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South Carolina House of Representatives

Legislative Update & Research Reports

Robert J. Sheheen, Speaker of the House

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STATE DOCUMENTS

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Legislative Update

Department of Better Explanations

In last week's issue of the *Legislative Update* there was published a summary of H.2078 (prime sponsor, Rep. Pat Harris), a bill relating to mandatory retirement. The summary in the *Update* did not focus on the really important part of the bill, which was that it conforms state law to federal law regarding forced retirement.

According to information in the *Washington Report* published by the American Association of Retired Persons (AARP), the following background is helpful in understanding what H.2078 sets out to accomplish.

First, mandatory retirement for "almost every American" was abolished on the last day of the 99th Congress in a bill signed into law by the President on October 31, 1986. This law eliminates mandatory retirement by amending the Age Discrimination in Employment Act (ADEA). Before the law was passed, the ADEA protected workers only in the age 40-70 bracket. The new legislation removed the age 70 limit (so would the proposed South Carolina bill).

State and local public safety officers (the police and firefighters referred to in the summary last week) and tenured professors continue to be covered by their states' mandatory retirement laws for another seven years. The final version of the federal law gives their employers until December 31, 1993 to comply with the new bill's elimination of mandatory retirement. Employees covered by collective bargaining agreements may also be phased into the law at a somewhat later date.

The new law also does not change the ADEA executive exclusion. That is, any employee who is an executive for the two-year period immediately before retirement still can be mandatorily retired by the employer at age 65 if the employee's annualized retirement income attributable to employer contributions is \$44,000 or more.

Legislative Update hopes that this fuller explanation helps House members understand H.2078. Our special thanks to the Joint Legislative Committee on Aging, which kindly provided the additional information.

Legislation Introduced

Agriculture & Environment

Lifetime Sportsman License (H.2115, Rep. Kirsh). This bill would permit residents of South Carolina to apply for a lifetime license to hunt, fish and trap within the state. The proposed cost would be \$500.50, of which the 50¢ would go to the agent issuing the license, and the rest into the coffers of the Wildlife and Marine Resources Department.

Property tax on agricultural land (H.2212, Rep. McTeer). Under provisions of this bill, once the owner of property has filed for its designation as agricultural real property (with the lower tax rate that goes with it) no further filing would be necessary, unless the use of the land changes.

Children and Families

Children's Task Force (H.2126, Rep. Aydlette). This measure would create a Children's Task Force in each Judicial Circuit. The purpose of the Task Force would be to assist in cases involving criminal sexual conduct or sexual abuse of minors.

The Task Force would be composed of up to fifteen members, appointed by the Solicitor and serving at his or her pleasure. Members would receive no pay, but would get mileage, subsistence and per diem, paid from the state Victim's Compensation Fund.

Duties of Task Force members would include medical examinations of victims, videotaping of testimony, and counseling, and they would be used when regular law enforcement personnel were not suitable because of the age of the child victim, or because of other circumstances.

Minors in liquor stores (H.2127, Rep. Aydlette). In essence, this bill would put an "R" rating on liquor stores--no minors admitted without being accompanied by parent or guardian. The age limit would be higher, however: you can get into "R" rated movies at 17; you couldn't go to a store selling alcoholic beverages until you were 21. If you did you would be guilty of a misdemeanor and could be punished by a fine up to \$200 or 30 days.

Exception: those stores who derive more than fifty percent of their gross proceeds from sales of non-alcoholic products.

Family Court judges: elected by voters (H.2132, Rep. Blackwell). This bill would transfer the election of Family Court judges from the General Assembly to the voters. Starting in 1988 candidates for Family Court judgeships would file with the county election commissioner, stating their desire to run and giving their qualifications (these do not change).

A nonpartisan election for Family Court judge would be held at the same time as the general election. The term of judges would remain at four years.

Family Court judges: terms lengthened (H.2177, Rep. Wilkins). Currently Family Court judges are elected by the General Assembly to serve four-year terms. This bill would increase their terms to six years, and they would still be elected by the General Assembly. The terms of sitting judges would remain four years, and the new length would start with their successors.

