



## 2022 Post-Session Legislative Update

- The 2022 regular legislative session was the second year of a two-year legislative session and adjourned pursuant to the [Sine Die Resolution](#) on Thursday, May 12<sup>th</sup> at 5:00 pm. Two special sessions were held on June 15<sup>th</sup> and June 28<sup>th</sup> respectively to adopt the FY 2022-23 State Budget Conference Report and allow for the consideration of budget vetoes issued by Governor McMaster. A third special session to consider legislation related to the U.S. Supreme Court's decision in the case of *Dobbs v. Jackson Women's Health Organization* is forthcoming, with the House of Representatives scheduled to reconvene on Tuesday, August 30<sup>th</sup> with the Senate tentatively scheduled to reconvene the week of September 6<sup>th</sup>.
- **[FY 2022-23 State Budget, effective July 1, 2022 – June 30, 2023](#)**
  - + \$712.8M recurring and \$1.015B nonrecurring (almost \$2 billion dollars total) to fund [S.1087](#), the Comprehensive Tax Cut Act of 2022.
  - + \$7.972M to exempt all military retirement pay from state income tax per [H.3247](#) signed into law on May 13<sup>th</sup>;
  - + \$3M nonrecurring under DHEC for the Conestee Dam Emergency Mitigation Project;
  - + \$2M nonrecurring under the Department of Administration for the Palmetto 800 Radio System for First Responders;
  - + \$750,000 for Law Enforcement and First Responders post-traumatic stress disorder treatment, plus an additional \$250,000 recurring for SLED and the Department of Labor, Licensing and Regulation for PTSD treatment;
  - + \$12.5M added to the base Local Government Fund
  - + \$20M nonrecurring under the Department of Public Safety for Local Body Cameras and Vests Grants;
  - + \$1 billion for the state's roadways;
  - + A 3% pay increase for state employees, along with a \$1,500.00 bonus in addition to no health insurance premium increase;
  - + \$37M for public employers such as local governments to pay for the 1% increase in retirement system contributions;
  - + \$3.5M for the Firefighter Cancer Fund;
  - + \$39M for workforce development scholarships through the Technical College System to help higher education students receive degrees or certificates in high-demand fields;
  - + A minimum starting salary of \$40,000.00 for K-12 teachers;
  - + \$100M nonrecurring for Capital Funding for Disadvantaged Schools;
  - + \$61.5M nonrecurring under the Department of Health and Human Services for Behavioral Health Programs; and
  - + \$10M nonrecurring under the Medical University of South Carolina re: infrastructure for the state's children's hospitals.

- [S.1087](#), the Comprehensive Tax Cut Act of 2022 was signed by Governor McMaster on June 17<sup>th</sup> and has the same effective date. Highlights:
  - + An immediate reduction of the top income tax rate from 7% to 6.5% with an additional 0.5% reduction down to 6% over five years if the state's general fund increases by a certain threshold, plus taking the number of income tax brackets down to three;
  - + An immediate reduction in the manufacturing property tax rate from 9% to 6% while ensuring local governments are made whole due to any lost revenue as a result of the reduction; and
  - + A \$1 billion dollar taxpayer rebate which will be distributed late this year.
- **Major Changes in Senate and House Leadership:** Senator Thomas Alexander (R, Oconee) was sworn in as Senate President, and Senator Harvey Peeler (R, Cherokee) became Senate Finance Committee Chairman in December 2021. In May, former Speaker of the House Jay Lucas resigned from office, and former House Ways and Means Committee Chairman Murrell Smith (R, Sumter) was elected by acclamation as the new Speaker of the House. Representative David Hiott (R, Pickens) was also elected by his colleagues as the new House Majority Leader in May.

