



From the  dome — To your  home

A legislative update from the Municipal Association of SC

2019 session
123rd General Assembly

Legislative Report

2019 session of the 123rd General Assembly

The first year of the 2019 – 2020 regular session of the 123rd General Assembly was gaveled to a close May 9, 2019. However, legislators returned to Columbia on May 20 and 21 to handle the budget and conference committee reports. House and Senate members returned on June 25 to debate the governor's budget vetoes.

Bills passed by the General Assembly in 2019

From utility relocation to the Local Government Fund formula, the General Assembly passed several bills that eliminate unfunded mandates, restore funding reliability and add additional tools to the municipal tool box that will help governing at the local level. The Municipal Association tracked more than 350 bills during the 2019 legislative session. For a complete list of passed bills impacting cities and towns, visit www.masc.sc (keyword: legislative tracking). Several of the passed bills from the 2019 session are highlighted below.

Local Government Fund formula

H3137 requires the Local Government Fund for FY2021 to increase or decrease by the same percentage as the state general fund is projected to increase or decrease, not to exceed 5 percent compared to the appropriation in the current fiscal year. Funding based on forward-looking revenue projections rather than the prior year's revenues should prove more reliable. A more reliable Local Government Fund formula was one of the Municipal Association's 2019 Advocacy Initiatives.

2019 Advocacy Initiative

Public utility relocation

S401 requires an entity undertaking a transportation improvement project to bear the cost of relocating publicly owned water and sewer lines. The bill requires utilities to submit certain information to the road project owner at least 180 days prior to awarding a contract. A 7-year sunset and reporting requirements from a project owner and utilities are also included in the bill.

Marketplace facilitators

S214 defines a marketplace facilitator as any person engaged in the business of facilitating a retail sale of tangible personal property. This bill closes a perceived loophole that potentially exempts third party online vendors from collecting and remitting state and local sales taxes.

Textiles Revitalization Act

S440 amends the SC Textiles Communities Revitalization Act to correct the definition of contiguous property and cap the increase in the square footage of the developed textile site to 200 percent. This bill was a collaborative effort between the SC Department of Revenue, local governments and developers of abandoned textile mills who all requested this bill to correct a mistake from an amendment added to the original bill in 2018.

Bills still active for the 2020 session of the General Assembly

Many of the bills that the Association tracked during the 2019 session did not pass. Because this is the first of a two-year session, any bill that did not pass is still active for the 2020 legislative session beginning in January. Find all the bills the Association tracked for cities and towns during the 2019 session online at www.masc.sc (keyword: legislative tracking). Several of the most important pending bills are listed below.

SC Small Wireless Facilities Deployment Act

H4262 began as a bill that would have almost completely preempted local regulation of small wireless facility deployment. Before passing the House, the bill was amended to preserve local control over the aesthetic appearance of facilities throughout the jurisdiction. Additionally, the bill preserves some local control over facility location, increases mandatory application response periods, and increases fees a local government may charge for application for attachment to existing infrastructure and deployment within the rights of way. This bill was passed by the House and was in the Senate Judiciary Committee at the end of the session.

Business licensing

H4431 mandates sweeping changes in the way local business license taxes are assessed, collected and enforced. The House Labor, Commerce and Industry Business and Commerce subcommittee adjourned debate on this bill at the end of the session and encouraged stakeholders to meet over the summer and fall to develop a compromise bill.

Vaping preemption

H3274 prohibits municipalities from enacting laws pertaining to the ingredients, flavors or licensing of tobacco products or alternative nicotine products, including e-cigarettes and other vaping devices. This bill, which would potentially disrupt local zoning ordinances related to tobacco and vape shops, was passed by the House and ended the session on the Senate's contested calendar.

Short-term rental preemption

H4516 prohibits counties and municipalities from enacting or enforcing an ordinance that bans the rental of a residential dwelling to a short-term guest. This bill was filed late in the session and did not see any action in 2019.

