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A legislative update from the Municipal Association of SC

2016 session
121st General Assembly

Legislative Report

2016 session of the 121st General Assembly

Prepared by the Municipal Association of South Carolina

The second year of the 2015-2016 regular session of the 121st General Assembly was gavelled to a close on Thursday, June 2, 2016, at 5 p.m. However, legislators returned to Columbia on June 15 to handle conference reports and budget vetoes.

The state budget

The 2016-2017 state budget includes an additional \$10.6 million in non-recurring dollars over last year for the Local Government Fund. This brings the total appropriation to \$223.2 million for FY16-17. Despite the additional funding, the total LGF appropriation is \$90 million less than required by state statute.

	Total LGF	City Allocation
State law calculation	\$313.2M	\$52.4M
Actual funding	\$223.2M	\$37.3M
Not funded	\$90M	\$15.1M

The budget also includes \$30 million in beach renourishment funds and \$72 million in flood relief. The indigent defense proviso that requires cities and towns to cover the cost of providing attorneys to defend indigents in municipal court remains in the FY16-17 budget.

Municipal Association 2016 Advocacy Initiatives

More than 300 municipal officials attended the Association's Regional Advocacy Meetings in the fall of 2015 to identify major challenges facing South Carolina's cities and towns. The legislative committee recommended to the board of directors for its approval the 2016 Advocacy Initiatives to meet these challenges. The 2016 initiatives included changes to state law, training and collaboration with stakeholders

Streamline business licensing processes

For businesses, time is money. Implementing streamlined business licensing practices saves businesses time and supports local economic growth.

Legislative initiative – At the request of the Municipal Association, Rep. Kenny Bingham (R-Lexington) introduced the SC Business License Tax Standardization Act (H5109) in the 2016 session to streamline the business license tax payment process and maintain city council's ability to set the city's tax rates. A House Labor, Commerce and Industry ad-hoc subcommittee took testimony on H5109 and several other business license bills that would negatively impact cities. The subcommittee did not take action on any of the bills, but expressed interest in working with all stakeholders on a bill to be introduced in January 2017.

Training – The Association worked through affiliate groups, the South Carolina Business Licensing Officials Association regional meetings and the Business License Task Force to educate and gather input on the proposed business license legislation. The Business License Task Force is a working group of municipal business licensing professionals, finance officers and a city manager that is helping the Association develop the concepts and language for business licensing legislation and an online business license payment portal.

Collaboration – The Association worked with the South Carolina Chamber of Commerce on proposed legislation to streamline the business license tax process. The Association also worked with VC3, its technology partner, and the Business License Task Force to begin developing a portal for businesses to have the option to renew municipal business license taxes online.

Fund services

Cities and towns need dependable and consistent revenue sources to support the efficient and effective delivery of municipal services and quality infrastructure that residents and businesses demand for a positive quality of life and economic prosperity.

Legislative initiative –The Association supported additional recurring and nonrecurring funding for the Local Government Fund. See detailed information on the Local Government Fund allocation in the budget section of this report.

Legislative initiative –The Association supported a line item in the state budget to increase funding for the Commission on Indigent Defense to give public defenders greater capacity to defend indigents in municipal courts. The General Assembly ultimately granted an additional \$6 million to the Commission. However, that amount fell several million dollars short of what the Commission requested and did not include any funding for indigent defense in municipal courts.

Training – Through *Uptown* and partnerships with state agencies, the Association provided information to local officials about accessing existing infrastructure funding.

Embrace the sharing economy

New business models are changing the way consumers and businesses connect and interact on a daily basis.

Legislative initiative –Two bills were introduced at the end of the 2015 session that would have required short term rentals to pay accommodations taxes. Neither bills saw any movement during the two-year session.

Training –The Association updated local advocacy groups and affiliate associations on issues related to the sharing economy including short term rentals. The Association also published a series of *Uptown* articles and *City Connect* blog posts on the topic.