### **Major Initiatives Achieving Passage**

- [H.5075](#): **Housing Tax Credit Bill**  
To address affordable housing gaps in the state, the General Assembly passed a bill creating a 4% state tax credit in 2021. Due to high demand of the program and the higher-than-expected fiscal impact, H.5075 (and the Senate companion bill S.1120) were introduced by leadership to address concerns by the State Fiscal Accountability Authority that the 4% state tax credit far exceeded expectations and needed to be scaled back. H.5075 sets an annual maximum of \$20 million dollars for all South Carolina housing tax credits and establishes allocation provisions to allow credits to be more evenly distributed across the state for the development of affordable housing in rural areas. The State Housing Authority has been tasked with establishing criteria for a competitive process which promotes the highest value and greatest public benefit. H.5075 was signed by Governor McMaster on May 16<sup>th</sup> and has the same effective date with certain tax year applications.
- [H.4408](#): **American Rescue Plan Act (ARPA) Authorizations**  
About \$1.9 billion of South Carolina's \$2.5 billion dollar allocation was authorized by H.4408, which was signed by Governor McMaster on Friday, May 13<sup>th</sup>. These allocations have been called "transformational" for the state with \$900 million being spent on water, sewer and stormwater infrastructure through competitive grants issued through the South Carolina Rural Infrastructure Authority, \$453 million for the widening of Interstate 26 between Columbia and Charleston and a portion of Interstate 95, \$100 million for the Office of Resilience to assist with flood mitigation and other initiatives, \$104 million to build a new laboratory for the Department of Health and Environmental Control and \$400 million for the Office of Regulatory Staff to expand broadband internet throughout the state. The remaining \$600 million will be allocated at a later date.

- **[H.3050: Law Enforcement Reform](#)**

H.3050 prohibits noncertified law enforcement officer chaperones and revises law enforcement practices to establish minimum standards regarding the limited use of chokeholds and addresses use-of-force continuum, vehicle pursuit standards, officers' duties to intervene in the abuse of anyone by other officers (along with misconduct prosecutions for failing to intervene in these situations), use of no-knock warrants and the use of body cameras. Law enforcement agencies are required to fully cooperate in investigations performed by the Law Enforcement Academy or its Law Enforcement Training Council, and the Compliance Division will become operational to enforce standards for training and exercising law enforcement authority. H.3050 was signed into law by Governor McMaster on May 23<sup>rd</sup> and has the same effective date except for certain sections of the bill which will become effective January 1, 2023.

- **[S.108: Early Voting / Election Commission Revisions](#)**

After much concern that a controversial Senate amendment would tank this bipartisan initiative, Senate and House leadership agreed to a compromise which allowed the bill's passage. The compromise included allowing a process to remove the State Election Commission Director and Board members if it is determined enforcement of state election laws is not being adhered to. No-excuse early voting in the state has been extended by two weeks, and procedures are established for county election officials to begin tabulating the results of those early ballots prior to Election Day. Absentee voting by mail is allowed for citizens with disabilities, military personnel, those 65 years of age and older and those on vacation spanning the entire time voting is open.

### **Initiatives Failing to Achieve Passage**

- **[H.3989, Tree Ordinance Legislation](#)** – issue resolved locally, will continue monitoring for future initiatives.

- **[H.4060, Building Codes Bill](#)** – passed the House of Representatives but did not receive traction in the Senate Labor, Commerce and Industry Committee. Closely monitored to ensure compromise language remained intact.

- **[H.4387, Double Taxation of Certain Properties](#)** – did not receive traction by the House Ways and Means Committee.

- **Affordable Housing / Inclusionary Zoning – [S.258](#) and [H.3938](#):** – S.258 languished in the Senate Judiciary Committee, while House floor debate of H.3938 stretched from the 2021 session into 2022 when the bill was ultimately “Continued” by a division vote of 61 to 41.

- These bills were part of the City's ongoing efforts of working with The Greenville Housing Authority, coalition partners and others to address the affordable housing crisis.

- **[S.528, SC Home Attainability Act / House Companion](#) – [H.3863](#):** S.528 received one Subcommittee hearing in Senate Judiciary / H.3863 did not receive traction in the House Labor, Commerce and Industry Committee.

- **Preemption Bills Impacting Home Rule and Local Government’s ability to enact ordinances regarding specific initiatives**
  - o Tobacco Preemption – [H.3681](#) – passed the House in 2021 / held on the Senate floor throughout 2022 with two Senators objecting.
  - o COVID-19 Vaccines and Mask Mandates.
  
