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South Carolina House of Representatives

# Legislative Update & Research Reports

Ramon Schwartz, Jr., Speaker of the House

Vol. 1

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No. 14

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# Legislative Update

## Developments in Corrections in Some Other States

### New Construction

An Alabama county has approved what McCormick County is considering--becoming the site of a new correctional facility.

Bullock County voters recently voted 2-to-1 in favor of constructing a 400-unit minimum-security prison in the central Alabama county. Supporters of the prison construction said it would help the economy of job-poor Bullock County. An estimated 230 jobs would be created with an annual payroll of \$3 million. This economic boost, proponents say, would attract other employers to the county.

Opponents of the prison had filed suit claiming that the county commission could not deed county land to the State for prison construction. This claim was denied by a Circuit Court.

Pennsylvania will soon begin a 2,800 cell expansion of its correctional system. Nine major construction projects and 28 capital improvement projects will be completed by 1987. New staff will be hired from communities around the new facilities.

The Missouri Senate has voted to increase their state's bonding authority from \$100 million to \$150 million to increase prison beds. A former state hospital would be converted to a minimum-security prison.

Prison overcrowding has been a hot issue in the Missouri legislature this session. One Senator calls the bond increase legislation "an effort to solve one of the biggest problems the state has."

Wyoming's legislature has approved \$5 million for prison expansion, with \$2.5 million from the general fund and \$2.5 million from the state's "land income fund." The Wyoming State Penitentiary will receive 122 more beds.

Delaware plans a 300-bed minimum-security prison to cost \$2.4 million and be built with an all-inmate labor force. Hourly wages for the inmate workers will be up to 60 cents an hour.

Inmates to Pay Room and Board?

In 1935 Michigan passed its Prison Reimbursement Act to allow the state to collect room and board from prisoners who could afford it. Recently a Michigan appeals court said the state could not collect housing costs from inmates under the act--because it mentioned only three Michigan prisons.

Michigan State Senator Nick Smith has introduced a bill which would cover all state penal institutions. His legislation would require inmates with some savings to pay the actual cost of their food and lodging. The bill is now in the Senate Judiciary Committee.

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Information gathered from "Prison Administration" report of From the State Capitals newsletters of April 2 and April 9, 1984.

Latest Report From the Board of Economic Advisors

Attention has turned recently to the latest report from the State's Board of Economic Advisors, and its forecast of general fund revenue for South Carolina. The news reports, however, have not presented the actual tables showing the figures of revenue estimates, actual collections, and growth needed in the fourth quarter to meet earlier projections. These are presented on the next two pages.

The Board noted in its covering memo the following points:

General Fund Revenues for March, 1984 totaled \$172.3 million, reflecting a 10.2 percent decline from the total for March, 1983. The results are distorted, however, because there were some unusual and one time collections and transfers in March, 1983, amounting to \$26.3 million. After adjustment for the distortion General Fund Revenues during this March are estimated to be 4.1 percent higher than March of the previous year. Sales Tax Revenues increased by 14.4 percent in March, 1984 over the previous March, but other categories declines.

The Board further remarked that a fourth quarter revenue increase of 8.8 percent is needed to reach the fiscal year estimates.

GENERAL FUND REVENUES  
Forecast 1983-84 and 1984-85  
In Millions of Dollars

	ACTUAL 82-83	11/1/83 ESTIMATE 83-84	11/1/83 ESTIMATE 84-85	2/15/84 ESTIMATE 83-84	2/15/84 ESTIMATE 84-85
TOTAL GENERAL FUND	1969.9	2163.2	2316.3	2196.2	2341.3
Total Regular Sources	1912.4	2091.0	2277.0	2124.0	2302.0
Sales Tax	691.6	766.0	840.0	791.0	862.0
Indiv. Income Tax	718.9	805.0	879.0*	810.0	885.0*
Corp. Income Tax	124.1	130.0	147.0	133.0	150.0
All Other	377.8	390.0	411.0	390.0	405.0
Misc. Sources	57.6	72.2	39.3**	72.2	39.3**

\* \$15 million estimate from Tax Commission for Indexation has been deducted from Individual Income Tax Forecast. The percentage without the change would be 11.1%.

