



From the Dome to Your Home

Legislative Report

2023 session of the 125th General Assembly



Municipal Association
of South Carolina

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The first year of the 2023 – 2024 regular session of the 125th General Assembly was gavelled to a close May 11, 2023. However, legislators returned to Columbia at Gov. Henry McMaster’s order several times in May and June to debate and adopt the state budget and other legislation. Because legislators did not pass a sine die, or adjournment, resolution, they were not limited to the bills they could act on.

The state budget

House and Senate members returned to Columbia in June to adopt the budget conference report.

The final budget includes these items:

- \$13.2 million added to the Local Government Fund base amount. The legislature fully funded the LGF at 5% for FY 2023-2024 in accordance with Act 84, which passed in 2019;
- \$20 million in onetime nonrecurring funds to county transportation committees, also known as CTCs, for secondary and low volume primary roads;
- \$40.1 million to cover 1% of the increase in public employers’ retirement system contributions;
- \$750,000 for post-traumatic stress disorder treatment services for first responders, which includes the additional \$250,000 from last year;
- \$121.5 million for the state’s share of the State Health Plan, including expanded well visits, prescribed contraceptives for dependents, and annual gynecological visits for women;
- \$3 million in recurring dollars to fund the Volunteer Strategic Assistance and Fire Equipment program, or V-SAFE program;
- \$95,000 in new nonrecurring dollars towards the SC State Association of Fire Chiefs;
- \$12 million to the Rural County Stabilization Fund;
- \$36 million for the SC Dam Safety Emergency Fund;
- \$4 million to the SC Department of Mental Health – Statewide 988 Call Center and Suicide Prevention;
- \$2.5 million for tourism promotions;
- \$13.5 million for destination-specific grants;
- \$200 million to the SC Office of Resilience for disaster relief;
- \$1.5 million in recurring funds to supplement the state’s 10 Councils of Governments;
- \$3 million in recurring funds to fund the Aid to Counties – Magistrates;
- \$3.9 million in recurring funds for Aid to Fire Districts;
- \$3.8 million in recurring dollars for the Firefighter Cancer Fund;
- \$25 million to the SC Conservation Bank;
- \$400,000 to the SC Department of Public Safety for prison mental health pilot program; and
- \$7.5 million to the SC Rural Infrastructure Authority for the Rural Infrastructure Fund.

Some provisos that made it into the final version of the budget have an impact on cities and towns. The short-term rental proviso that prohibits cities and towns from banning short term rentals was removed from the budget.

108.16 (PEBA: PORS and SCRS Return to Work)

For compensation earnings during the current fiscal year, the earnings limitation does not apply if members of the Police Officer Retirement System have not been engaged to perform services for a participating employer in the system or any other system provided in Title 9 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 subsequent to retirement. The exemption provided under this provision does not apply unless members first certify to the system that they satisfy the requirements for the exemption. If members inaccurately certify that they satisfy the requirements for the exemption provided in this provision, they are responsible for reimbursing the system for any benefits wrongly paid to them.

For compensation earnings during the current fiscal year, the earnings limitation does not apply if members of the South Carolina Retirement System have not been engaged to perform services for a participating employer in the system or any other system provided in Title 9 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 subsequent to retirement. The exemption provided under this provision does not apply unless members first certify to the system that they satisfy the requirements for the exemption. If members inaccurately certify that they satisfy the requirements for the exemption provided in this provision, they are responsible for reimbursing the system for any benefits wrongly paid to them.

108.17 (PEBA: PORS Return to Work)

If members of the Police Officer Retirement System choose to engage in the Return to Work program, their 12-month period spent not engaging in officer duties shall not cause them to lose their license or be unable to perform the duties of a police officer. Officers participating in the Return to Work program shall be required to meet continuous training and education requirements of the South Carolina Law Enforcement Academy.

108.6 (PEBA: State Health Plan)

Of the funds authorized for the State Health Plan pursuant to SC Code Section 1-11-710(A)(2), an employer premium increase of 3.7% and no subscriber premium increase will result for the standard State Health Plan for Plan Year 2024.

