**Tuesday, January 31, 2012**

**(Statewide Session)**

~~Indicates Matter Stricken~~

## Indicates New Matter

The Senate assembled at 12:00 Noon, the hour to which it stood adjourned, and was called to order by the PRESIDENT.

A quorum being present, the proceedings were opened with a devotion by the Chaplain as follows:

The Psalmist wrote:

“With my whole heart I seek you; do not let me stray from your commandments.” (Psalm 119:10)

Please, friends, bow in prayer with me:

Holy God, we thank You that by Your Spirit’s grace You keep us focused. Without Your guidance we might all find ourselves straying from the direction that You want us to go. We pray, Lord, that each Senator who serves You in this Chamber will choose to trust in You, to follow You, and to remain oriented in ways that ultimately benefit the people of South Carolina. And we ask, O God, that You continue to embrace Senator McCONNELL in Your loving care during his illness. In Your name we pray, Lord.

Amen.

The PRESIDENT called for Petitions, Memorials, Presentments of Grand Juries and such like papers.

**REGULATIONS RECEIVED**

The following were received and referred to the appropriate committees for consideration:

Document No. 4212

Agency: Department of Health and Environmental Control

Chapter: 61

Statutory Authority: 1976 Code Sections 48-1-10 et seq.

SUBJECT: Water Classifications and Standards; and Classified Waters

Received by Lieutenant Governor January 30, 2012

Referred to Agriculture and Natural Resources Committee

Legislative Review Expiration May 29, 2012

Document No. 4256

Agency: Department of Employment and Workforce

Chapter: 47

Statutory Authority: 1976 Code Section 41-29-110

SUBJECT: Offers of Work

Received by Lieutenant Governor January 26, 2012

Referred to Labor, Commerce and Industry Committee

Legislative Review Expiration May 25, 2012

**Doctor of the Day**

Senators COURSON, LOURIE and SCOTT introduced Drs. Patricia Witherspoon, Stephanie Sharperson and Ashley Wilson of Columbia, S.C., Doctors of the Day.

**Leave of Absence**

On motion of Senator CROMER, at 12:05 P.M., Senator CLEARY was granted a leave of absence for the week.

**Leave of Absence**

On motion of Senators LEATHERMAN and FORD, at 12:05 P.M., Senator McCONNELL was granted a leave of absence for today.

**Leave of Absence**

At 12:20 P.M., Senator HAYES requested a leave of absence until 12:45 P.M.

**Leave of Absence**

At 12:30 P.M., Senator SCOTT requested a leave of absence beginning at 5:00 P.M. this evening and lasting until 9:00 A.M. Thursday morning.

**CO-SPONSORS ADDED**

The following co-sponsors were added to the respective Bills:

S. 1031 Sen. Alexander

S. 1071 Sen. Rose

S. 1086 Sen. Rose

S. 1089 Sen. Rose

S. 1107 Sen. Rose

S. 1114 Sen. Alexander

S. 1121 Sen. Rose

S. 1126 Sen. Rose

S. 1133 Sen. Rose

S. 1143 Sen. Rose

S. 1148 Sen. Rose

S. 1151 Sens. Rose, Leventis

S. 1152 Sens. Rose, Setzler

**Expression of Personal Interest**

Senator HUTTO rose for an Expression of Personal Interest.

**Expression of Personal Interest**

Senator DAVIS rose for an Expression of Personal Interest.

**Expression of Personal Interest**

Senator LEVENTIS rose for an Expression of Personal Interest.

**RECALLED AND ADOPTED**

S. 1095 -- Senators Lourie, Davis, Campsen, Hutto, Sheheen, Land, Knotts, Coleman, Elliott, Rose and Courson: A CONCURRENT RESOLUTION RELATING TO THE DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL BOARD’S VOTE TO APPROVE THE UNITED STATES CORPS OF ENGINEER’S APPLICATION TO DREDGE THE SAVANNAH RIVER, TO RESOLVE THAT THE BOARD ACTED WITHOUT ANY INDEPENDENT CONSIDERATION AND ANALYSIS AND NEGLECTED ITS DUTY TO PROTECT THE ENVIRONMENT IN SOUTH CAROLINA, AND TO CALL UPON THE BOARD TO RECONSIDER THE MATTER AND OVERTURN THE BOARD’S APPLICATION APPROVAL.

Senator PEELER asked unanimous consent to make a motion to recall the Concurrent Resolution from the Committee on Medical Affairs.

The Concurrent Resolution was recalled from the Committee on Medical Affairs.

Senator THOMAS asked unanimous consent to take the Concurrent Resolution up for immediate consideration.

There was no objection.