\*\* Level and negative percentage change reflect one-time transfer from Insurance Reserve Fund in 1983-84 of some \$32 million.

RATES OF CHANGE

TOTAL GENERAL FUND	9.8%	7.1%	11.5%	6.6%
Total Regular Sources	9.3	8.9	11.1	8.4
Sales Tax	10.8	9.7	14.4	9.0
Ind. Income Tax	12.0	9.2*	12.7	9.3*
Corp. Income Tax	4.8	13.1	7.2	12.8
All Other	3.2	5.4	3.2	3.9
Misc. Sources	25.3	-45.6**	25.3	-45.6**

\* See above.

\*\* See above.

FISCAL YEAR 1984 OUTLOOK: GROWTH REQUIRED TO MEET ESTIMATES

	FY 1983 ACTUAL April-June \$ Millions	FY 1984 NEEDED April-June \$ Millions	ADDITIONAL REVENUE NEEDED TO MEET EST.		FY 1982 % CHANGES	
			April-June NET	%	FY FORECAST	ACTUAL July-March
SALES TAX	188.0	205.9	17.9	9.5%	14.4%	16.2%
IND. INCOME TAX	168.0	191.9	23.9	14.2	12.7	12.2
CORP. INCOME TAX	31.0	31.9	0.9	2.9	7.1	8.6
ALL OTHER TAX	123.6	123.4	-0.2	-0.2	3.2	4.9
TOTAL REG. SOURCES	510.8	553.1	42.3	8.3	11.1	12.1
MISC TAX	13.2	16.9	3.7	28.0	25.4	24.5
GRAND TOTAL GENERAL FUND REVENUE	524.0	570.0	46.0	8.8	11.5	12.5

COMPARISON OF STATE GENERAL FUND REVENUE COLLECTIONS  
PERSONAL INCOME, AND BEA FORECASTS

Fiscal Year By Calendar Quarter	Personal Income at Annual Rates (\$ millions)	% Change	Cumulative Genl Fund Revenues (\$ millions)	% Change (To same quarter previous FY)	Income Elasticities
<u>81-82</u>					
1981:3	\$26247	13.9	\$464.657	8.6	.619
4	26595	11.2	906.866	8.1	.723
1982:1	26672	7.6	1356.060	8.1	1.066
2	27062	6.4	1804.169	5.6	.875
<u>82-83</u>					
1982:3	27327	4.1	498.024	7.2	1.756
4	27863	4.8	956.025	5.4	1.125
1983:1	28327	6.2	1445.958	6.6	1.065
2	29071	7.4	1969.930	9.2	1.243
<u>83-84</u>					
1983:3	29655	8.5	567.1	13.9	1.635
4 FORECASTS:	30349				
4		8.9	1094.9	14.5	1.629
1984:1 FORECASTS:	30998	9.4	1628.6	12.6	1.340
1 ACTUAL:			1626.2	12.5	1.330
2 FORECASTS:	31539	8.5	2196.2	11.5	1.353

FISCAL YEAR 1984 OUTLOOK: GROWTH REQUIRED TO MEET ESTIMATES

FY 1984 Revenue	Cumulative Collections July-March	FY 1984 Forecast	REVENUE NEEDED to Meet FY 1984 Forecasts April-June, 1984	FOURTH QUARTER FY 1984 Forecast*
SALES TAX	\$585,115,783	\$791,000,000	\$205,884,217	
IND. INCOME TAX	618,096,430	810,000,000	191,903,570	
CORP. INCOME TAX	101,086,184	133,000,000	31,911,816	
ALL OTHER TAX	266,596,883	389,968,096	123,371,213	
TOTAL-REG. SOURCES	1,570,897,280	2,123,968,096	553,070,816	
MISC. TAX	55,305,208	72,191,859	16,886,651	
GRAND TOTAL--				
GENL REVENUE FUND	1,626,202,488	2,196,159,955	569,957,467	567,600,000

\* February 15, 1984  
quarterly estimates.