Plastic bags preemption

S394 would invalidate any local regulation or law that prohibits, restricts, assesses a fee against or taxes the use, disposition, or sale of plastic bags and other auxiliary containers outside of county or municipal-owned parks and property. This bill was passed by the Senate Labor, Commerce and Industry Committee and ended the session on the Senate's contested calendar.

Tort reform

S7 increases the limit on what a single person may recover for damages against the state or a local government from \$300,000 to \$500,000, and changes the total limit on what may be recovered for a single occurrence from \$600,000 to \$1 million. This bill was passed by the Senate and will begin 2020 in the House Ways and Means Committee.

Therapeutic transport units

S303 requires the creation of therapeutic transport units and mental health training for state and local law enforcement officers responsible for transporting mental health patients. This bill was passed by the Senate and is in the House Medical, Military, Public and Municipal Affairs Committee.

Municipal Association collections programs

H4257 prohibits the Municipal Association of SC from collecting an insurance premium tax or a broker's premium tax. The House Labor, Commerce and Industry Committee adjourned debate on this bill.

Zero millage

S227 allows municipalities without an operating millage on January 1, 2019, to impose an operating millage. This bill was passed by the Senate and is on the House contested calendar for debate.

Flexibility for accommodations and hospitality taxes

S217 allows the expenditure of state and local accommodations taxes and local hospitality tax revenue for the control and repair of flooding and drainage on tourism-related lands. The Senate passed S217 and the bill was in the House Ways and Means Committee waiting on a subcommittee hearing at the end of the session. This is one of the Municipal Association's 2019 Advocacy Initiatives.

2019 Advocacy Initiative

Municipal Tax Relief Act

H3833 and S171 allow a municipality to impose a sales tax of up to 1 percent through a referendum for municipal tax relief and for certain authorized projects. S171 received a subcommittee hearing in the Senate Finance Sales and Income Tax subcommittee where senators carried the bill over to answer questions and prepare amendments. The House bill did not receive a subcommittee hearing.

Housing impact analysis

S757 and H4482 require a local government to prepare an annual housing affordability and attainability analysis, an annual report concerning implementation of the local housing plans, and an annual report concerning residential development fees. The bills also require a state agency or local government to prepare a detailed housing impact analysis prior to considering any ordinance or regulation that could increase or decrease certain housing costs. Both bills were filed late in the session and did not receive action from a committee during the 2019 session.

Building codes

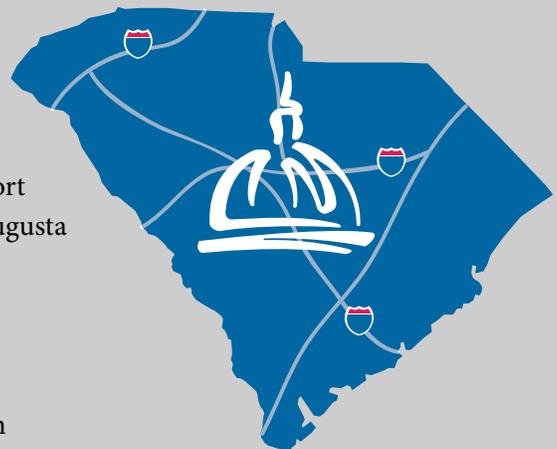
S796 lengthens the state's residential building code adoption cycle from 3 years up to 6 years. The Senate Labor, Commerce and Industry Committee did not hold a hearing on this bill during the 2019 session.

Hold the date for Regional Advocacy Meetings

Municipal officials will have 10 opportunities to attend a Regional Advocacy Meeting to get involved in the Association's advocacy efforts. These sessions for elected officials and city staff will feature discussions about how bills that passed the General Assembly this session will affect cities and towns. Also, officials will learn about issues anticipated for the 2020 session.

Each meeting will begin at 11 a.m. and end by 1 p.m. with lunch included. There is no cost to attend, but registration is necessary. Visit www.masc.sc (keyword: RAM) to register online and for directions. Contact Ashleigh Hair at 803.933.1288 or ahair@masc.sc with any questions.