113.9 (AS-TREAS: Rural County Stabilization Fund)

There is created in Aid to Subdivisions – State Treasurer the Rural County Stabilization Fund. Any county that has population growth, as determined by the 2020 Census, of less than 5.35% since the 2010 census shall be eligible to receive monies from the fund as follows:

1. a baseline of \$300,000 to each eligible county;
2. an additional \$100,000 to eligible counties with a population between 50,000 and 99,999; and
3. an additional \$200,000 to eligible counties with a population of more than 100,000.

After disbursement of funds, any monies remaining shall be distributed to each eligible county on a pro rata basis. In the event the amount of funds in the Rural County Stabilization Fund is not sufficient to provide monies to counties according to the above formula, the amounts distributed to counties shall be reduced on a pro rata basis.

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 week 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.

Bills passed by the General Assembly in 2023

From banning squat trucks to municipal audits, the General Assembly passed several bills that directly affect cities and towns and the different ways local leaders govern and make decisions. The Municipal Association tracked more than 250 bills during the 2023 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 2023 session are highlighted here.

Squat trucks

S363 (R31, A24) prohibits motor vehicle modifications that result in a motor vehicle's front fender being raised 4 or more inches above the height of the rear fender. S363 was passed by the Senate and the House of Representatives and signed into law by the governor. This new law takes effect 180 days after the signature of the governor. A second 180-day warning period will commence after the effective date. During this time, law enforcement may only issue warning tickets for squat trucks. Because of concerns for the safety of pedestrians in downtown districts, the Municipal Association included banning squat trucks in its 2023 – 2024 Advocacy Initiatives.

Municipal audits

S31 (R63, A71) allows cities and towns with less than \$500,000 in total revenues the option of providing a compilation of financial statements instead of a full audit. The bill also includes language that shifts the responsibility of collecting county audits from the state's comptroller general to the state treasurer and allows the treasurer to grant a 90-day extension to counties that show probable cause for an extension. S31 was passed by the Senate and the House of Representatives and vetoed by the governor. Both the Senate and House voted to override the veto and the law is in effect. The Municipal Association included the permitting of financial statements for smaller cities in its 2023 – 2024 Advocacy Initiatives. Applying mostly to small towns with limited budgets, this new law will allow cities to catch up with financial reporting and begin receiving Local Government Fund revenue again.

Workforce housing

S284 (R66, A57) allows state and local accommodations taxes to be used for

the development of workforce housing. The bill also includes a 15% cap on the amount of accommodations taxes that may be used for workforce housing; includes a seven-year sunset; and requires a report to the General Assembly on the effect that the implemented legislation has on tourism and workforce housing. S284 was passed by the Senate and the House of Representatives and signed into law by the governor.

Tobacco flavoring

H3681 (R46, A38) prohibits municipalities from enacting laws, ordinances or rules pertaining to ingredients and flavors of cigarettes or e-cigarettes. This bill allows cities and towns to continue to control zoning for shops that sell these products, and grandfathers in cities and towns that have ordinances adopted before 2021 relating to ingredients and flavors of tobacco. H3681 was passed by the House of Representative sand the Senate and signed into law by the governor.

American Rescue Plan Act

S604 (R10, A6) allocates the remainder of the state's American Rescue Plan Act funding. The bill also authorizes the SC Office of Resilience to use its ARPA allocation to mitigate the potential release of contamination associated with the USS Yorktown. The Senate and House of Representatives passed S604 and the governor signed it into law dispersing the funding for projects.

Fentanyl trafficking

H3503 (R97, A72) imposes a mandatory minimum sentence of seven years for anyone in possession of 4 to 14 grams of fentanyl. The penalties increase as the amount of fentanyl in possession increases. The bill includes a possession-with-intent-to-distribute charge and a simple-possession charge with 2 grams or more. The bill also makes it illegal for

someone who is convicted of distribution, manufacturing or trafficking of a controlled substance to possess a firearm. The House of Representatives concurred on the Senate amendments to the bill and it was signed into law by the governor. The Municipal Association included fentanyl trafficking penalties in its 2023 – 2024 Advocacy Initiatives.

Bond reform

H3532 (R98, A83) the bond reform bill, includes language regarding the criteria for a person who commits a crime while out on bond; clarifies that the SC Law Enforcement Division will govern the electronic monitoring system; and gives bail bond agents additional time to get mandated property and casualty insurance. A conference committee was appointed to work out the difference between the House and Senate versions of the bill. The conference report was adopted and it was signed into law by the governor.