Information from the Board of Economic Advisors, 4/9/84

GENERAL FUND REVENUE COLLECTIONS BY CATEGORY  
Fiscal Years 1983-84 and 1982-83  
Comparative Summary

	FY 1983-84 <u>July-March</u>	FY 1982-83 <u>July-March</u>	Net <u>Change</u>	% <u>Change</u>
<b>REGULAR SOURCES</b>				
RETAIL SALES TAX (Total)	585,115,783	503,596,037	81,519,746	16.2%
Casual Sales	5,612,783	3,655,381	1,957,402	53.5
INCOME TAX (Total)	719,184,614	643,785,702	75,398,912	11.7
Individual	618,096,430	550,687,231	67,409,199	12.2
Corporation	101,088,184	93,098,471	7,989,713	8.6
<b>TOTAL, INCOME AND SALES TAX</b>	<b>\$1,304,300,397</b>	<b>\$1,147,381,739</b>	<b>\$156,918,658</b>	<b>13.7%</b>
<b>ALL OTHER REVENUE</b>				
Admissions Tax	5,392,847	4,869,470	523,377	10.7%
Aircraft Tax	152,905	270,773	(117,868)	(43.5)
Alcoholic Liquor Tax	27,369,547	28,506,625	(1,137,078)	(4.0)
Bank Tax	4,865,620	5,110,744	(245,124)	(4.8)
Beer and Wine Tax	37,817,777	40,905,807	(3,088,030)	(7.5)
Business License Tax	21,688,395	21,854,249	(165,854)	(0.8)
Cable Television Fees	3,383	6,479	(3,096)	(47.8)
Coin-Operated Device Tax	2,115,674	4,971,158	(2,855,484)	(57.4)
Commercial Nuclear Waste Tax	2,672,705	N/A	2,672,705	N/A
Contractors License Tax	654,561	623,999	30,562	4.9
Corporation License Tax	19,849,838	17,467,367	2,382,471	13.6
Department of Agriculture	3,980,111	3,714,147	265,937	7.2
Department-Supported Appropriations	8,370,210	4,330,794	4,039,416	93.3
Documentary Tax	12,168,283	8,212,917	3,955,366	48.2
Earned on Investments	38,662,448	40,550,661	(1,888,213)	(4.7)
Electric Power Tax	10,214,221	9,563,121	651,100	6.8
Estate Tax	13,035,984	10,414,463	2,621,521	25.2
Fertilizer Inspection Tax	86,400	90,610	(4,210)	(4.6)
Gasoline Tax—Counties	11,394,202	10,488,657	905,545	8.6
Gift Tax	342,584	244,601	97,983	40.1
Insurance Tax	13,724,663	17,298,798	(3,574,135)	(20.7)
Miscellaneous Departmental Revenue	12,179,295	6,320,426	5,858,869	92.7
Motor Transport Fees	3,870,413	2,427,371	1,443,042	59.4
Private Car Lines Tax	1,135,234	1,076,674	58,560	5.4
Public Service Assessment	301,332	179,405	121,927	68.0
Public Service Authority	1,600,143	1,500,000	100,143	6.7
Retailers License Tax	1,079,539	1,015,141	64,398	6.3
Savings & Loan Association Tax	—	(67,669)	67,669	—
Soft Drinks Tax	9,277,640	9,801,030	(523,390)	(5.3)
Workers Comp. Insurance Tax	2,590,930	2,962,496	(371,566)	(12.5)
<b>TOTAL, ALL OTHER REVENUE</b>	<b>\$266,596,883</b>	<b>\$254,710,343</b>	<b>\$11,886,540</b>	<b>4.7%</b>
<b>TOTAL, REGULAR SOURCES</b>	<b>\$1,570,897,280</b>	<b>\$1,402,092,081</b>	<b>\$168,805,199</b>	<b>12.0%</b>
<b>MISCELLANEOUS SOURCES</b>				
Circuit & Family Court Fines	1,070,196	811,734	258,462	31.8%
Debt Service Transfers	13,449,653	17,911,395	(4,461,742)	(24.9)
Housing Authority Reimbursement	—	—	—	—
Indirect Cost Recoveries	6,973,362	6,503,091	470,271	7.2
Insurance Rates Reduction	N/A	—	—	—
Mental Health Fees	—	6,800,000	(6,800,000)	—
Nonrecurring Revenue	32,000,000	6,016,113	25,983,887	431.9
Probation, Pardon & Parole Fees	1,254,880	1,609,603	(354,723)	(22.0)
Sinking Fund Transfer	N/A	1,427,765	(1,427,765)	N/A
Unclaimed Property Fund Transfer	206,406	2,976,432	(2,770,026)	(93.1)
Waste Treatment Loan Repayment	350,711	359,043	(8,332)	(2.3)
<b>TOTAL, MISCELLANEOUS SOURCES</b>	<b>\$55,305,208</b>	<b>\$44,415,176</b>	<b>\$10,890,032</b>	<b>24.5%</b>
<b>TOTAL, GENERAL FUND REVENUE</b>	<b>\$1,626,202,488*</b>	<b>\$1,446,507,257</b>	<b>\$179,695,231</b>	<b>12.4%</b>

