



South Carolina House of Representatives

Legislative Update

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

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CONTENTS

| | |
|--|----|
| HOUSE WEEK IN REVIEW | 02 |
| HOUSE COMMITTEE ACTION | 03 |
| BILLS INTRODUCED IN THE HOUSE THIS WEEK..... | 06 |

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HOUSE WEEK IN REVIEW

The House of Representatives amended and gave second reading approval to H.3713, a bill revising the provision of the South Carolina Real Property Valuation Reform Act of 2006 that requires the assessed value of real property to be determined for tax purposes at the time the property is sold. The legislation eliminates **POINT-OF-SALE REASSESSMENT** by postponing reassessment for a parcel of real property that is sold or undergoes another assessable transfer of interest until the property tax year of implementation of the next countywide assessment program. Reassessment is not postponed when improvements have made to the property since the time of the most recent countywide reassessment. The legislation takes effect upon approval by the Governor and applies for property tax years beginning after 2010.

The House returned S.445 to the Senate with amendments. The legislation provides that by January 1, 2012, each school district shall adopt the Centers for Disease Control and Prevention (CDC) recommendations on **UNIVERSAL PRECAUTIONS FOR BLOODBORNE DISEASE EXPOSURE** and shall communicate written notice of these procedures to each school within the district. The notice must provide information regarding education and training in the areas of infection control, universal precautions, and disinfection and sterilization techniques.

The House approved and sent to the Senate H.3153, relating to a **MOTION FOR A NEW TRIAL IN MAGISTRATES COURT**. This bill increases the time period in which a motion for a new trial may be made in magistrates court from five days to ten days.

The House approved and sent to the Senate H.4192, a bill revising provisions relating to certain agencies, boards, and commissions that were transferred to, incorporated in, and administered as part of the Department of Public Safety, so as to remove the **LAW ENFORCEMENT TRAINING COUNCIL** from the list.

HOUSE COMMITTEE ACTION

AGRICULTURE, NATURAL RESOURCES, AND ENVIRONMENTAL AFFAIRS

The full committee did not meet this week.

EDUCATION AND PUBLIC WORKS

The full committee did not meet this week.

JUDICIARY

The full committee did not meet this week.

LABOR, COMMERCE AND INDUSTRY

The full Labor, Commerce and Industry Committee met on Wednesday, May 11, and reported out several bills.

The committee gave a report of favorable with amendments on **H.3921**. This bill establishes a protocol for **UNCLAIMED CREMATED REMAINS OF A VETERAN** that allows for the proper disposition of these remains without liability to the funeral home, funeral establishment, or mortuary involved.

The committee gave a favorable report on **H.4042**. This bill provides that it is an unlawful trade practice for a **MOTOR VEHICLE GLASS REPAIR** business actively engaged in the repair of motor vehicle glass, or a person or entity with a ten percent or more ownership interest in that business, and acting as a third party administrator of insurance claims made pursuant to insurance coverage for motor vehicle glass repair to:(1) refer or steer, or cause to be referred or steered, an insured's motor vehicle glass repair business to itself; or (2) use consumer information obtained in the process of acting in that dual capacity to solicit motor vehicle glass repair business.

The committee gave a favorable with amendments report on **H.3604**. This concurrent resolution encourages the South Carolina Council of Governments to draft model ordinances intended to enable the **RETROFITTING OF SHOPPING MALLS AND SHOPPING CENTERS** into dense, walkable, mixed-use town centers, and to encourage other measures to promote a human habitat that is hospitable and accessible to more South Carolinians while lessening environmental impacts on the state.