The Senate proceeded to a consideration of the Concurrent Resolution, the question being the adoption of the Resolution.

The Concurrent Resolution was adopted, ordered sent to the House.

**Statement by Senator HAYES**

Having been out of the Chamber at the time the vote was taken, I would have voted in favor of the adoption of the Concurrent Resolution, H. 3630.

**RECALLED AND READ THE SECOND TIME**

S. 1115 -- Senators McConnell, Malloy, Leventis, Lourie, Alexander, Anderson, Bright, Bryant, Campbell, Campsen, Cleary, Coleman, Courson, Cromer, Elliott, Fair, Ford, Gregory, Grooms, Hayes, Hutto, Jackson, Knotts, Land, Leatherman, L. Martin, S. Martin, Massey, Matthews, McGill, Nicholson, O’Dell, Peeler, Pinckney, Rankin, Reese, Rose, Scott, Setzler, Sheheen, Shoopman, Thomas, Verdin and Williams: A JOINT RESOLUTION TO SUSPEND THE AUTHORITY OF THE SOUTH CAROLINA DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL FOR ALL DECISIONS SUBSEQUENT TO 2007 PERTAINING TO THE NAVIGABILITY, DEPTH, DREDGING, WASTEWATER AND SLUDGE DISPOSAL, AND RELATED COLLATERAL ISSUES OF THE SOUTH CAROLINA PORTION OF THE SAVANNAH RIVER BECAUSE THE AUTHORITY OF THE SAVANNAH RIVER MARITIME COMMISSION SUPERSEDES AND REPLACES THE AUTHORITY OF THE SOUTH CAROLINA DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL WITH REGARD TO ALL ACTIONS CONCERNING THE SOUTH CAROLINA PORTION OF THE SAVANNAH RIVER BY ENACTMENT OF ACT NO. 56 OF 2007, EFFECTIVE MAY 1, 2007.

Senator PEELER asked unanimous consent to make a motion to recall the Joint Resolution from the Committee on Medical Affairs.

The Joint Resolution was recalled from the Committee on Medical Affairs.

Senator THOMAS asked unanimous consent to take the Joint Resolution up for immediate consideration.

There was no objection.

The Senate proceeded to a consideration of the Joint Resolution, the question being the second reading of the Joint Resolution.

The "ayes" and "nays" were demanded and taken, resulting as follows:

**Ayes 35; Nays 0**

**AYES**

Alexander Anderson Bright

Bryant Campbell Campsen

Coleman Courson Cromer

Davis Elliott Ford

Gregory Grooms Hutto

Knotts Land Leatherman

Leventis *Martin, Larry Martin, Shane*

Massey McGill Nicholson

O'Dell Peeler Pinckney

Reese Rose Ryberg

Scott Setzler Thomas

Verdin Williams

**Total--35**

**NAYS**

**Total--0**

The Joint Resolution was read the second time, passed and ordered to a third reading.

**Statement by Senator HAYES**

Having been out of the Chamber at the time the vote was taken, I would have voted in favor of the second reading of the Resolution, S. 1115.

**RECALLED AND READ THE SECOND TIME**

H. 4627 -- Reps. Merrill, Stavrinakis, Harrison, King, Knight, Williams, Jefferson, Johnson, Sabb, Munnerlyn, Anderson, G.A. Brown, Allison, Horne, Agnew, Gambrell, McCoy, Ryan, Mack, Gilliard, Sottile, Hardwick, Hearn, Weeks, Simrill, Pope, Delleney, Dillard, Sandifer, Erickson, Herbkersman, Brantley, Crosby, Daning, Brady, Quinn, Spires, Frye, Pitts, Southard, Butler Garrick, Pinson, Tallon, Long, Parker, Hodges, Whitmire, Anthony, Bannister, Putnam, Edge, Allen, Thayer, Funderburk, Lucas, Cobb‑Hunter, Howard, Harrell, Bowers, Patrick, Whipper, Bowen, White, Murphy and R.L. Brown: A JOINT RESOLUTION TO SUSPEND THE AUTHORITY OF THE SOUTH CAROLINA DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL FOR ALL DECISIONS SUBSEQUENT TO 2007 PERTAINING TO THE NAVIGABILITY, DEPTH, DREDGING, WASTEWATER AND SLUDGE DISPOSAL, AND RELATED COLLATERAL ISSUES OF THE SOUTH CAROLINA PORTION OF THE SAVANNAH RIVER BECAUSE THE AUTHORITY OF THE SAVANNAH RIVER MARITIME COMMISSION SUPERSEDES AND REPLACES THE AUTHORITY OF THE SOUTH CAROLINA DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL WITH REGARD TO ALL ACTIONS CONCERNING THE SOUTH CAROLINA PORTION OF THE SAVANNAH RIVER BY ENACTMENT OF ACT 56 OF 2007, EFFECTIVE MAY 1, 2007.