Marriage license fees increased (H.2187, Rep. Keyserling). This would increase the costs of a marriage license from \$4 to \$6, with the money split between the county (\$1) and the state treasury (\$5). The state's share would go to the Department of Social Services for operation of Battered Spouse and Family Violence programs.

Employer provided child care (H.2164, Rep. Aydlette). This proposal would provide tax credits to employers who have on-site child care for their workers. See under "Fiscal" for the details.

Education

Hazing forbidden (H.2121, Rep. Nettles). In schools, colleges and universities hazing is generally associated with initiation into organizations such as fraternities and sororities. In some instances the practice has led to severe injury, even death, for those participating. This measure, basically the same as one introduced last session, would make dangerous hazing unlawful.

The bill would forbid actions "which have a foreseeable potential for causing physical harm." Persons who engaged in such actions, persons who permitted them to take place, or persons who knew about and failed to report such actions would be guilty of a misdemeanor, and could be fined \$500 or sentenced to twelve months, or both.

In addition, a student who was guilty of any of these could be expelled from the school, college or university. The group which was involved could lose its standing with the educational institution. As a matter of fact, groups wishing to engage in initiations would have to get prior approval of the school.

Finally, the act specifically exempts athletic exercises and military training.

State Board of Education: Regulation Approval (H.2129, Rep. Townsend). This bill would enact the "State Board of Education Regulatory Reform Act of 1987," setting up procedures the State Board would have to follow before it could enact new regulations for the state's school districts.

First, the bill would create the Regulation Review Committee within the Department of Education, consisting of such officials as the State Superintendent, the Deputy Superintendents for Instruction, Finance and Operations, the Chief Supervisor of the Basic Skills section, so on and so forth. This group would have to review any proposed regulation and give individual, written comments on it.

The proposed regs and the comments would be sent to each school district in the state, and the local superintendent would have to put them on the agenda of the next meeting of the board of trustees. The meetings would have to be held within sixty days, so if no regular meeting is scheduled, a special one would have to be called.

The local boards would review the proposed regulations, look over the comments, and decide whether they approve or not. Their answer would have to be back at the State Committee within sixty days or funds would be withheld until the forms were returned.

Back at the Regulation Review Committee, the local review forms would be counted. If a majority of the local boards approved, then the regulations could be implemented. If a majority disapproved, then the Regulation Review committee would have to refer the matter to the House/Senate Education Committees for further action.

One last note: if the proposed regulations would mean spending additional local money, then two-thirds of the local superintendents and boards would have to vote "yes" before implementation.

English the Official Language (H.2191, Rep. Mattos). This bill would declare that the English language is the official language of the state of South Carolina. This bill is essentially the same as one introduced earlier, H.2034, except that the first bill proposed a Constitutional Amendment, while this would be statutory. Making English the official language might be difficult at first, but after all, *fiat justitia ruat caelum!**

Boards of Trustees: College of Charleston, Lander, Francis Marion (H.2192, Rep. Limehouse). The State College Board of Trustees currently has responsibility for the College of Charleston, Lander College, and Francis Marion College. This bill would establish three separate, independent boards for the three institutions.

* let justice be done though the heavens fall!

Each board would consist of eleven members, ten elected by the General Assembly and one appointed by the Governor. At least six of the members of the College of Charleston Board would have to be graduates of that school. Terms would be four years for board members.

Clemson Board Membership (H.2197, Rep. McEachin). The Clemson Board of Trustees consists of thirteen members, seven nominated by the will and their successors, and six elected by the General Assembly. This bill would require that of the six elected members, one be chosen from each Congressional District, starting with the 1988 elections to the Board. Terms would remain at four years.

Driver Education (H.2200, Rep. Blackwell). This bill would change the offering of driver education from mandatory to optional for school districts, and allow them to charge student uniform fees for participating.