The committee gave a favorable with amendments report on **S.693**. This bill revises the **APPEALS PROCESS FOR FIRE MARSHAL DECISIONS**, by increasing from

twenty-four hours to thirty days the amount of time that an occupant or owner may appeal the decision of a deputy or resident fire marshal to the State Fire Marshall. The legislation provides that the State Fire Marshal's decision must be filed within ten days of receiving the notice of appeal. The legislation provides that an order or affirmed order of the State Fire Marshal may be appealed to an administrative law judge within thirty days rather than the current five days

The committee gave a favorable report on **S.766**. This bill revises provisions relating to distribution of excess revenue to South Carolina's electric cooperatives' members, so as to authorize South Carolina electric cooperatives to make use of **ABANDONED PATRONAGE CAPITAL** for: (1) energy efficiency programs and education; (2) renewable energy initiatives; or (3) educational or charitable purposes.

MEDICAL, MILITARY, PUBLIC AND MUNICIPAL AFFAIRS

The full committee did not meet this week.

WAYS AND MEANS

The full Ways and Means Committee met on Thursday, May 12, and reported out three bills.

The committee gave a report of favorable with amendments on **H.3407**, the **SOUTH CAROLINA EDUCATIONAL OPPORTUNITY ACT**. The legislation provides that a parent or legal guardian who teaches one or more qualifying students at home is eligible for a state income tax credit of up to one thousand dollars per home school student for instruction-related expenditures. Beginning with the 2011-2012 school year, parents are eligible for an income tax credit for enrolling a child in an independent school for kindergarten through twelfth grade instruction for the first time. The value of the tax credit may not be more than the actual tuition paid and may not exceed: (1) fifty percent of the state's total projected allocation to the student's resident public school district divided by the district's projected average daily membership; or (2) the statewide base student cost; whichever is greater. The tax credit may be claimed again in the 2012-2013 school year. Beginning with the 2014-2015 school year and thereafter, all parents of independent school students are eligible for a tax credit the total amount of which is capped at eighty percent of the aggregate amount of the savings for all qualifying students. The total amount of this credit available for each student may not exceed fifty percent of the state's total projected allocation to the student's resident public school district divided by the district's projected average daily membership. The legislation provides that a K-12 student is eligible to receive a scholarship to attend an independent school in this state for the first time if his family's household income meets federal criteria for receiving free or reduced price school lunches or qualifies the family to receive Medicaid. The value of the scholarship may not exceed: (1) fifty percent of the state's total projected allocation to the student's resident public school district divided by the district's projected average daily membership; or (2) the statewide base student cost; whichever is greater. The scholarships and tax credits for attendance at an independent school cannot be combined for a single student. The legislation authorizes charitable student scholarship organizations that grant scholarships for eligible students to attend

independent schools. Individuals and corporations that make donations to these student scholarship organizations may claim up to ninety-five percent of the value of the contribution as a credit against state income taxes, bank taxes, license fees, or insurance premium taxes. The legislation establishes criteria for independent schools that accept students under Educational Opportunity Act provisions and charges the Education Oversight Committee with maintaining and posting a list of private schools that meet the eligibility criteria. The Education Oversight Committee, in coordination with the Department of Education, must provide a long-term evaluation of the impact of the legislation. The State Budget and Control Board, Office of Research and Statistics must provide an annual report on the fiscal impact of the implementation of the Educational Opportunity Act including savings to the state that are derived from the legislation. The legislation includes a sunset contingency under which the provisions of the Educational Opportunity Act are to be discontinued after five years if savings are not realized.

The committee gave a favorable with amendment report on **S.36**, a bill **REVISING SALES TAX PROVISIONS**. This legislation revises the sales tax exemption for durable medical equipment by eliminating the provisions that phase in the exemption contingent upon sufficient revenue growth. The legislation revises sales and use tax provisions, so as to provide further for those instances where sales and use tax applies in connection with warranties and service maintenance contracts sold in connection with the sale of tangible personal property.

The committee gave a favorable report on **H.3055**, a bill relating to the **ESTIMATION OF TAXPAYER LIABILITY** by the Department of Revenue. The legislation provides for what constitutes the best available information that the Department of Revenue must consider when making an estimate of the taxpayer's tax liability in cases where frivolous tax returns have been filed or the taxpayer has failed to submit required reports or returns. In estimating tax liability in these circumstances, the legislation requires the Department of Revenue to use either previous returns filed by the taxpayer, if any, or information supplied by the taxpayer upon request of the department sent by first class mail, return receipt requested, if no previous returns have been filed.