NOTE: Detail may not add to total due to rounding.

\*: Includes \$18.042 million transfer to General Fund Reserve.

\*\*: Percent change greater than 1,000.

N/A: Not applicable.

( ): Denotes minus sign.

SOURCE: Board of Economic Advisors.

GENERAL FUND REVENUES  
Fiscal Years  
1983-84 to 1984-85

Revenue Item	Estimate FY 1983-84	Estimate FY 1984-85	Net Difference
<b>REGULAR SOURCES</b>			
RETAIL SALES TAX (Total)	\$ 791,000,000	\$ 862,000,000	\$ 71,000,000
Casual Sales	7,500,000	8,000,000	500,000
INCOME TAX (Total)	943,000,000	1,035,000,000	92,000
Individual	810,000,000	885,000,000	75,000
Corporation	133,000,000	150,000,000	17,000
Total, Income & Sales	\$ 1,734,000,000	\$ 1,897,000,000	163,000
<b>ALL OTHER REVENUE</b>			
Admissions Tax	\$ 5,627,782	\$ 5,750,000	
Aircraft Tax	160,000	190,000	
Alcoholic Liquor Tax	42,700,000	43,500,000	
Bank Tax	4,800,000	5,300,000	
Beer & Wine Tax	57,800,000	60,000,000	
Business License Tax	29,800,000	30,500,000	
Cable Television Fees	7,000	7,500	
Coin-Operated Device Tax	6,000,000	6,300,000	
Commercial Nuclear Waste Tax	3,700,000	4,800,000	
Contractors License Tax	680,000	750,000	
Corporation License Tax	19,100,000	20,000,000	
Department of Agriculture	5,380,100	5,457,300	
Dept.-Supported Appropriations	10,917,383	9,427,214	
Documentary Tax	15,300,000	16,000,000	
Earned on Investments	44,000,000	46,000,000	
Electric Power Tax	13,200,000	13,800,000	
Estate Tax	15,400,000	14,800,000	
Fertilizer Inspection Tax	225,000	240,000	
Gasoline Tax-Counties	15,200,000	15,500,000	
Gift Tax	900,000	900,000	
Insurance Tax	46,268,500	51,201,700	
Misc. Departmental Revenue	16,105,581	13,716,955	
Motor Transport Fees	4,300,000	5,762,500	
Private Car Lines Tax	1,170,000	1,225,000	
Public Service Assessment	4,576,950	4,738,200	
Public Service Authority	1,600,200	1,700,000	
Retailers License Tax	1,200,000	1,250,000	
Savings & Loan Association Tax	600,000	1,500,000	
Soft Drinks Tax	14,850,000	15,625,000	
Workers' Compensation Tax	8,400,000	9,100,000	
Total All Other Revenue	\$ 389,968,096	\$ 405,041,369	\$ 15,073,273
<b>TOTAL, REGULAR SOURCES</b>	<b>\$ 2,123,968,096</b>	<b>\$ 2,302,041,369</b>	<b>\$ 178,073,273</b>
<b>MISCELLANEOUS SOURCES</b>			
Circuit & Fmly. Court Fines	\$ 1,314,000	\$ 1,377,622	
Debt Service Transfers	19,731,503	18,062,139	
Housing Authority Reimb.	404,356	374,058	
Indirect Cost Recoveries	10,572,000	12,839,644	
Mental Health Fees	3,800,000	3,800,000	
Nonrecurring Revenue	33,570,000	—	
Probhm. Pard. & Parole Fee	1,900,000	1,900,000	
Unclaimed Property Fund	500,000	500,000	
Waste Treatment Loan Repay.	400,000	400,000	
<b>TOTAL, MISCELLANEOUS SOURCES</b>	<b>\$ 72,191,859</b>	<b>\$ 39,253,463</b>	<b>\$ 32,938,396</b>
<b>TOTAL, GENERAL FUND REVENUE</b>	<b>\$ 2,196,159,955</b>	<b>\$ 2,341,294,832</b>	<b>\$ 145,134,877</b>