Fiscal

Collection of delinquent property taxes by municipalities (H.2118, Rep. Kirsh). It was the English statesman and political philosopher Edmund Burke who said, "To tax and to please, no more than to love and be wise, was not given to man." South Carolina municipalities might paraphrase that by noting, that their problem is not to tax and to please, but to tax and to collect. This bill would help them gather in delinquent property taxes.

The measure would authorize municipalities to pass ordinances setting up procedures for the collection of delinquent ad valorem property taxes, except on automobiles. The towns or cities could add a penalty--up to 15% of the amount of the tax--and also "reasonable expenses" incurred in the collection of the tax. The tax and fine would become a lien on the property, but this lien would be secondary to liens associated with county and state taxes.

Municipalities would collect the delinquent taxes in much the same way as counties do and, in fact, they could contract with the county to collect the taxes for them.

Revise personal income tax rates (H.2128, Rep. Huff). This measure would put in the following rates for personal income on South Carolina residents. These rates would be on the excess over the legally exempted amounts.

Up to \$4,000	3 %
\$4,000 - \$6,000	4 %
\$6,000 - \$8,000	5 %
\$8,000 - \$10,000	6 %
Over \$10,000	6.8 %

Tax credits (H.2137, Rep. P. Harris). Under this bill, persons who are financially responsible for individuals in skilled or intermediate care centers, or for mentally retarded persons, would receive tax credits.

For those who pay the expenses for themselves or others in institutions offering skilled or intermediate care, a tax credit of 20% of expenses, up to \$300, could be claimed.

For the parent or guardian of a severely mentally retarded person in an institution, a tax credit of 25% of expenses, up to \$1,000, is allowed.

For the parent or guardian of a severely mentally retarded person at home, the tax credit would be 25% up to \$2,000.

The bill calls for documents verifying these conditions, including an assessment of the mentally retarded person from the state Department of Mental Retardation, and documentation of residence and expenditures.

Away all boats! (Under fifteen feet, that is) (H.2145, Rep. Elliott). This bill would exempt from the property tax boats which meet the following qualifications: they are fifteen feet or less in length, they carry no more than two people, they are powered by a motor of less than fifteen horse power, and they are not used commercially.

Increase marriage license fees (H.2187, Rep. Keyserling). See under "Children and Families," since the money for this would go to Battered Spouse and Family Violence programs operated by DSS.

Medically Indigent Fund Contributions (H.2163, Rep. Klapman). At present, counties are assessed for contributions to the Medically Indigent Fund by giving equal weight to their property value, personal income, and net taxable sales. This bill would change that by using the following formula:

The factors to consider would be property value, personal income, net taxable sales, and the previous two years of claims by county residents on the Fund. A weight of one-sixth would be given to each of the first three items; a weight of one-half would be given to the fourth factor.

Tax credit for child care (H.2164, Rep. Aydlette). If an employer provides fully-paid, on-site child care for his or her employees, then a tax credit would be permitted under this bill. The amount of the credit would be equal to twice what the employer spends on the plan "for the applicable taxable year and four succeeding taxable years."

The bill requires that the employer continue the day care plan for nine successive years, or one-half of the total credit claimed will be "re-captured" by the state.

Pinball wizards get break (H.2153, Rep. Beasley). Taxes on "coin-operated devices" would be adjusted if this bill gets passed into law. Specifically, two categories of machines would have their taxes lowered, and one category would remain the same.

The first type of devices--juke boxes, kiddy rides--would have their tax kept at \$25.00.

The second type--amusement games and video games without features that allow you to win "free games" or "free play," and pinball machines--would have their tax lowered from \$100 to \$25 per device.

The third type--amusement games with the "free play" feature--would have their per device tax lowered from \$365 to \$75.

Finally, municipalities could increase these taxes by up to 20%, but they could put no limit on the number of games permitted.