BILLS INTRODUCED IN THE HOUSE THIS WEEK

AGRICULTURE, NATURAL RESOURCES, AND ENVIRONMENTAL AFFAIRS

H.4200 SOUTH CAROLINA FRESH ON THE CAMPUS PROGRAM

Rep. Hardwick

The legislation creates the South Carolina Fresh on the Campus Program within the South Carolina Department of Agriculture. The purpose of the program is to foster direct relationships between South Carolina farms, schools, and other institutions, and to provide schools and other institutions with fresh and minimally processed foods for consumption by students.

JUDICIARY

H.4199 "TRUTH IN GOVERNMENT ACT" Rep. Bannister

This legislation requires persons who testify before a committee or subcommittee of the Senate or House of Representatives to do so under oath or affirmation. This legislation provides that wilful presentment of false, materially misleading, or materially incomplete testimony under oath or affirmation in a proceeding in the Senate or House of Representatives be treated as perjury. Relating to perjury, this legislation expressly includes committee or subcommittee proceedings in the Senate or House of Representatives in the purview of the statute.

LABOR, COMMERCE AND INDUSTRY

H.4198 UNEMPLOYMENT COMPENSATION BENEFIT CONTRIBUTIONS REQUIRED OF EMPLOYERS Rep. Bingham

This bill provides that, for purposes of unemployment compensation benefit contributions required of employers, if an employer has a positive fund balance for a period of at least one year in its account, it may not be classified in Rate Class 13 or higher and provides that all new employers must be classified in Rate Class 12. The legislation provides that no North American Industry Classification System Code 5613 employer base rate may be less than the rate applicable for Rate Class Thirteen until there have been twelve consecutive months of coverage after first becoming liable for contributions. The legislation provides that for calendar years 2011 and 2012, retroactive to January 2011, the state shall reduce state unemployment tax base rates for employers in Tiers 13 through 20 by a specified percent, provides the method to be used to fund such reductions, and to also provide for the premiums to be paid by employers in Tiers 1 through 12 for calendar years 2011 and 2012. The legislation revises estimates of the income necessary to pay unemployment compensation benefits during a calendar year when the State Unemployment Insurance Trust Fund is in debt status, so as to provide

the manner in which such estimates are determined for calendar years 2011 and 2012, and to revise the manner in which such estimates are determined beginning in January 2013 and thereafter while the trust fund is in debt status. The legislation revises the manner in which employer rate computations are determined, so as to provide for the determination of the rates needed to pay benefits for calendar years 2011 and 2012, retroactive to January 2011, not including the achievement of solvency targets. The legislation further provides for the determination of the rates needed to pay benefits and achieve solvency targets beginning in January 2013, and to provide for the manner in which the rate for Class Twenty must be set. The legislation provides for the manner in which benefits for seasonal workers shall be determined, calculated, and paid. The legislation revises the additional surcharges that must be paid when the State Unemployment Insurance Trust Fund is insolvent, so as to provide for what provisions of law the state shall follow to set rates for Class Twenty beginning in January 2013 and to provide for certain credits for employers in Tiers 1 through 12. The legislation provides for the allocation of credits due to any employer that has paid in excess of their balance due by July 31, 2011.

H.4205 CONVERTED PUBLIC SERVICE DISTRICTS PROVIDING WATER SERVICE IN MULTIPLE COUNTIES Rep. Funderburk

This bill revises provisions relating to corporations not-for-profit providing water service financed by federal or state loans being permitted to convert to a public service district, by establishing additional conversion provisions, terms, and limitations for nonprofit corporations of a certain size that provide water service in two or more counties. The legislation revises provisions relating to the governing board and structure of a corporation which has been converted to a public service district, so as to provide for the governing structure of a public service district of a certain size that provides service in two or more counties.

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