



South Carolina House of Representatives

Legislative Update & Research Reports

Robert J. Sheheen, Speaker of the House

Vol. 6

February 28, 1989

No. 8

S. C. STATE LIBRARY

MAR 13 1989

STATE DOCUMENTS

CONTENTS

House Week in Review.....	2
Bills Introduced.....	3
Commission on the Future of South Carolina.....	8

Printed by the Legislative Council

OFFICE OF RESEARCH

Room 324, Blatt Building, P.O. Box 11867, Columbia, S.C. 29211, (803)734-3230

A4R
8, L33
v. 6/8
Copy 3

House Week in Review

Snowy weather interrupted the House of Representatives' consideration of an anabolic steroids bill last week, but it didn't keep it from passing on a number of bills to the Senate before the week's end.

Third Reading Bills

The House gave final approval to H.3218, a bill that would combine the duties of the Automobile Insurance Study Committee and the Insurance Law Study Committee. Also given third reading last week was H.3516, a housecleaning bill that would remove the old school segregation statutes from the code.

After some lengthy discussion in previous weeks, the House also gave the final nod to H.3052, which would change the way bingo games are regulated in South Carolina. The bingo bill, sponsored by Rep. Herb Kirsh, D-York, would require greater information on promoters to be submitted to the State Tax Commission.

An annual license fee of \$1,000 would be required of promoters and non-profit organizations that contract with promoters to run the games. A minimum of 60 percent of the gross proceeds must be returned to players in the form of prizes. Organizations also would be required to have written contracts with promoters as to compensation and have a representative at the games to receive the proceeds, less the prize money.

Commission on the Future

Wednesday again saw a joint assembly, this time to receive the final report of the Commission on the Future of South Carolina. A summary of the commission's report and a list of House bills that address some of the points raised by the commission are included in this week's *Legislative Update*.

Bills Introduced

Here is a sampling of the bills introduced in the House last week. Not all the bills introduced are featured here. The bills are organized by the standing committees to which they were referred.

Agriculture and Natural Resources Committee

Chicken Feathers (H.3530, Rep. Kirsh). This bill would require vehicles transporting chickens to be constructed so that feathers cannot escape from them. Violation of this proposal would be a misdemeanor.

Education and Public Works Committee

Safety Belts (S.6, Sen. Land). All passengers in a motor vehicle would be required to wear a safety belt while driving, under this bill. Some exceptions are: medical emergencies; doctor's excuses; school, church or day care buses; public transportation, except taxies; parade participants, and rural mail carriers, among others. A \$20 fine would be assessed against violators, under a secondary enforcement policy.

Within 45 days of enactment, insurance companies would be required to reduce automobile insurance premiums no less than 6.9 percent. The bill specifically states that through this bill, the General Assembly intends to reduce losses paid by automobile insurers about \$24 million to be passed on to the consumer in the form of reduced premiums.

The bill also directs the School Bus Transportation Study Committee to review the feasibility and cost of requiring seat belts in school buses. The committee would report back by January 1, 1990.

Day Care Services Improvement Act (H.3551, Rep. Wilkins). This lengthy bill, based on the governor's child care proposals, would make a number of changes in the current day care laws. The bill, to be known as the "Day Care Services Improvement Act," would make changes in the current law as to what is recoverable and who is immune from liability in connection with non-profit child care centers. The bill also would establish a joint underwriting association to provide child care centers with liability insurance at reasonable rates.

In addition, the bill would increase criminal penalties for persons who seek work or who are working at licensed child care facilities and who have been convicted of certain crimes. Violation of these provisions would be a misdemeanor carrying a fine up to \$5,000 or a one year jail sentence. The bill also toughens other criminal penalties for offenses relating to delinquency of minors and moral and decency offenses within a 100 yards radius of a child care center.

State tax credits would be available to employers who start child care centers on behalf of their employees or who pay for child care costs for employees.