Government Operations

Tort claims against local governments (H.2114, Rep. Dangerfield). In 1986 the General Assembly enacted sweeping changes in the law concerning tort claims against government. These changes were prompted by a Supreme Court ruling which struck down the centuries-old "sovereign immunity" rule, which said, in essence, that governments could not be sued. To put some order and system into the situation, the Legislature passed a law which said when and how a government could be sued, for what actions or non-actions, and so forth.

This bill would amend that statute by freeing local governments from responsibilities for losses that take place on territory which are within their boundaries, but not owned by them--specifically, a "state or federally-owned recreational area or refuge." Accidents or other losses which occur in those places could not be laid at the door of the municipality or county where the land was located.

Constitutional amendment by initiative (H.2133, Rep. Blackwell). This measure proposes changing the State Constitution to allow future amendments to be offered by initiative of the voters--that is, by circulating petitions.

The petition would have to contain the text of the proposed amendment. It would have to be signed by 8% of the state's registered voters, or 15% of those who voted in the last general election--whichever was the smaller number. The petition would have to be submitted to the Election Commission before June 1 of the election year. If enough people signed the petition then the measure would go on the ballot to be decided in the general election.

As noted, this proposal is itself a constitutional amendment, which will have to be submitted to the voters during the next general election—should it be approved by the General Assembly.

State agencies and departments: no charge for services (H.2135, Rep. J. Bradley). Another measure that would forbid state agencies from charging fees for their functions. A similiar bill (H.xxxx) was pre-filed earlier by Rep. Elliott. (See *Update* January x, 1987).

Freedom of Information Act (H.2139, Rep. Blackwell). If this bill goes into law, it would expand the provisions of the FOI act to include all salaries above \$10,000 as public information—rather than the dividing line being set at the "Department Head" level.

Public officials representing clients (H.2140, Rep. Blackwell). This bill would make not let members of the General Assembly appear before the Public Service Commission, the Dairy Commission, or the Insurance Commission. In addition, it would not allow any public official or public employee to represent a client for pay before any agency, board or commission whose members are appointed by the public agency of which the public employee is a member . (For example—a purely hypothetical case—a member of the legislature appearing before a commission whose members are appointed by the General Assembly.)

Becoming a notary public (H.2144, Rep. Blackwell). At present, a person can be appointed a notary public only if he or she gets the endorsement of at least one-half the members of the county legislative delegation. This bill would make a change in that process for counties having over 100,000 people. In those places a would-be notary public could be appointed upon endorsement of the senator and house member of the district where the applicant lives.

Elect Insurance Commissioner (H.2141, Rep. Blackwell). See under "Labor, Commerce and Industry."

Fair housing law (H.2165, Rep. Washington). This bill would enact the South Carolina Fair Housing Law, which would prohibit discrimination in selling or renting houses, or in lending money for purchase of houses, because of race, color, religion, sex, handicap or national origin.

The bill spells out the activities which would be illegal under the law, which include pretending that property is not available for rent or sale when it actually is, in order to keep it from being seen by persons because of race, color, etc. Denying persons access to multiple listing services or other services because of their race, color, and so forth. Refusing to provide insurance or loans to persons because of their race, color, creed and etc. is also illegal.

The State Human Affairs Commission would have the responsibility to enforce the provisions of the Fair Housing law, and would first attempt to make a peaceful, informal resolution. If that failed the Commission could conduct an investigation (including issuing subpoenas) and finally take the matter to court.

Health

Copy of health reports (H.2176, Rep. Lockemy). This bill would require that health providers furnish an individual with a copy of any health report they send to third parties. Who are these third parties? They are, according to the legislation, those "including, but not limited to, insurance companies." The health providers can charge up to \$20 for preparing the report for the individual.

SC Government building clean air act (H.2160, Rep. Sharpe). Legislation that would set up smoking/no smoking areas in all buildings owned and operated by the state of South Carolina, with fines for those miscreants and scofflaws who light up in forbidden zones. Fines would range from \$25 to \$100. Persons in charge of buildings would be responsible for designating specific smoking areas, posting signs, informing persons of the guidelines, and so forth.