Senator PEELER asked unanimous consent to make a motion to recall the Joint Resolution from the Committee on Medical Affairs.

The Joint Resolution was recalled from the Committee on Medical Affairs.

Senator THOMAS asked unanimous consent to take the Joint Resolution up for immediate consideration.

There was no objection.

The Senate proceeded to a consideration of the Joint Resolution, the question being the second reading of the Joint Resolution.

The "ayes" and "nays" were demanded and taken, resulting as follows:

**Ayes 37; Nays 0**

**AYES**

Alexander Anderson Bright

Bryant Campbell Campsen

Coleman Courson Cromer

Davis Elliott Fair

Ford Gregory Grooms

Hutto Knotts Land

Leatherman Leventis *Martin, Larry*

*Martin, Shane* Massey McGill

Nicholson O'Dell Peeler

Pinckney Reese Rose

Ryberg Scott Setzler

Shoopman Thomas Verdin

Williams

**Total--37**

**NAYS**

**Total--0**

The Joint Resolution was read the second time, passed and ordered to a third reading.

**Statement by Senator HAYES**

Having been out of the Chamber at the time the vote was taken, I would have voted in favor of second reading of the Resolution, H. 4627.

**INTRODUCTION OF BILLS AND RESOLUTIONS**

The following were introduced:

S. 1154 -- Senator Bryant: A SENATE RESOLUTION TO RECOGNIZE THE WREN HIGH SCHOOL “LADY HURRICANES” GOLF TEAM UPON WINNING THE 2011 CLASS AAAA STATE CHAMPIONSHIP TITLE.

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The Senate Resolution was adopted.

S. 1155 -- Senator Scott: A SENATE RESOLUTION TO RECOGNIZE AND CONGRATULATE THE REVEREND DR. ANTHONY A. MCCALLUM ON THE OCCASION OF HIS TENTH ANNIVERSARY AS MINISTER OF BETHLEHEM BAPTIST CHURCH AT COLLEGE PLACE IN COLUMBIA.

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The Senate Resolution was adopted.

S. 1156 -- Senator Scott: A SENATE RESOLUTION TO RECOGNIZE AND COMMEND AMIKIDS FOR GUIDING TROUBLED YOUTH INTO POSITIVE, PRODUCTIVE ALTERNATIVES TO PAST BEHAVIOR AND ENABLING THEM TO BECOME SUCCESSFUL CITIZENS OF THIS GREAT STATE.

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The Senate Resolution was adopted.

S. 1157 -- Senator Pinckney: A SENATE RESOLUTION TO RECOGNIZE AND HONOR JOHN H. MARTIN OF HAMPTON COUNTY, UPON HIS SELECTION AS THE 2011 PROFESSIONAL OF THE YEAR BY THE SOUTH CAROLINA MORTICIANS ASSOCIATION, INC.

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The Senate Resolution was adopted.

S. 1158 -- Senator Verdin: A BILL TO AMEND SECTION 6-19-30 OF THE 1976 CODE, RELATING TO WATER AND SEWER AUTHORITIES, DISTRICTS, OR SYSTEMS, TO INCREASE THE NUMBER OF MEMBERS ON THE ADVISORY COMMITTEE TO REFLECT THE ADDITION OF THE NEW CONGRESSIONAL DISTRICT; TO AMEND SECTION 48-39-40, RELATING TO THE COASTAL ZONE MANAGEMENT APPELLATE PANEL, TO INCREASE THE NUMBER OF MEMBERS TO REFLECT THE ADDITION OF THE NEW CONGRESSIONAL DISTRICT; TO AMEND SECTION 48-59-40, RELATING TO THE SOUTH CAROLINA CONSERVATION BANK, TO ADD TWO SEATS TO THE BANK'S BOARD, ONE MEMBER TO REPRESENT THE SEVENTH CONGRESSIONAL DISTRICT APPOINTED BY THE PRESIDENT PRO TEMPORE OF THE SENATE, AND ONE MEMBER FROM THE STATE AT LARGE APPOINTED BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES; AND TO AMEND SECTION 40-69-10, RELATING TO THE STATE BOARD OF VETERINARY EXAMINERS, TO INCREASE THE NUMBER OF MEMBERS TO REFLECT THE ADDITION OF THE NEW CONGRESSIONAL DISTRICT.

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Read the first time and referred to the Committee on Agriculture and Natural Resources.

