

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 FY20-21 Budget.**

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 FY20-21 Budget.**

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 FY20-21 Budget.**

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 hearings were Tuesday, January 28 and Wednesday, January 29. The Subcommittee received information regarding the PTSD program and will be reporting their recommendations to the full committee in the next two weeks. Reaching out to subcommittee and full committee members for proviso funding should continue until adopted by the Ways and Means Committee. Subcommittee members: Rep(s) Erickson (ch) – Beaufort; Huggins – Lexington; Daning – Berkeley; and, Willis - Greenville/Laurens. Full Ways and Means Committee members.**

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 FY20-21 Budget.**

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 hearings were Tuesday, January 28 and Wednesday, January 29. The Subcommittee received information regarding the USAR program and will be reporting their recommendations to the full committee in the next two weeks. Reaching out to subcommittee and full committee members for program funding should continue until adopted by the full Ways and Means Committee. Subcommittee members: Rep(s) Erickson (ch) – Beaufort; Huggins – Lexington; Daning – Berkeley; and, Willis - Greenville/Laurens. [Full Ways and Means Committee members.](#)**

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 has been adopted by the Senate LCI subcommittee and awaiting a hearing by the full Senate LCI committee. **Full LCI is meeting on February 13, 2020; however, S.796 is not on the agenda.**

[S.706 \(Multifamily Dwelling Safety Act\)](#) by Senator Cromer was introduced and referred to the Senate Labor, Commerce and Industry (LCI) Committee. The bill requires the Department of Labor, Licensing and Regulation (LLR) to adopt a multifamily dwelling balcony code establishing minimum standards for balcony railings that are primarily constructed of wood and are located in multifamily dwellings. The bill also requires LLR to conduct inspections of such balconies to determine compliance with code and provide remedies for violations. **The bill is scheduled to be heard February 12, 2020 @ 10am by the Senate Professions & Occupations Subcommittee. If the bill is passed out of Subcommittee favorably it will be placed on the agenda for full Senate LCI on Thursday, February 13, 2020 at 9am in room 308 Gressette.**

[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 is 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. **The Senate Banking and Insurance Subcommittee is scheduled to discuss S.753 Wednesday, February 12, 2020 @ 11am in room 408 Gressette. Subcommittee Members: Senators Bennett (chair), Setzler (vice-chair), Davis, Gambrell, and Hutto**

[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.

[S.1071 – \(Firefighter Cancer Health Care Benefit Plan\)](#) by Senator Alexander The bill establishes the Firefighter Cancer Health Care Benefit Plan which will be housed and the State Fire Marshal’s Office. Basically, the plan provides a supplemental insurance policy for firefighters diagnosed with cancer. The benefits are only available to a firefighter who has served in a SC fire department for at least five continuous years and been in active service within ten years of the diagnosis. The benefits include \$12K for out-of-pocket medical expenses, a \$20K benefit and a \$75K death benefit. Funding of the plan: Currently in Section 38-7-30 a tax of 1% on the gross premium receipts is collected from fire insurance companies doing business in the State. Under current law, 50% of the one percent is dedicated to the Division of Fire and Life Safety in the Department of LLR. This legislation allows the entire 1% to be transferred to the Division of Fire and Life Safety with \$3.5 million to be dedicated to the Firefighter Cancer Health Care Benefit Plan with the balance remaining in the Division of Fire and Life Safety’s budget for expenses of the division. **The Senate Banking and Insurance Subcommittee is scheduled to discuss S.753 Wednesday, February 12, 2020 @ 11am in room 408 Gressette. Subcommittee Members: Senators Bennett (chair), Setzler (vice-chair), Davis, Gambrell, and Hutto**

[H.3373 \(Domestic Animal Rescue\)](#) by Representative Huggins. The bill adds a new section of law 15-3-710 providing that a first responder is immune from civil liability for damage resulting from providing first aid services to a domestic animal. **This bill was reported out favorably from the House Special Law Subcommittee on February 5, 2020 and awaiting a full Judiciary Committee hearing.**