Providing after-school care for children, ages 5 to 14, would be added to the duties of the school district boards. The districts would be authorized to lease their facilities to non-profit or community service organizations for after-school care programs.

Silent Contemplation (H.3548, Rep. Wright). Public school students would be required to observe a one minute period of silent contemplation under this bill. The bill states the one minute could be used to "contemplate the challenges of the upcoming school day and assume a frame of mind that promotes the proper atmosphere for learning and teaching."

Judiciary Committee

Lobbying Reform (H.3534, Rep. Sheheen). This bill is an overhaul of current state laws on lobbying and lobbyists. Its purpose is to "publicly and regularly disclose ... the identity, expenditures and activities " of those who seek to influence state officials or employees in order to "preserve and maintain the integrity of the governmental policy making process."

The bill defines the term lobbyist, specifying to whom these provisions do and do not apply. Those falling under the definition of lobbyist would be required to register with the State Ethics Commission within 15 days of employment as a lobbyist. A \$200 registration fee would be required of all lobbyists. This would be reduced to \$50 for those who lobby without salary or who do not spend money when lobbying.

A lobbyist list would be distributed to legislators, standing committees, study committees and state agencies. Each lobbyist would be required to keep records for five years listing who he lobbied for, how much he was paid to lobby by each client, and his total lobbying expenditures.

Annual activity reports would be filed by lobbyists with the Ethics Commission under this bill. Information to be reported annually would include: each legislative or agency action the lobbyist sought to influence, including bill numbers; the total expenditures made by category: food, entertainment, advertising, etc.; the total number of public officials or employees on whose behalf expenditures were made, and the names of any person on whom more than \$50 was spent in a 24 hour period.

Further, the expenditure report would include the cost of special events or receptions, a statement of any money promised or loaned to a legislator, the governor, public official or employee, or any business done with any of the above.

State agencies would have to document their lobbying activities including the details of all expenditures as required of other lobbyists under this legislation.

The bill gives the Ethics Commission full authority to carry out the requirements of the bill, including investigation of complaints and subpoena powers. The commission also would have to develop all forms and issue identification cards for lobbyists. Falsifying information regarding lobbying activities would be a misdemeanor carrying a \$1,000 fine and barring the individual from lobbying for three years.

Government Furniture (S.93, Sen. McConnell). Any purchase of furniture or decor exceeding \$500 for a state agency's reception area, board room, agency director or assistant agency director must be reported to the agency board or commission, under this bill. The board would formally approve or disapprove of the item after examining the cost and method of procurement.

Medical, Military, Public and Municipal Affairs Committee

Airport Land Leasing (H.3546, Rep. Mappus). This legislation would allow local governments to lease unused airport land to private interests for office parks, warehouse parks and other income producing facilities. These provisions would not apply to the state Aeronautics Commission.

Anabolic Steroids (S.281, Sen. Geise). Anabolic steroids and what is unprofessional conduct in administering them is defined in this bill. The legislation would prohibit the prescribing or administering of the drugs to increase muscle mass or improve sports performance.

Violation of this proposed act would include prescribing, dispensing, delivering or administering these drugs or prescriptions for these drugs. A person who possesses or delivers the drug without a prescription is also in violation.

Those convicted would be guilty of a misdemeanor and face a jail sentence of up to five years and/or a fine of not more than \$5,000.

Preneed Funeral Contracts (H.3540, Rep. McLellan). This lengthy bill would revise the current state laws on preneed burial contracts. Under this bill, any shortfalls in funding the cost of the preneed funeral contract would be paid by the estate of the deceased. Excess revenue derived from the preneed funeral contract account would be returned to the estate. These provisions would apply unless the beneficiary's contract stipulated that the services would be provided at no additional cost.

A death certificate would have to be presented to a financial institution holding the preneed funeral trust account before the money could be dispersed.

The bill stipulates how the trust fund would be set up and prohibits these funds from being used as collateral or in anyway placed at risk.