First responder death benefit

S108 (R91, A75) the first responder death benefit bill, provides a \$150,000 death benefit for first responders including law enforcement officers and firefighters who are a killed in the line of duty. The House of Representatives and Senate appointed a conference committee to work out the differences in the bill. Once the conference report was adopted, it was signed into law by the governor.

Electrical utility system

S330 (R92, A76), imposes tiered criminal penalties for damage to an electric utility system including natural gas facilities and natural gas pipeline infrastructures. A conference committee was appointed to work out the differences between the House and Senate version of the bill. Once the conference report was adopted, the governor signed the bill into law.

Bills still active for the 2024 session of the General Assembly

Many of the 250 bills that the Association tracked during the 2023 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 2024 legislative session beginning in January. Find all the bills the Association tracked for cities and towns during the 2023 session online at www.masc.sc (keyword: legislative tracking). Several of the most important pending bills are listed below.

Short term rentals

H3253 would prohibit cities and towns from banning and regulating short-term rentals. The bill was introduced and received two subcommittee hearings toward the end of the legislative session. The subcommittee did not take action on the bill and it remains active for the 2024 session. Several attempts to pre-empt local regulation of short-term rentals through budget provisos were also opposed. The Municipal Association included preserving the ability for cities and towns to regulate short term rentals in its 2023 – 2024 Advocacy Initiatives.

Hate crimes

H3014, the Clementa C. Pinckney Hate Crimes Act, creates additional penalties for people who commit certain crimes when the victim was intentionally selected based on race, color, religion, sex, gender, national origin, sexual orientation, or physical or mental disability. The House of Representatives passed this bill in March. The Senate Judiciary Committee gave the bill a favorable report to the floor of the Senate, where it remains. Sens. Richard Cash and Dwight Loftis are objecting to the bill, which blocks it from

being brought up for debate. The Municipal Association included hate crime legislation in its 2023 – 2024 Advocacy Initiatives.

Election standardization

H3734 makes several changes to municipal elections including dates, voting machines and terms of office. The bill was passed by the House of Representatives and remains in the Senate Judiciary Committee.

Police retiree return to work

H3425 removes the SC Police Officers Retirement System and SC Retirement System earnings limitation upon returning to work after 12 consecutive months away from work. The bill also removes the limitation if employment is for a critical needs law enforcement position as determined by the Law Enforcement Training Council. This bill was passed by the House of Representatives and it remains in the Senate Finance Committee for debate.

Tort reform

S87 increases the limits on liability from a loss to one person arising from a single

occurrence to \$500,000 and the total limits from a loss arising out of a single occurrence to \$1 million. This bill was introduced in the Senate and received several Senate Judiciary subcommittee hearings. The bill was never reported out of the full committee.

Workers' compensation

S251 is a bill provides workers' compensation benefits for a first responder diagnosed with post-traumatic stress disorder in the course and scope of employment. The bill was passed by a Senate Judiciary subcommittee and remains in the Senate Judiciary Committee.

Enclave annexation

H3236 authorizes a municipal council to annex an area by ordinance if the area is completely surrounded by the municipality for no less than five years. The bill was introduced and referred to the House Medical, Military, Public and Municipal Affairs Committee. Allowing cities and towns to close doughnut holes to increase efficiency is included as one of the Municipal Association's 2023-2024 Advocacy Initiatives.

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Legislative Session by the Numbers

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30,580+

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team

254

Tracked bills impacting **SC cities
and towns**

Hold the date for Regional Advocacy Meetings

Municipal officials will have multiple 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 2024 session.

Each meeting will begin at 11 a.m. and end by 1 p.m. with lunch. There is no cost to attend, but registration is necessary. Visit www.masc.sc (keyword: regional advocacy) to register online and for directions. Contact Casey Fields at 803.933.1256 or cfields@masc.sc with any questions

September 6 – Lowcountry COG, Lowcountry COG Meeting Room

September 12 – Conway, 5th and Main Building

September 26 – Goose Creek, Fire Department Training Room

September 27 – Lexington, Municipal Conference Center Ballroom

September 28 – Hartsville, Hartsville Museum

October 12 – Rock Hill, Manchester Meadows Conference Room

October 17 – Greenville, Prisma Health Welcome Center at Unity Park

October 18 – Virtual session