Interagency Council on Hunger and Nutrition (H.2186, Rep. Williams). This proposed Council would coordinate the state's efforts in working in the areas of hunger and nutrition. Composed of representatives from various agencies and organizations (see the list at the end of this summary), the Council would assess the status of hunger, nutrition, and nutrition education in the state, identify the needs in those areas, look at the service delivery systems in place, develop a three-year plan to meet identified needs, recommend policies to the state, initiate community awareness activities, and report annually to the General Assembly and Governor.

The Council would operate out of the Department of Health and Environmental Control, and DHEC would pay the salaries for administrative and clerical staff, including the executive assistant to the Council who would be responsible for preparing the three-year service plan.

Members of the Council would include the heads (or their appointed representatives) of the following agencies: DHEC, Department of Education, DSS, Commission on Alcohol and Drug Abuse, Commission on Aging, Mental Health, Mental Retardation, Health and Human Services Finance Commission, and the Statewide Health Coordinating Council.

Other members would be appointed from the Senate Medical Affairs Committee, the House MMPM Affairs Committee, Health Care Planning and Oversight Committee, the Committee on Children, and the Committee on Aging.

The Governor would appoint representatives from the following organizations: SC Chapter of the American Academy of Pediatrics; SC Chapter of the Academy of Gerontology; Clemson Extension; SC State Extension; the SC Nutrition Council; the SC Food Bank Association; SC Legal Services Association; the SC Chapter of the American Association of Retired Persons; and the Farm Bureau. There would also be one member appointed from each congressional district.

Health Services for School Children (H.2198, Rep. Lockemy). This bill would act to ensure the detection of health problems in school-age children by requiring screening programs in all public schools. The screenings would be for: vision or hearing problems, scoliosis (curvature of the spine), blood pressure, and dental problems. State funds would be provided for the program. Local funds, when available, could be used for screening and treatment for malnutrition and obesity.

The bill also would require a comprehensive health appraisal for all children entering early childhood programs, kindergarten, or first grade for the first time. This would be conducted by the child's regular health care provider, with poor children having access to health exams through DHEC.

The bill also proposes a three-year demonstration project to determine what the state should do regarding school nurse programs. A Policy Council, appointed by the Governor would study the situation and make recommendations to the General Assembly and the Governor.

Highways, Byways, Airways and Safety

Interstate Driver License Compact (H.2130, Rep. Hayes). First there was the interstate compact on low-level nuclear waste, now there's a proposed compact to share information on driver license information—especially information on dangerous drivers that could keep them off the roads.

States which are party to the compact would report convictions of out-of-state drivers for traffic violations. The home state of the driver would make appropriate use of this information—as, for example, assessing points against a license, suspending it, or revoking it.

When a person applies for a license, the licensing authority would have to determine if the person had had another license suspended or revoked for violations in some other state. If this is the case (or if the applicant has a valid out-of-state license but won't give it up) then no license will be issued.

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Cars 'R' Us (H.2152, Rep. Harvin). Currently, Section 56-3-2320 of the Code has the Department of Highways and Public Transportation issue special license tags to automobile dealers and wholesalers. This bill would allow those tags to be "personalized" with letters or numbers, at an additional \$15 fee.

Disabled Veterans and leased motor vehicles (H.2157, Rep. Mattos). Currently disabled veterans can receive exemption from the ad valorem property tax on one motor vehicle which they own. This bill would extend that exemption to vehicles leased by disabled veterans.

Don't take your guns to town, son, (except locked away) (H.2195, Rep. McAbee). Under the terms of this legislation, all firearms (except pistols) carried in motor vehicles or boats would have to be 1) unloaded and 2) carried in a case or in the trunk. The bill exempts law enforcement personnel.