The bill would allow the buyer to purchase an irrevocable contract but the buyer would have 30 days to change his mind.

Also outlined is what the provider would be required to do if he went out of business or if the purchaser wanted to transfer the contract to another provider.

The legislation specifically prohibits contract sellers from calling on residents of nursing homes, hospitals or similar institutions without a specific request. Neither could sellers of preneed funeral contracts solicit business from survivors of the deceased or through telephone solicitation.

Labor, Commerce and Industry Committee

Bold Print (H.3545, Rep. Rama). Any accident or health insurance that limits access to doctors or hospitals would have to state this limitation in bold print on the policy and in promotional material, under this bill.

HMOs (H.3553, Rep. Taylor). Health maintenance organizations would be required to become members of the South Carolina Life and Accident and Health Insurance Guaranty Association, adhering to the association's conditions and terms, under this bill.

Ways and Means Committee

Tuition Grants (H.3547, Rep. P. Harris). This bill would require that the tuition grants program receive at least 6 percent of the amount appropriated by the General Assembly for undergraduate higher education by the 1992-93 fiscal year. This appropriations formula would be phased-in starting with the 1989-90 budget year.

Airport Hub Facilities (H.3554, Rep. Kirsh). This bill would serve as the vehicle for a proposed airline hub terminal facility bill.

**Recommendations
of the Commission on the Future of South Carolina**

Last week, a joint assembly was held to receive the recommendations of the Commission on the Future of South Carolina. The commission, established by gubernatorial executive order at the request of the lieutenant governor, held its first meeting in September 1987. Eighteen months later, the 30-member commission produced 47 recommendations dealing with four essential issues -- education, economic opportunity, government and living environment -- to be implemented over a five year period. These recommendations were forged by the commission from information gathered from a public hearing and a four-day Assembly on the Future of South Carolina attended by 110 participants.

Here are the 47 recommendations from the commission report, some with a brief background explanation. To assist House members, the essential concept in each recommendation has been underlined.

Education

1. School districts in South Carolina must be consolidated/redistricted by the Legislature to an optimal size to take advantage of economies of scale and provide uniformity in local financing and apportionment of state funds. A minimum standards for district size should be established. Uniformity of board composition and selection must be established.

With the last consolidation effort in the early '50, currently the state's school districts range from 600 students to 56,000 students.

2. The General assembly should propose a constitutional amendment to be submitted to the electorate for the implementation of state-conducted lotteries and/or pari-mutuel betting with the proceeds to be used for education.

It is estimated a state lottery would bring in \$60 million annually with an administrative cost of about \$1 million.

3. Full formula funding must be provided for all public education, kindergarten through post secondary.
4. The number of hours in the school day and days in the school year must be extended. This would permit time for remediation, curriculum enrichment, and supervised study time. In addition,, an incidental benefit would be reduction of child care needs. Physically comfortable classrooms must be provided to facilitate this recommendation.
5. The state must make financial provisions to meet major public school construction needs on a comprehensive and equitable basis.
6. Because of the economic impact dropouts have on our state, dropout prevention is absolutely essential. The current dropout rates perpetuates many social ills such as crime, teenage pregnancy, infant mortality and health problem. Students at risk of becoming dropouts must be targeted from kindergarten through high school with programs involving the total community -- business, families, churches, civic clubs and others -- in assisting those so identified to stay in school through a variety of programs. For example, a program must be implemented that prohibits possession of a driver's license until age 18 unless the licensee is enrolled in, or has completed, high school.

According to the commission report, one out of every four high school students in South Carolina drop out before graduation. 60 percent of the state's prison inmates are high school dropouts as are half of the heads of welfare families.

7. The Equity and Access Program to recruit and maintain minority students in college must be maintained and expanded.

This program, administered by the Commission on Higher Education, provides special funding to recruit black faculty and administrators and improve minority student enrollment.

