

Governor's Executive Budget - Tax Exemptions/Reductions/Rebates

The Governor's Executive Budget for FY21 proposes an immediate and full retirement income exemption for military veterans and first responders, including retired state and federal law enforcement, firefighters and peace officers, representing \$18.5 million in relief the first year. **Ways and Means is currently developing its budget for FY21.**

The Governor's Executive Budget for FY21 proposes a 1% rate reduction over five years for all personal income tax brackets, starting with an immediate \$160 million cut that is paid for and certified in the Governor's proposed budget. **Ways and Means is currently developing its budget for FY21.**

The Governor's Executive Budget for FY21 proposes sending money back to taxpayers in the form of a rebate check, totaling \$250 million. The amount of the rebate for each individual taxpayer, regardless of filing status, will be based on the number of residents that filed a 2019 Individual Income Tax Return. **Ways and Means is currently developing its budget for FY21.**

S.461 TAX DEDUCTION INCREASE by Sen(s) Sheheen and Gambrell increases the deduction for certain firefighters, law enforcement officials and members of the State Guard from \$3,000 - \$6,000. \$3.1 million has historically been allocated for this purpose and only \$1.1 is being used (includes a volunteer firefighter, rescue squad member, volunteer member of a Hazardous Materials (HAZMAT) Response Team, reserve police officer, Department of Natural Resources deputy enforcement officer, a member of the State Guard, or a volunteer state constable) **S.461 was passed out favorably from the full Senate Finance Committee and is on the Senate Calendar awaiting 2nd reading.**

Proviso 81.13 – First Responder PTSD Treatment (\$250,000 recurring)

The Executive Budget recommends adding this proviso directing LLR to distribute funds to the SCSFA Firefighters Assistance and Support Team (FAST) to reimburse firefighters and emergency medical personnel who incur mental injury as a result of a critical incident during the scope of employment. The Governor placed \$250,000 (recurring) in LLR's budget. **LLR's House Ways and Means budget hearing is Tuesday, January 28 @ 9:30am. Subcommittee members: Rep(s) Erickson (ch) – Beaufort; Huggins – Lexington; Daning – Berkeley; and, Willis - Greenville/Laurens**

Proviso 108.12 – DEFINED BENEFITS

The Governor's Executive Budget recommends adding this proviso to close the South Carolina Retirement System (SCRS) to new enrollees effective December 31, 2020 and directs all new enrollees to join the State Optional Retirement Plan. **This does not impact Police Officer Retirement System (PORS). Ways and Means is currently developing its budget for FY21.**

H.3620, RETURN TO WORK by Rep(s) Pope, Tallon and Bryant, et.al. The bill revises provisions governing retirement benefits after returning to covered employment under the South Carolina Retirement System and the Police Officers Retirement System, respectively, so as to establish a protocol that allows retirees to return to covered employment without being subject to the ten thousand dollar earnings limitation. The bill creates a new exception to the service retirement earnings limitation imposed upon the receipt of benefits by certain retired members of SCRS and PORS. Under the proposed exception, the SCRS and PORS return-to-work cap would not apply if the retired member has not been engaged to perform services for a participating employer in SCRS or PORS for compensation in any capacity, whether as an employee, independent contractor, leased employee, joint employee, or other classification of worker, for a period of at least **12 consecutive months after retirement.** The amendment requires contributions if a participating employer engages a current or former member to perform services for the employer, regardless of how the employer classifies the engagement. The bill was referred to the Senate Finance Committee. The Senate Finance Subcommittee for Retirement met on Thursday, May 2, 2019 and passed the bill out favorably with an amendment. The amendment provides that a retired member of SCRS or PORS is exempt from the \$10K earning limitation if a participating employer has not engaged the retiree in any capacity for at least **24 consecutive months after**

retirement. The bill was reported out favorably from SFC Retirement Subcommittee and is currently in full Senate Finance.

Urban Search and Rescue (LLR - \$850,000 - nonrecurring)

The South Carolina State Firefighters Association supports LLR's request to fund \$850,000 for the Office of State Fire Marshal – Emergency Response Task Force – Urban Search and Rescue SC Task Force I (US&R SC-TF1) initiative. These funds will be used to purchase equipment and supplies from current state-approved contractors. Emergency Response Task Force responds to natural and man-made disasters by providing search and rescue, medical support, damage assessment and assistance in the coordination of relief. SC-TF1 is a search and rescue team that provides a coordinated response to disasters, particularly in urban environments. Emphasizing location and extraction of victims trapped in largely populated areas, the SC-TF1 is capable of responding to state and national disasters, including floods, hurricanes, earthquakes, widespread tornadoes and man-made technology and terrorist events. In order to succeed in its stated mission, SC-TF1 should have needed equipment and supplies that are ready for deployment at a moment's notice. The Emergency Response Task Force Division recently completed a comprehensive inventory of all of its equipment. Through this inventory process, it has identified equipment that needs replacement or updating, as well as equipment that is missing to better fulfill the capabilities of the task force. This equipment includes swift water and flood rescue equipment, medical equipment, wide area search and rescue equipment and equipment that will support the incident support team functions of the task force. If this equipment or supplies are not funded, SC-TF1's ability to respond during an emergency situation could be diminished resulting in harm to the public. The Governor placed \$850,000 (nonrecurring) in LLR's budget. **LLR's House Ways and Means budget hearing is Tuesday, January 28 @ 9:30am. Subcommittee members: Rep(s) Erickson (ch) – Beaufort; Huggins – Lexington; Daning – Berkeley; and, Willis - Greenville/Laurens**