Labor, Commerce and Industry

Automobile insurance companies and agents (H.2124, Rep. Aydlette). This bill would amend the part of the Code that deals with the relationship between insurance companies and agents, in regard to companies attempting to avoid "any class or type of insurance risk." It would add a provision that no company could terminate its insurance business with any one agent over writing certain classes or types of auto insurance risk "without also pulling out of the entire State or terminating its similar insurance business with all other agents in the State at the same time." The bill also requires that insurance companies not do anything unfairly affecting the payment of bonuses to agents.

Elect Insurance Commissioner (H.2141, Rep. Blackwell). This measure would have the Chief Insurance Commissioner elected in general elections, starting in 1988. The Commissioner would serve a four-year term, and could be re-elected to the office.

Which other states elect their insurance commissioners? Which allow the governor to appoint them, or have them selected by the legislature, or use other methods? See page x for information on this topic.

Engineers, Land Surveyors (H.2154, Rep. McEachin). Two changes are proposed in the laws governing these two professions. The qualifications for members of the State Board of Registration for Professional Engineers and Land Surveyors would be changed. The present 10 years of practice would be increased to 12 years.

Applicants for registration as TIER B land surveyors now must have 2 years experience with a practicing, registered surveyor. This bill would increase that to 4 years of experience.

Law and Justice

Law enforcement officers (H.2143, Rep. Blackwell). Local governments have the opportunity to send their law enforcement officers to the Criminal Justice Academy operated by the state to learn the latest techniques in crime fighting, public safety, and law enforcement. This bill would provide that should a law officer be sent to the Academy and then voluntarily resign his or her position within twenty-four months after that, reimbursement would have to be made to the local government for its expenses. The reimbursement would be made on a pro rata basis, according to the time of the resignation.

An exception would be made in the case of resignation for health reasons, with verification provided by a physician.

Reimbursements by criminals (H.2156, Rep. Mattos). In some cases a criminal receives a sentence that requires the payment both of a fine and restitution to the victim. This legislation would set the order of installment payments in such instances. The first allocations would have to go to restitution to the victim, and then to paying the fine.

Interpreters for the deaf in court (H.2159, Rep. Hearn). When deaf persons are involved in legal proceedings, they would have to have the use of interpreters, according to this legislation. The court would appoint a qualified interpreter ("or as many as needed") approved by the deaf person and one of the two following groups: the S.C. Registry of Interpreters for the Deaf, or the National Registry of Interpreters for the Deaf.

The court would determine what a reasonable fee would be to pay the interpreter for his or her services, and this fee would be paid from either the General Fund of the state, or the general fund of the county where the proceedings are held. The decision would be made by the court.

Increase DUI penalties (H.2201, Rep. Tucker). This bill would stiffen the penalties imposed for persons driving under the influence who caused serious bodily injury or death. The fines which could be imposed would remain the same, but the prison sentences would be increased.

For causing grievous bodily injury the sentence now is thirty days to one year; this would be increased to ninety days to ten years. For causing death the sentence that can be presently imposed is one year to fifteen years; this would rise to one year to twenty-five years.

Selection of State Insurance Administrators

Background

H.2141, introduced by Rep. Blackwell, would have the state's Chief Insurance Commissioner elected by the voters during the general election. The term of office would be four years, and the Insurance Commissioner would be eligible to serve successive terms in office.

Elected insurance officials in other states

Currently, eight states have elections for a specific office to oversee insurance: Delaware, Kentucky, Louisiana, Mississippi, North Carolina, North Dakota, Oklahoma, and Washington. In all of these states the term of office is four years, and there is no provision in the law specifying the number of terms allowed.

According to the *Book of the States*, (published by the Council of State Governments), the trend during the past decade has been away from having a separately elected insurance official. In 1965, ten states had such officers; by 1984 the number was down to the eight listed above.

Other methods of selecting insurance officials

For those states which don't have elections for the insurance administrator, there are a number of options: appointment by the governor, with or without legislative approval; selection by the insurance board or commission, again with or without approval by the legislature, as the individual state determines; and having another state officer fulfill the duties.

For example, in Delaware the State Treasurer is also the insurance commissioner, while in Georgia the Comptroller is ex-officio insurance commissioner. In Montana the state auditor performs the functions of the office, while Vermont has the chief Banking administrator handle insurance as well.

