARE HOMES Sen. Grooms

This bill requires an owner or operator of a group childcare home or family childcare home, who does not carry liability insurance for the operation of his childcare business, must notify and received signed statements from the children's parents or guardians. There are similar requirements in the event the owner or operator lets the insurance lapse. Compliance with the notification provisions set forth is a requirement for licensure and relicensure of all group childcare homes and family childcare homes.

H.4904 "CANCER DRUG DONATION PROGRAM ACT" Rep. White

This bill establishes a program in the Department of Health and Environmental Control for the donation of cancer drugs to certain patients who do not qualify for Medicaid or any state funded prescription drug program.

H.4295 CHILDCARE CENTER EMPLOYMENT Rep. Davenport

If a person's employment or provision of caregiver services at a childcare facility is dependent upon a screening against the child abuse and neglect registry, this bill provides that the person may be provisionally employed for up to five days (1) if the person affirms in writing that he or she has not been convicted of certain enumerated crimes, and (2) if the registry review has been requested and to require the Department of Social Services to complete the registry review within forty-eight hours of the request for review.

WAYS AND MEANS

H.4913 DEPARTMENT OF REVENUE "CLEAN-UP" BILL Rep. Kirsh

This comprehensive bill is a Department of Revenue "clean-up bill," which amends numerous sections of the Tax Code. The bill includes numerous clarification provisions, and also conforms South Carolina tax statutes with the Internal Revenue Code as amended through December 31, 2005. Additional highlights of the bill include, but are not limited to:

- Makes consistent the treatment of heavy equipment rentals with rentals of motor vehicles; creates a three percent surcharge to be used to pay the property taxes on the heavy equipment;
- Imposes a penalty on a retailer for collecting an excessive sales tax unless the retailer acted in good faith or refunds the excessive tax to the taxpayer;
- Clarifies language passed last year related to benefits available for taxpayers using port facilities; limits the maximum to be claimed by any one taxpayer to one

million dollars unless the maximum total credits allowed of eight million dollars is not met. In this case, those participating taxpayers are allowed a pro-rata distribution of remaining credits up to the maximum eight million dollars; provides that the Department of Commerce has sole discretion in determining allocation of the credits available under the port provisions;

- Provides that the allowable credit period for a qualifying student for the tuition tax credit is suspended for active military duty if the service member enrolls in an eligible institution within twelve months of demobilization;
- Imposes a penalty for a substantial valuation misstatement to be consistent with the penalty for substantial understatement of tax.

S.572 PROCUREMENT CODE Sen. Leatherman

This comprehensive bill provides that the provisions of the South Carolina Consolidated Procurement Code supercede any other conflicting law. Also among the numerous provisions in the bill is a requirement that Minority Business Enterprise Utilization Plan goals must include expending with Minority Business Enterprises an amount equal to ten percent of each governmental body's total dollars expended. Relating to tax credits for state contractors and subcontractors with minority firms, the bill increases the credit from twenty-five thousand dollars to fifty thousand dollars annually and extends the credit from six years to ten years.

**H.4926 MILL VILLAGE INFRASTRUCTURE BANK TRUST
FUND Rep. Mitchell**

This bill establishes and provides for the Mill Village Infrastructure Bank Trust Fund. An applicant project for these funds must be part of a larger revitalization project directed toward improving housing stock and/or creating economic development opportunities. The bill empowers the Director of the Office of Local Government to approve a project up to two hundred thousand dollars without Budget and Control Board approval, and authorizes the Budget and Control Board to approve projects up to five hundred thousand dollars.

H.4928 "BEHAVIORAL HEALTH SERVICES ACT OF 2006" Rep. W.D. Smith

This comprehensive bill creates and provides for the Department of Behavioral Health Services, transferring the powers and responsibilities of the Department of Alcohol and Other Drug Abuse Services, the Department of Disabilities and Special Needs, the Department of Mental Health, and the Continuum of Care for Emotionally Disturbed Children to this new Department.

H.4930 TAXES AND FEES ON PROPERTY TRANSFERS Rep. Herbkersman

This bill permits a municipality to impose by ordinance a tax or fee on the transfer of real property if another municipality in the same county was imposing the fee before January 1, 1991. The bill also provides for imposing the real estate transfer fee in the municipality by referendum.

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