Building Codes

S.796 (Building Codes: Code Cycle increase from 3 to 6 years) has been introduced. Background: February 19, 2019: A meeting with Sen(s) Leatherman and Alexander was held on Tuesday, February 19, 2019 to discuss legislation regarding implementing a SC building code, increasing the code cycle, etc. Senator Leatherman encouraged the stakeholders to reach a compromise. As a result, stakeholders met with LCI staff and aided in reaching draft language which addressed increasing the building codes cycle from 3 to 6 years. **The bill was scheduled to be debated by the full LCI Committee January 23, 2020 at 9am in 308 Gressette. The bill was removed from the agenda and remains in Senate LCI Committee.**

H.4327 (Farm Structures)

This bill amends Section 6-9-65 relating to Farm Structures to revise the definition of farm structure to conform with last passed Building Codes. **Passed out of LCI Subcommittee January 15, 2020 favorably with a technical amendment. The bill was debated by the full LCI Committee January 23, 2020 at 9am and reported out favorably. H.4327 will be on the Senate Calendar awaiting 2nd reading.**

S.753 (V-SAFE Grant Program) by Senator Gambrell was introduced and referred to Senate Banking and Insurance. This bill requires that all funds collected to date and henceforth be used to fund the V-SAFE program pursuant to Section 23-9-25. The legislation is designed to ensure that total funds collected under Section 38-7-20 (B)(2) be directed to the V-SAFE program. **S.753 currently in Senate Banking and Insurance. SCSFA scheduled a meeting with Senator Cromer for Tuesday, January 28 @ 12:30pm to discuss moving the bill forward.**

H.4788 –(V-SAFE Grant Program) by Representative Brian White and Representative Gilda-Cobb Hunter. The bill amends section 38-7-20 to direct additional funds to the V-SAFE program. The bill increases funds from 1% to 4%; redefines “fire department”; increases grant amounts per year; and amends 12-37-935 relating to additional depreciation and directing funds to the V-SAFE program. **H.4788 has been referred to House Ways and Means Committee. SCSFA met with Rep. White to discuss unintended consequences of eliminating fire departments that currently receive V-SAFE grants if the bill proceeds as currently written.**

Proposed Cancer Legislation

The South Carolina State Firefighters' Association seeks to support the health and well-being of all its members. Of the 17,500 firefighters in the Association, approximately 65% are volunteers. As such, the Association recognizes the impact the disease of cancer has on its members and seeks a two-pronged approach in dealing with this trend. Prevention of the disease is paramount in protecting the firefighting workforce. A number of nationally recognized initiatives have been established and should be considered by departments in an effort to limit the occurrence of the disease in its firefighting staff. The provision of regular physicals is key for early detection. Clean gear and workplace procedures as well as decontamination efforts must be promoted, funded and implemented. The Association encourages departments to embrace preventive measures and stands ready to assist departments regarding initiatives.

The South Carolina State Firefighters Association is in support of legislation that addresses and funds increased cancer occurrences and deaths in the South Carolina fire service. The Association is interested in finding a workable solution and believes that legislation that addresses the cancer crisis more directly by providing firefighters with supplemental insurance coverage for cancer treatment, related expenses and a death benefit. The proposed funding mechanism is insurance premium tax outlined in Section 38-7-20 (4). The fire service is proposing to amend this section of law directing that funds currently deposited to the credit of the general fund be used to purchase a supplemental cancer policy. The legislation: Defines cancer – all systems; Defines firefighter (paid and volunteer) and states that upon diagnosis of cancer, a firefighter is entitled to benefits of the cancer policy if he/she has been in a SC Fire Department for at least 5 continuous years and within 10 years of last date of active service.

Cancer Policy Benefits include:

\$12K annually for out of pocket expenses such as deductibles, copayments, or coinsurances costs

\$20K benefit upon diagnosis not to exceed one benefit payment per calendar year

\$75K death benefit

A firefighter who dies of cancer or circumstance that arise from treatment is considered to have died in the line of duty. Fiscal Impact for the supplemental cancer policy is approximately \$200 per firefighter per year or approximately \$3.5 million. These figures will change should any of the benefits be modified. **SCSFA continues to meet with members regarding the legislation and funding.**