Sources: Board of Economic Advisors  
2/15/84

Legislative Update, April 17, 1984

Senate Reapportionment, Act No. 257, 1983

Act 257 is the Senate Reapportionment plan (S.119) which was finally adopted during the Special Session of the General Assembly last fall. Under the Voting Rights Act of 1965, it is necessary for that plan to receive approval (or "preclearance") from the national government before elections using the districts established in that plan can take place.

Under the Voting Rights Act, approval can be obtained either through application to the U. S. Department of Justice or adjudication in Federal Court. Late last fall, legal action was instituted in the Federal District Court for the District of Columbia (Washington, D.C.) by the State of South Carolina to preclear Act 257. Both the NAACP and the Department of Justice joined the suit.

At present, this legal action is in the discovery phase. During this period, depositions are taken as well as other fact finding activity. The Department of Justice has noticed (is seeking) approximately 70 depositions with many of the individuals called being members of the General Assembly. Discovery must be completed on May 4, 1984. The trial itself is scheduled to commence on June 4, 1984. Following trial, the Court can only approve or disapprove the plan; it can not write its own plan. If the plan is disapproved, further legislative action would be required.

Currently the Senate elections are scheduled for July 24, 1984. This date was set for just this election by Joint Resolution (R.321, S.826). The Department of Justice has refused to preclear this date change. All other elections remain scheduled for June 12, 1984.

With respect to filing for the Senate elections, both the NAACP and the Department of Justice made motions in court to enjoin the filing of candidates. The Court so far has declined to hear those motions.



## Around the House

### Rep. Pat Harris in Houston Hospital

Representative Pat Harris has been flown to St. Luke's Episcopal Hospital in Texas for treatment to correct circulatory difficulties. Surgery is scheduled for sometime during the middle of this week. World-famous doctor Denton Cooley will be the physician in charge.

The address of St. Luke's Hospital is:

One Bates Avenue  
Texas Medical Center  
Houston, Texas 77030

### Speaker to Receive Check for "Game Theft Program"

On Tuesday morning at 10:00, Speaker of the House Ramon Schwartz will receive a check of \$250.00 from the Sumter County Game and Fish Association. Association President Gene Seiveno will present the check. Also present will be Dr. James A. Timmerman, Executive Director of the Wildlife and Marine Resources Department, and Chip Sharpe, Coordinator of the "Game Theft Program." The money will be used in the "Game Theft Program" enacted by the Legislature last year.

The presentation will take place in the Speaker's Office in the State House.