The list below gives a breakdown of the methods our sister states use to select their chief insurance official. This information is from the latest edition of the *Book of the States*.

Selection of Insurance Administrators

Elected, Constitutional Officer

Delaware, Louisiana, North Carolina, North Dakota, Oklahoma

Elected, Statutory

Kansas, Mississippi, Washington

Appointed by Governor

Alabama, Indiana, Kentucky, Massachusetts, Rhode Island, Tennessee

Appointed by Governor with Approval of Legislative Committee
And Senate

Maine

Appointed by Governor with Consent of the Senate

Arizona, California, Idaho, Illinois, Iowa, Maryland, Michigan,
Nebraska, New Jersey, New York, Ohio, Pennsylvania, Utah,
West Virginia, Wisconsin,

Appointed by Governor with Consent of Either House

Connecticut

Appointed by Governor with Approval of Council

New Hampshire

Appointed by Board or Commission

New Mexico, South Carolina, Texas, Wyoming

Appointed by Board or Commission, Approved by Senate

Minnesota

Appointed by Agency Head

Alaska, Colorado, Montana, Nevada, South Dakota

Appointed by Agency Head, Approved by Governor

Arkansas, Hawaii, Oregon

Appointed by Agency Head, Approved by Senate

Missouri

Duties Part of Another Position

Florida (Treasurer); Georgia (Comptroller);
Vermont (Banking); Virginia (Public Utility Regulation)

North Carolina Farm Finance Task Force

Background: Droughts, Debts and Other Farm Problems

Last summer's drought was only the latest in a series of problems afflicting farmers throughout the country, and right here in the Southeast. Falling farm prices, difficulty in obtaining loans, and even greater difficulty in paying back loans and general uncertainty over government policies and economic conditions all conspired together to make the farmer's lot a difficult one.

In North Carolina, Governor Jim Martin's administration put together a Farm Finance Task Force, designed to link financial organizations to farmers who needed time to retire major debts, or financial counseling to weather the drastic effects of the drought.

Legislative Update contacted the NC Governor's Office for more information on this Task Force, and its operations.

Purpose of the Task Force

As announced by Governor Martin, the Task Force was to bring together farmers, the banking community and farm lending institutions, with the purpose of halting what he called "financial crises at that most personal and painful level--the loss of the family farm."

Fifteen point program

The Task Force developed its plans by expanding its overall goals into a fifteen point program.

Reducing the uncertainty in obtaining production loans and encouraging lenders to restructure loans rather than foreclose were considered top priority items--1 and 2. The other items included both general, difficult to achieve goals (such as a long range, national agricultural policy, including debt payments to foreign nations) to specifics on how equity should be considered by lenders.

The fifteen items recommended by the Task Force were:

1. Reduce the uncertainty of obtaining production loans from agencies such as the Production Credit Association (PCA), the Farmers Home Administration (FmHA) and other lending organizations.

This could be accomplished in part by ensuring that the approval or disapproval decisions are made more quickly by lending institutions on production loans for harvesting and operating capital.

2. Encourage banks, FmHA and the Farm Credit System to restructure viable loans rather than foreclose. The Task Force pointed out that this would be to the mutual benefit of both lender and farmer. It also said that, "More important, by working individually with farmers the member institutions of the Farm Finance Task Force can strengthen North Carolina's rural economy and quality of life."

3. Encourage all creditors to develop a greater understanding for the problems farmers face; this recommendation entails a major attitude adjustment for some lenders.

4. Develop a long range national policy for agriculture.

5. Change the FmHA regulations so that homes and equity are considered separately; this would allow families to retain their homes in the event of liquidation. As part of this recommendation, the Task Force proposed a lowered ceiling on annual farm income from \$40,000 during two of the preceding five years, to \$20,000 over the same time period. This change was recommended especially to aid small farmers.