- August 13 – The Arts Center of Greenwood, City of Greenwood
- August 14 – Myrtle Beach Train Depot, City of Myrtle Beach
- August 15 – Goose Creek Fire Department, City of Goose Creek
- August 20 – Beaufort City Hall Conference Center, City of Beaufort
- August 21 – North Augusta Municipal Building, City of North Augusta
- August 22 – Mauldin Cultural Center, City of Mauldin
- August 27 – Bean Market Museum, City of Lake City
- August 28 – Sumter City Centre, City of Sumter
- August 29 – Rock Hill Operations Center, City of Rock Hill
- September 4 – Lexington Municipal Complex, Town of Lexington



The state budget

House and Senate members returned to Columbia on May 20 and 21 to adopt the budget conference report. The budget includes additional money in the Local Government Fund as well as recurring funding for the SC Criminal Justice Academy.

The final budget includes these items:

- \$11.1 million added to the Local Government Fund base amount of \$222.6 million, establishing a new base amount of \$233.7 million.
- 1 percent credit for employers' retirement system contributions.
- \$22 million in nonrecurring funds are provided as a match for FEMA funds for storm damage resulting from Hurricane Florence.
- \$500,000 in nonrecurring PTSD funding for first responders.
- \$3.2 million in recurring funding provided to the SC Criminal Justice Academy to reduce its funding dependence on fees and fines. With this additional funding, the academy can increase capacity, decrease wait times for admitting new officers and increase mobile training. Reducing wait times for local law enforcement hires to be admitted to the SC Criminal Justice Academy was one of the Municipal Association's 2019 advocacy initiatives.

2019 Advocacy Initiative

Several provisos that are included in the final version of the budget also have an impact on cities and towns:

- Proviso 109.14 initially barred private third parties from assessing, collecting, or administering collection of business license taxes, and eliminated the Association's business license collection program for insurance brokers. In its amended and final form, the proviso preserves the Association's business license collections programs, and preserves the ability of private third parties to assist in the collection of business license taxes. The proviso requires a private third party to limit its contact with a business to one instance and restricts the private third party from requesting a business to remit business license information directly to the third party entity. The proviso also creates a study committee to develop reforms related to third-party collection entities.
- Proviso 117.21 was amended by the conference committee to require organizations that receive contributions from state agencies funded through the state budget to submit certain reports to the state about their organizations and how they use the contributions.

Stay in the loop with the Association

The Municipal Association of SC has several ways for local elected officials to stay in the loop with action in the General Assembly.

- Read general background information on legislative topics in the monthly *Uptown* publication and get more detailed information in the *City Connect* blog.
- The Association's legislative tracking system allows for detailed searching of specific bills and daily legislative activity. *From the Dome to Your Home* is emailed out every Friday during the legislative session to recap the week's legislative action with details on bills and action needed from local elected officials.
- Every Monday in the *Uptown Update* during the legislative session, the *City Quick Connect* podcast brings listeners the prior week's legislative action coupled with interviews and discussions with the legislative team.
- Follow the Association and the Association's legislative team on Twitter for real-time notification of legislative happenings and Association news and resources.





Legislative Session by the Numbers

4,800+ Subscribers to the weekly legislative report
From the Dome to Your Home

672 listeners to City Quick Connect podcast

265 Local officials participating in the nine 2018 Regional Advocacy Meetings

352 Tracked bills impacting SC cities and towns



600+ Tweets about timely issues & legislative developments

587 Local officials attending 2019 Hometown Legislative Action Day

1,084 website views of From the Dome to Your Home

Municipal Association Legislative Staff

Casey Fields, Manager for Municipal Advocacy
803.933.1256 (cfields@masc.sc)

Melissa Harrill, Research and Legislative Liaison
803.933.1251 (mharrill@masc.sc)

Scott Slatton, Legislative and Public Policy Advocate
803.933.1203 (sslatton@masc.sc)

Tigerron Wells, Director of Governmental Affairs
803.933.1270 (twells@masc.sc)



@MuniAssnSC
@MelissaMuniSC
@ScottMuniSC
@TigerMuniSC



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