8. South Carolina must establish a system to permit students to earn college tuition through a community service voucher system. This will enhance student access to state post-secondary institutions and expand students' educational horizons.
9. The role of the State Board of Education as a policy-making body must be strengthened and the office of the state Superintendent of Education made an appointed position.

South Carolina is one of 16 states with an elected state superintendent of education.

10. The method of appointment and geographic distribution of State Board of Education members must be changed to appointment from congressional districts by the governor with the advice and consent of the Senate. The emphasis must be on lay leadership of the State School Board.

Currently board members are appointed from the state's 16 judicial circuits by the legislative delegations within each circuit. The governor appoints the 17th member at large.

11. The state system of public education should continue to be organized into two separate agencies, kindergarten through 12th grade and post-secondary education. The post-secondary education agency should be a coordinating agency and further proliferation of education agencies should be avoided.
12. To enhance the quality of education, efforts must be increased to attract and retain high-quality teachers by offering competitive compensation and professional status.
13. Because our future requires participation and competition in a global economy, foreign language must be viewed as one of the basic educational skills and must be expanded in the middle and high school grades and introduced as early as preschool or elementary school. The Department of Education and the public schools should use more fully South Carolina Educational Television's open and closed circuit television systems for instructional programming in the classrooms as a cost effective method of delivering foreign language instruction, including those courses offered through the "Star Schools" program.

14. The University of South Carolina, the State Board of Technical and Comprehensive Education, and the Commission on Higher Education must examine the two-year system of education in South Carolina in order to fashion a structure and programs that will foster comprehensive program offerings and cost efficiency in two-year education.
15. To help ensure a qualified work force, the public and private sectors must work together to attain a goal of 95 percent literacy by 1999 through the use of existing and expanded education. Existing resources of the technical education system, higher education system, Department of Education and South Carolina Educational Television should be coordinated and expanded to achieve this goal.

The commission points out that in 1980, one-fourth of the adults in South Carolina over the age of 25 had completed less than the 8th grade. Outside the South, the illiteracy figure is one-sixth.

Living Environment

1. Since our public schools are often the only place where many children are exposed to art and culture, particularly for the economically disadvantaged, the significance of our public schools in art and cultural awareness cannot be overemphasized. Cultural education is one of the basics and must be woven into the instruction of English, history, and other basic subjects.
2. Our environment must be protected from those who would despoil it through irresponsible littering. We must have a strong, statewide, anti-litter program to include: use of photodegradable and biodegradable materials; a strong, effective bottle bill; rigid enforcement of anti-litter laws; an expanded adopt-a-highway program; a comprehensive educational program within the public schools with emphasis on community and personal pride; sentencing nonviolent offenders to litter collection instead of prison.

3. South Carolina's treatment, use and disposal of all forms of waste carry significant interstate implications. To end South Carolina's status as a dumping ground, the General Assembly must enact whatever measures are necessary to halt the disposal from other states except under strict and equitable reciprocity arrangements with other states defined in interstate compact agreements. In addition, we must encourage use of recycling, incineration, and other alternatives. The state must develop incentives to minimize hazardous waste through positive encouragement of source reduction as well as consideration of higher taxes on the disposal of hazardous materials in a manner not to place South Carolina at a competitive disadvantage.

4. Criminal sanctions with mandatory jail sentences should be instituted for individuals within the corporate, as well as governmental, sectors who deliberately and recklessly endanger the health and safety of South Carolinians through violations or poor enforcement of South Carolina's environmental laws.

Jail sentences for these violations are not now mandatory.

5. A viable living environment must include decent, safe and sanitary housing within the economic means of every South Carolinian. A comprehensive housing program must be developed to include code adoption and enforcement at the local level, and innovation financing mechanisms to include tax incentives at both the state and local levels.