6. Use a team of trained professionals to assist farmers in the areas of marketing, management, loan processing, and laws and regulations. This team should combine individuals from the private sector and from state agencies such as lawyers, CPAs, bankers, extension agents and members from the agribusiness section. Regional seminars should be held at selected farming areas throughout the state. On an individual consultation basis, the number of farm management specialists should be increased and the ratio of these specialists to bankruptcy lawyers should be one to one.

7. Retain income averaging for agriculture in federal and state tax laws.

8. Establish cooperative training programs for displaced farmers. The Task Force recommended coordinating these with North Carolina's Employment Security Commission, Community Colleges, Education Department, Agriculture Extension Service, and private business.

9. Amend laws to provide timely property tax relief where land values have declined.

10. Take steps against the erosion of market competition to create a better business climate for farmers; as part of this recommendation, state and federal laws pertaining to monopolies and other anti-trust measures must be reviewed and updated.

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11. Develop new domestic and international markets for farm products.

12. Encourage banks to participate in the FmHA guaranteed loan programs in order to make more production funds available to farmers. The Task Force noted that "This recommendation will entail a move in the direction of greater risk-taking on loans."

13. Coordinate with the NC Congressional Delegation changes to federal laws that restrict the use of tax exempt Agricultural Revenue Bonds.

14. Provide unemployed farmers with temporary government assistance such as food stamps and unemployment benefits.

15. Consider barter as a means of exchange with developing nations in lieu of or as a supplement to cash payment.

Membership of the Task Force

The persons who agreed to serve on the Task Force were drawn from North Carolina's financial community. They included Chairmen, Presidents and Chief Executive Officers for such banks as Planters National Bank, United Carolina, First Citizens, Peoples Bank and Trust, and Wachovia Bank and Trust.

Other members of the group came from the NC Department of Agriculture, the Farm Credit Bank of Columbia (South Carolina), and the Governor's Office.

The results of the Task Force

Since the Task Force was established in the fall of 1986, only a few months have seen it in operation. Judgement of its success or failure is not really possible at this time, especially on such far-ranging items as national farm policy or international trade.

On the other hand, James Oliver, Agricultural Advisor to Governor Hunt, gave this appraisal of the Task Force's work to date: "I am delighted to say the Task Force is working well. They are all working together on the local level to help and advise our farmers. I am aware of several farmers they have been able to salvage by restructuring their loans."

Around the House: Staff Changes

Brent Clinkscale, has been hired as Legislative Assistant to the Speaker. Brent, a native of Greenville, is a 1986 graduate of Duke University School of Law.

The Judiciary Committee staff has two new faces, *Debbie Hyatt* and *Carolyn Adams*. Debbie is the Committee's Executive Secretary and Carolyn is Staff Counsel. Debbie is a native of Greenville and has returned to South Carolina after working in Florida for a year. Carolyn was employed as an Assistant Attorney General before joining us.

Gail Kinard, formerly of Governor Riley's staff, has been hired as Executive Secretary to the Speaker Pro Tempore.

There are also new faces among the Ways & Means Committee staff. *Pam Roberts* has been hired as Executive Secretary. Pam comes to us from Blue Cross Blue Shield. *Martha Craig*, formerly of Governor Riley's staff, has assumed the role of Administrative Assistant.

Dorothy McGee and *Colette Murray* are new Word Processing Clerks. Dot comes to us from a local law firm and Colette from Benedict College.

The Agriculture and Natural Resources Committee's Executive Secretary is *June New*. June lives in Wagener and was employed in Speaker Blatt's Barnwell office until his death.

A new, but not so new, staffer is *Shirley Robinson*. Shirley was Assistant Supervisor in the Word Processing Center and has returned as Executive Secretary to the Operations and Management Committee.

Sophia Floyd is now Executive Secretary for the Interstate Cooperation Committee and *Jan Maynard* has become Executive secretary to the Joint Committee on Cultural Affairs. *Jean Tilley* is a Research Assistant for the Joint Legislative Appropriations Review Committee.