Fix roads

Repairing and maintaining existing roads and infrastructure is about more than fixing potholes. It's about encouraging and supporting statewide economic development with infrastructure that can accommodate new industry and support existing industry.

Legislative initiative –The General Assembly passed S1258 that restructures the SC Department of Transportation and provides funding for road and bridge repairs. The bill calls for the governor to appoint one commissioner from each of the seven congressional districts and one at large member.

The legislative delegation from each district approves or disapproves the appointees. The appointees are then vetted by the Joint Transportation Review Committee and the appointments are finalized upon the advice and consent of the Senate. The SCDOT Commission hires the Secretary of Transportation.

The bill provides more than \$2 billion over ten years for road and bridge repair or replacement. The SCDOT Commission must approve or reject funding decisions of the SC Transportation Infrastructure Bank. The cost threshold for a project eligible for funding from the SCTIB decreased from \$100 million to \$25 million.

Legislative initiative - The Association supported H3579, the House bill that restructured the SCDOT. At the Association's request, the bill's primary sponsor, Rep. Gary Simrill (R-York) inserted language into the bill that would have added a mayor, a councilmember and a city staff member from different cities within a county to each County Transportation Committee. That bill passed the House and was amended by the Senate but did not make it out of a conference committee.

Clear blight

Dilapidated structures pose a public safety threat in municipalities of all sizes. Cities and towns need additional tools to clear blight to ensure the safety of residents and visitors and to spur economic development opportunities for business owners.

Legislative initiative – The Association worked with senators and representatives to introduce the Dilapidated Buildings Act in the House (H3039) and Senate (S194). The House Judiciary Committee passed H3039 to the House floor but House members did not give the bill second reading. A Senate Judiciary subcommittee passed S194 to the full Senate Judiciary Committee where it remained on the agenda for several months. Late in the session, the bill was recommitted to the subcommittee.

Training – Brownfields mitigation training was held at the SC Community Development Association's annual meeting. The Association also partnered with the Building Officials Association of SC to train municipal officials regarding options available to abate nuisance properties that pose a threat to public safety.

Bills Passed by the General Assembly in 2016

The Association tracked 548 bills during the 2015-2016 legislative session. For a complete list of passed bills which impact cities and towns, visit www.masc.sc (keyword: legislative tracking). Several of the passed bills from the 2016 session are highlighted here.

Arrest records

S255 requires the removal of arrest records on a municipality's website within 30 days if the charges have been dismissed or discharged. The bill expands expungement law to municipal ordinance offenses and offenses found under Title 56 of the SC Code of Laws. The bill makes it retroactive, allowing individuals who were previously denied expungement to reapply.

Land use plans

H3972 clarifies that the submission of a land development plan or land use plan is not required as a prerequisite to the sale of undeveloped property. However, a property owner may be required to file a plat at the time that the deed is recorded.

Coaches in youth sports organizations

H3576 clarifies that certain written agreements between nonprofit youth sports organizations and coaches provide evidence that the coach is an independent contractor rather than an employee of the organization. The bill includes language from the U.S. Department of Labor assuring that coaches working for such nonprofit sports organizations are contract employees not eligible for unemployment benefits.

Multiple lot discount

H3710 provides an additional 24 months of eligibility for the multiple lot discount on property taxes. The multiple lot discount allows a developer who is developing at least 10 lots to keep the original property tax value for up to five years or until each lot is sold. The discount allows the property to be valued as agricultural land. The bill extends the discount for properties qualified on December 31, 2011, through 2017.

Ethics - income disclosure

H3186 requires a public official or candidate for public office to report the source and type of income (not the amount) received by the official or candidate and members of his immediate family. Income is defined as anything the public official or his immediate family would disclose on a form submitted to the IRS. Income does not include money received by court order, retirement, annuity, pension, IRA, disability or deferred compensation payment. This disclosure is included on the Statement of Economic Interests that public officials, including municipal officials, already are required to submit.

