February 16, 2020

\*\*\*The House Ways and Means Committee will meet Tuesday, February 18, 2020, at 11:00 AM in Room 521 of the Blatt Building. The committee will begin budget deliberations and will continue budget work throughout the week until completed.

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. The Department of Revenue will issue all rebates on a basis proportional to the amount paid. 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 62.23 - FIRST RESPONDER PTSD TREATMENT

The Executive Budget recommends adding this proviso directing SLED to distribute funds to the SLED Assistance Program to reimburse law enforcement officers who incur mental injury as a result of a critical incident during the scope of employment. The Governor placed \$250,000 (recurring) in SLED's budget. The Ways and Means Committee is currently developing its FY20-21 Budget.

## 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 with an as an emptone of the senate Finance.

S.18 HABITUAL TRAFFIC OFFENDERS, DUI AND DUAC OFFENDERS, AND THE INTERLOCK IGNITION DEVICES PROGRAM by Senator Hutto The bill provides that motorists, including motorists under 21, would have an option of enrolling in, and obtaining, a restricted license under the Ignition Interlock Device Program in lieu of serving all of their regular drivers' license suspension periods. All requests for restoration of driving privileges by motorists who have been classified habitual offenders would include ignition interlock restrictions. Eliminates provisional licenses for first offense driving under the influence for offenses happening after the effective date of this act. Requires ignition interlock device manufacturers to pay certification fees. Records of ignition interlock devices would be placed with the SC Department of Probation, Parole and Pardon Service. Ignition interlock device restrictions would be placed on temporary alcohol licenses. Route-restricted licenses would be deleted. Requires an ignition interlock device to be installed when first-time DUI offenders seek to end any suspension. Also details the right of any accused motorist to pay for independent testing. The Senate adopted S.18 and sent it to the House of Representatives where it was referred to Judiciary. Testimony on S.18 was received by the subcommittee on Wednesday, January 29. Time ran out with additional testimony from those wishing to speak remaining. An additional subcommittee meeting has been scheduled for Wednesday, February 19, 2020 @ 9am in Room 516 Blatt Building to receive the remaining testimony.

H.3968 ASSET FORFEITURE AND PRIVATE PROPERTY PROTECTION ACT Rep. Clemmons This bill enacts the "Asset Forfeiture and Private Property Protection Act." It specifies property subject to forfeiture after criminal convictions. The State of South Carolina could petition for substitute property in certain circumstances. Describes the circumstances when state entities can transfer criminal investigations to the federal government. Any property subject to forfeiture would have to be identified in an indictment, or by information in court proceedings. Requires law enforcement officers who seize property to give itemized receipts. At the time any property is seized, provisional title would then be in the name of the State of South Carolina. Owners could post bond or give substitute property in certain circumstances. With these seizures, procedures for the criminal charge resolution and property seizure disposition are described. Sets out appeal procedures and other particulars. Requires all state law enforcement agencies to submit annual seizure and forfeiture reports to the attorney general. The bill is currently in House Judiciary.

H.3307 ELECTRONIC CASE TRACKING ACCESS Rep. Clemmons This bill requires SLED to establish and maintain a case tracking system and searchable website that includes certain information about property seized by law enforcement agencies and forfeited under state law or obtained under any agreement with the federal government. H.3307 has been adopted in the House of Representatives and sent to the Senate. The bill is on the Senate Floor awaiting 2nd reading. Contested by Senator Hutto.

H.3322 COMPREHENSIVE CRIMINAL PROCESS AND CRIMINAL PENALTIES REFORM (Sentencing Reform) Rep. Pitts This proposed legislation is lengthy and comprehensive. It, among many other things, would immediately parole inmates incarcerated for specified, nonviolent offenses. It would also require courts to take into account the financial resources of defendants before ordering restitution to be paid. Payment schedules would have to be developed for defendants. It also limits revocation of probation for mere technical noncompliance events by probationers. Parole would be made available to terminally ill, geriatric, or permanently disabled inmates. Inmates serving for 15 years could petition courts for sentence modification. The more comprehensive portion of this proposed legislation would remove the mandatory minimum sentences from over 275 criminal offenses that cover a vast spectrum of subjects-- including, but not limited to-agriculture, alcohol, banking, business licensing and operation, contraband in detention facilities, drivers licenses, drugs, education, elections, environmental affairs, fire codes, fireworks, fishing, food safety, fraud, guns, hunting, inmates, larceny, juveniles, law enforcement, marriage, mining, motor vehicles, public funds, product labeling, professional licensing and practices, public officials, public service, riots, robbery, sex crimes, trains and railroad operations, utility operations, vandalism, and other areas of our existing criminal laws. Directs each circuit solicitor to establish a drug court program for adults and juveniles, to provide criteria for the eligibility of persons charged with nonviolent offenses, to allow each circuit solicitor to establish an office of drug court program coordinator. Also directs the Commission on Prosecution Coordination to establish a state office of Drug Court Coordination, set fees for drug court program participation, and file annual reports detailing drug court program activities. Copies of this report would have to be given to the Sentencing Reform Oversight Committee. Sets out procedures for appointing and paying drug court judges. H.3322 is currently on the House Floor awaiting 2nd reading.

## SC FIRST RESPONDER CAUCUS

On Thursday, December 14, 2019 at 9:30am in room 112 of the Blatt Building, The First Responders Caucus held a public forum where public safety officials were given the opportunity to communicate concerns, bring forward ideas and ask questions regarding critical needs and issues our first responders are currently facing in South Carolina. The representatives in attendance were:

Representative Wooten (Lexington County); Representative Moss (Cherokee County); Representative Bryant (York County); Representative, Trantham (Greenville); Representative Gilliam (Union County); Representative

Representative Wooten chaired the meeting and allowed anyone who wished to speak on behalf of their agency, department, association etc. before the caucus members. He also called on Chief Robert Stewart to provide insight on topics such as hiring and retention of public safety officials which lead to Chief Stewart elaborating on the CAPS (Commission on the Advancement of Public Safety) report, salaries, retirement (defined benefits plan or defined contribution plan) for the PORS system, return-to-work (lifting the 10,000 cap and allowing folks to come back to work), PTSD treatment, mental health transport and more.

Representative Wooten also encouraged all in attendance to send concerns, those discussed in the meeting as well as issues not yet heard, to his email address in order to start gathering and organizing information before legislative session begins in January. Additional meetings will be held around the state so others in the law enforcement community will have the chance to attend and voice their needs.