6. The goal of the social services program must be to foster and encourage independence, self-sufficiency, and self-reliance; to move recipients into the workforce, and to strengthen and enhance personal responsibility and accountability. Implementation of this goal requires that the General Assembly:
 - Provide for coordination of public and private health and human services at the local level;
 - Develop a link between the public and private sectors to create and deliver social services. The private sector is willing to help provide social services; often however, this willingness is stifled by regulatory difficulties with the public sector. In addition, volunteer, civic and non-profit organizations must be considered an integral part of providing services. New or existing tax incentives for these groups must be established and/or preserved.
 - Provide for coordination within the public sector to reduce fragmentation of social services. Data linkages must be created within and between agencies to streamline access to social services.

7. The physical and mental health of our citizens is critical to our survival. A statewide health policy is essential. Such a policy must be adopted by the General Assembly and include, but not be limited to, preventive and wellness programs, methods to provide indigent health care, comprehensive health education, universal health insurance, long term care for the elderly, incentives for medical personnel recruitment, and attention to catastrophic illness such as AIDS.
8. Health and natural resource responsibilities must be integrated into a single agency. This agency would establish sound natural resource and environmental policies; implement resource management plans to include protection, accurate monitoring, enforcement and penalty guidelines; review proposed activities for overall environmental impact, and provide an efficient, accessible permitting process.

Economic Opportunity

1. Recognizing that a high percentage of the addition to the future work force will be women, the absence of child and adult day care is a barrier to their employment. To remove these barriers, successful child and adult day care programs must be implemented. This may include incorporating the public school system, as well as private schools and churches, into the child and adult day care system. Governmental and business incentives must be developed.
2. As we consider the tax structure of South Carolina, we must recognize the state does not exist in a vacuum. We must remain competitive in tax structure and services with surrounding states. Any consideration of the tax structure must include an examination of the whole. Making one change will not necessarily solve problems. The General Assembly must:
 - Re-evaluate sales tax exemptions to eliminate inequities that may exist in the tax structure.
 - Re-evaluate sales tax exemptions to address the current tax inequities as they apply to lower income citizens, particularly with regard to food and prescription drugs.
 - Re-evaluate tax exemptions of nonprofit activities. Those functioning as for-profit businesses must be taxed accordingly.

3. To preserve the viability of one of the state's primary economic resources, we must have a state beach renourishment policy with state and other funding for such projects. Public access to beaches must be a prerequisite to funding these projects.
4. State and local arts councils must enjoy funding by both private and public sectors.
5. Continued development of homegrown and minority job opportunities will require continued attention to capital needs: The state must provide funding to generate small business "incubators;" private venture capital groups must be encouraged through tax incentives; the state must promote better access to risk capital for small businesses by establishing a loan guarantee fund for start-up and expanding firms.
6. To ensure that growth opportunities exist throughout the state:
 - Transportation improvements must be made to link rural areas with growth centers. Funding for such improvements could be derived from tolls roads, gas taxes, or other sources with full integration for the Strategic Highways for Improving Mobility and Safety (SHIMS) program.
 - A strategy of regional cooperation for planning, economic development and construction of quality infrastructure is essential.
 - Economic development strategies must include measures to foster opportunities in all areas of the state, particularly in the rural and underdeveloped parts of South Carolina.

Government

1. The General Assembly should enact legislation to permit consolidation of local governments.

2. The General Assembly must pass a local government finance act which may include a property tax rollback to provide alternative revenue sources for local government. The General Assembly must order an analysis of the property tax burden in South Carolina compared to other states in order to ascertain recommended levels of property tax revenues to finance local government and public school programs.

The commission reports that among the southeastern states, only South Carolina and Kentucky prohibit local governments from using the sales tax as a source of revenue.