Capital Projects Sales Tax Act

H5078 requires the capital projects sales tax to terminate on April 30 not April 30 of an odd year. This prevents a gap year in the renewal of the tax. The bill also requires a notice to be published two weeks before a referendum is held with the list of projects proposed to be funded.

Golf carts

H5118 allows municipalities located in counties that have a barrier island and a population between 150,000 and 250,000 to adopt ordinances that allow golf carts with certain equipment to be operated at night.

General Assembly adjournment

S267 changes the date for mandatory adjournment of the General Assembly from the first Thursday in June to the second Thursday in May. There are several exceptions in the bill for the General Assembly to extend the adjournment day.

Multijurisdictional task force agreements

H3653 authorizes a law enforcement agency, if authorized by its governing body, to enter into mutual aid agreements or multijurisdictional task force agreements with other law enforcement providers. The bill allows these agencies, after being so authorized, to enter into a multijurisdictional agreement once and let it stand until revoked by its governing body rather than seeking permission to enter into an agreement each time it is needed. The bill prohibits municipalities from entering into mutual aid agreements for the sole purpose of speed enforcement, but does not restrict these agreements for the broader purpose of traffic enforcement.

Law enforcement ticket citations

H4387 prohibits a law enforcement agency or department from requiring officers to meet a quota for the number of citations issued during a period of time. The bill was amended to allow officer data performance comparison.

Prayer at meetings

S233 changes provisions in the South Carolina Public Prayer and Invocation Act to comply with the U.S. Supreme Court's decision in *Greece v. Galloway*. The bill made two major changes to the current law. First, it prohibits public bodies from coercing participation by observers of the invocation. Second, it removes the requirement that prayer delivered by members of the public body be rotated among the members.

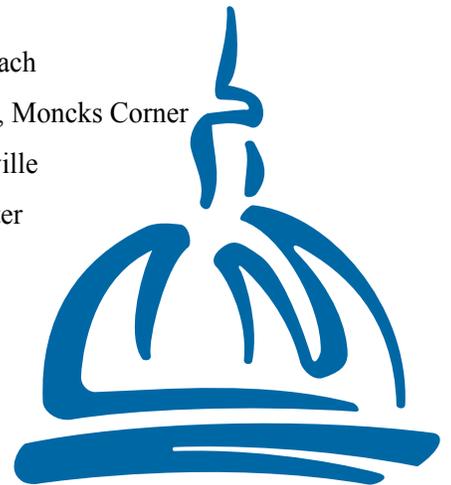
Other important issues in the 2016 session

The Association tracked 548 bills during the 2015-2016 session. Many of these bills did not pass, but were important issues for cities and towns. While these bills died at the end of this two-year session, they can be introduced again in the 2017 session. Important issues included bills related to the Freedom of Information Act, municipal elections, municipal incorporation and enclave annexation among many others.

Regional Advocacy Meetings 2016

Join us for the 2016 Regional Advocacy Meetings to discuss enacted legislation and upcoming priorities. To register, visit www.masc.sc (keyword: regional advocacy).

August 16	Waccamaw COG – Dick M. Johnson Civic Center, Surfside Beach
August 18	Berkeley-Charleston-Dorchester COG – Moncks Corner Depot, Moncks Corner
August 23	Lower Savannah COG – Blackville Community Center, Blackville
August 24	Santee-Lynches COG – Clyburn Transportation Building, Sumter
August 30	Pee Dee COG – Darlington Speedway, Darlington
August 31	Lowcountry COG – City Hall, Beaufort
September 1	Upper Savannah COG – Inn on the Square, Greenwood
September 7	Appalachian COG – Mauldin Cultural Center, Mauldin
September 14	Catawba COG – Rock Hill Operations Center, Rock Hill
September 15	Central Midlands COG – Municipal Association Training Room, Columbia



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Advocacy Strategy Map