- **[S.536](#), Gross Revenue generated from Sales of Meals in Bars**
  - o Introduced by Senator Dick Harpootlian, who lives in Five Points (Columbia), as an attempt to address years-long issues with college students patronizing bars and causing issues for residents. One Senate Judiciary Subcommittee hearing was held.
  
- **[H.3357](#), Municipalities Removing Monuments**
  - o Introduced by Representative Stewart Jones (Greenwood) who also introduced [H.3358](#), which would fine any member of a local governing body voting for the removal of a monument \$25 million dollars.
  - o Numerous additional bills prohibiting the removal of monuments were introduced early in 2021, but no action was taken.
  
- **[H.3392](#), Sales Tax Exemptions**
  - o Would have eliminate most sales tax exemptions, reformed others, and taxed some services to bring the current state 6% sales tax rate down to 3 – 4%. Tax reform has been discussed for years, and the 2019-20 House Tax Reform Committee chaired by Speaker Pro Tempore Tommy Pope was reviewing ways to create a “Broader, Fairer, Flatter” state tax system, including reforms of personal income tax, property tax and corporate income tax. With the pandemic, V.C. Summer and other major issues rising to the top of the priority list for the past several years, the juggernaut of tax reform has been on the back burner for consideration.
  - o Senator Sean Bennett (R, Summerville) and Senator Josh Kimbrell (R, Spartanburg) have said tax reform will be a major issue in the Senate during the 2023 – 2024 legislative session.

## 2023 Legislative Preview

- **November General Election**
  - o Office of the Governor / Lieutenant Governor, Constitutional Officers and the state House of Representatives
  - o New Members of the House of Representatives
  - o New Members of the Greenville County Legislative Delegation
  
- **December Organizational Session for the House of Representatives**
  - o Speaker of the House Murrell Smith; Committee assignments
  - o House Majority Leader David Hiott
  - o New Chairman of the House Ways and Means Committee

- **City of Greenville 2023 Priorities**
  - o Annexation: Sample bills from the 2021-22 session include [H.3198](#) (Pendarvis, Alexander and Daning) and [H.5196](#) (Bustos)
  - o Ongoing Efforts with The Greenville Housing Authority
    - RPL, on behalf of the City of Greenville / The Greenville Housing Authority, is working with a broad coalition to continue educating the General Assembly regarding the great need for more affordable housing across the state.
  - o Taxation and Tax Reform
  - o City Council Priorities, including State Budget Initiatives
  
- **Greenville County Legislative Delegation Event; Relationship Building**
  - o New Members of the Delegation
  - o Representatives Garry Smith, Rita Allison, Leola C. Robinson and West Cox; new Delegation member – Representative Alan Morgan (R, Greer)
  - o City of Greenville’s social media; suggestions for positive outreach
  
- **Monitoring and Administrative Services provided by Riley Pope & Laney, LLC**
  - o Under the Dome session-weekly legislative report
  - o Legislative Monitoring; Communication; News Articles
  - o Bill Updates; Custom Legislative Tracking Lists and Reports
  - o Session-weekly Municipal Association of South Carolina Update Calls
  - o How RPL can customize service to the City of Greenville
  
- **Legislative Calendar 2022-23**
  - o Prefiled Legislation to be issued in December
  - o 125<sup>th</sup> Session of the South Carolina General Assembly – 1<sup>st</sup> Regular Session (2023)
    - Will convene on Tuesday, January 10, 2023
    - First year of a two-year session
    - Legislation not enacted during the 2023 session hold its place in the legislative process and carry over to 2024
    - Crossover deadline is Thursday, April 6<sup>th</sup> (last legislative day before April 10<sup>th</sup>) for legislation to pass from one chamber to the other; after this date a 2/3 vote of the receiving chamber is required to consider a bill
    - Statutory Sine Die date – Thursday, May 11, 2023
  
- **Municipal Association of South Carolina**
  - [Fall Regional Advocacy Meetings](#)

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