3. The General Assembly must provide full-formula funding for cities and counties as prescribed by state law.
4. The state ethics laws and regulations must be strengthened at the state level. State legislators should be barred from lobbying for legislation for two years following their departure from the legislature.
5. Legislators must be prohibited from practicing before boards and commissions during their tenure as legislators.
6. The method of screening judges should be changed to an 18-member commission, with six appointed by the General Assembly, six appointed by the governor and six appointed by the South Carolina Bar Association. This panel would approve three names and the General Assembly would select one of the three. If none of the three is selected, the selection process would start over, but there would be no nominations from the floor.
7. State-run and financed primary elections must be implemented. The State Election Commission's plan to phase in a statewide electronic voting system must be put into effect.
8. To improve the quality of public services and their delivery: Salaries and other benefits for public employees must be competitive with the private sector; a strong continuing education program must be developed to provide training for both elected and appointed government officials at all levels.
9. South Carolina must make every effort to develop a national and international reputation as a state that does not tolerate illegal substances. To achieve this, efforts must be undertaken and financed at federal, state and local levels.

10. The problem of substance abuse in schools must be vigorously addressed via programs for prevention and intervention beginning when students enter school and continuing through their entire educational experience. The Alcohol Beverage Control Board must terminate the licenses of establishments selling alcohol to minors. Those persons contributing to the delinquency of a minor must be prosecuted to the fullest extent of the law. Mandatory suspension of driver's licenses of persons convicted of substance abuse must be enacted.
11. Our executive branch of government must be strengthened. The necessary constitutional and statutory revisions must be proposed to create a system whereby the governor has direct control over agency heads. This reorganization must be accompanied by a study to determine the structure, responsibility, and role of the many state boards, agencies and commissions.
12. A constitutional amendment must be proposed to permit state senators to serve six year terms and House members four year terms, with one-third of the Senate and one-half of the House elected every two years.
13. The legislative session must be reduced to a maximum of 40 days.
14. Specific emphasis must be given to urban policy issues in implementing the statewide strategic plan being developed by the Coordinating Council on Economic Development.
15. Where a special purpose district's service area lies wholly within a single county, that county or other general purpose governmental body should be given the opportunity and authority to assume the function of the special purpose district. The remaining special purpose districts must be made accountable, including an audit, to an appropriate branch or branches of elected government.

The commission reports that special purpose districts, that now number 300 statewide, weaken general purpose local government.
16. In order to avoid unnecessary duplication of effort in school governance: Where there is an elected county board of education, there should be no other board with county-wide jurisdiction; where there are elected boards of education, there should be no county board except when the county board has fiscal authority to set millage.

17. The state agencies should use Councils of Government (COGs) as an extension of state planning staffs. The COGs must be funded according to a measureable standard of productivity. Multi-county service districts and COGs must encompass the same counties.
18. Education and training of inmates to include literacy and job skill training must be mandatory prerequisites for early release. These efforts should include South Carolina Educational Television, the Department of Education, the technical education system, and the higher education system as appropriate. Merit points would be earned which can be applied toward early release or parole.

Current Legislation Before the House

There are a number of bills pending before the House which address many of the concepts raised by the commission. Here is a partial list gathered by the *Legislative Update*. Although the bills may not be identical to the commission's recommendation, they address the same issues raised in the report:

- A resolution requesting a survey of school construction needs (H.3150);
- Hazardous waste legislation (H.3169, H.3170, H.3171, H.3172, H.3234, H.3297, H.3326);
- A Fair Housing Bill (H.3298);
- Child Care Bills (H.3271, H.3473, H.3551);
- Beach renourishment (H.3084);
- Consolidation of governments (H.3484);
- Ethics legislation (H.3519, H.3520, H.3521);
- Bills regarding lawyer/legislators and legislator/lobbyists (H.3056, H.3066, H.3242, H.3025);
- Judicial selection (H.3083, H.3438, H.3439);
- Reducing the length of the legislative session (H.3383);
- State-run primary elections (H.3088).

Although not yet introduced, legislators are expected to submit bills this session on local government finance and drop out prevention (including a provision to deny driver's licenses to high school drop outs) as part of a comprehensive education bill. Further, a joint legislative committee on solid waste management is expected to address this issue in a comprehensive manner this session.

In addition, the General Assembly enacted comprehensive health education for public school students last session.