S. 1159 -- Senator Knotts: A BILL TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 15-75-30 SO AS TO CREATE A CIVIL CAUSE OF ACTION FOR ALIENATION OF AFFECTION.

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Read the first time and referred to the Committee on Judiciary.

S. 1160 -- Senator Campsen: A BILL TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 58-27-665, TO PERMIT AN OWNER, DEVELOPER, OR GOVERNING BODY OF ANY MULTI-TENANT BUSINESS OR RESIDENTIAL PROPERTY TO METER ELECTRICITY.

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Read the first time and referred to the Committee on Judiciary.

S. 1161 -- Senator Knotts: A JOINT RESOLUTION PROPOSING AN AMENDMENT TO SECTION 1, ARTICLE VI OF THE CONSTITUTION OF SOUTH CAROLINA, 1895, RELATING TO ELIGIBILITY TO HOLD ELECTIVE OFFICE, SO AS TO PROVIDE THAT EXCEPT DURING THE FINAL YEAR OF THE TERM BEING SERVED, NO INCUMBENT ELECTIVE OFFICEHOLDER MAY OFFER FOR NOMINATION OR ELECTION TO ANOTHER LOCAL, STATE, OR FEDERAL ELECTIVE OFFICE.

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Read the first time and referred to the Committee on Judiciary.

S. 1162 -- Senators Grooms and Gregory: A BILL TO AMEND SECTION 57-1-10 OF THE 1976 CODE, RELATING TO DEFINITIONS CONCERNING THE DEPARTMENT OF TRANSPORTATION, TO REMOVE THE DEFINITION FOR “COMMISSION”; TO AMEND SECTION 57-1-20, RELATING TO THE ESTABLISHMENT OF THE DEPARTMENT OF TRANSPORTATION, TO PROVIDE THAT THE SECRETARY MAY ESTABLISH OTHER DEPARTMENTAL DIVISIONS RATHER THAN THE COMMISSION; TO AMEND SECTION 57-1-40, RELATING TO PROHIBITED ACTS, TO REMOVE REFERENCES TO DEPARTMENT OF TRANSPORTATION COMMISSIONERS; TO AMEND SECTION 57-1-410, TO ADD QUALIFICATIONS TO SERVE AS SECRETARY OF TRANSPORTATION, AND TO PROVIDE THAT A SECRETARY OF TRANSPORTATION APPOINTEE MAY NOT SERVE IN OFFICE UNTIL SCREENED BY THE JOINT TRANSPORTATION SCREENING AND OVERSIGHT COMMISSION; TO REPEAL ARTICLE 3, CHAPTER 1 OF TITLE 7 RELATING TO THE DEPARTMENT OF TRANSPORTATION COMMISSION; TO AMEND SECTION 57-1-430, RELATING TO THE DUTIES AND POWERS OF THE SECRETARY OF TRANSPORTATION, TO REMOVE REFERENCES TO THE DEPARTMENT OF TRANSPORTATION COMMISSION, AND TO VEST THE POWERS AND DUTIES OF THE COMMISSION IN THE SECRETARY; TO AMEND SECTION 57-1-460, RELATING TO THE EVALUATION AND APPROVAL OF ROUTINE OPERATIONS AND MAINTENANCE, TO DELETE THE CURRENT PROVISIONS AND TO PROVIDE THAT CONSULTING CONTRACTS AND SALES OF SURPLUS PROPERTY MUST BE CONDUCTED PURSUANT TO THE CONSOLIDATED PROCUREMENT CODE; TO AMEND SECTION 57-1-470, RELATING TO COMMISSION REVIEW OF ROUTINE MAINTENANCE AND EMERGENCY REPAIR REQUESTS, TO DELETE THE CURRENT PROVISIONS AND TO VEST IN THE SECRETARY THE DUTY TO DEVELOP AND IMPLEMENT THE STATEWIDE TRANSPORTATION PLAN AND THE STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM; TO AMEND SECTION 57-1-490, RELATING TO ANNUAL AUDITS, TO REMOVE REFERENCES TO THE DEPARTMENT OF TRANSPORTATION COMMISSION, AND TO PROVIDE FOR INTERNAL AUDITS PERFORMED BY THE DEPARTMENT OF TRANSPORTATION OFFICE OF INTERNAL AUDIT ESTABLISHED WITHIN THE LEGISLATIVE AUDIT COUNCIL; TO AMEND ARTICLE 7, CHAPTER 1 OF TITLE 57, RELATING TO THE JOINT TRANSPORTATION REVIEW COMMITTEE, TO PROVIDE THAT THE COMMITTEE MAY CONDUCT OVERSIGHT INVESTIGATIONS, TO PROVIDE THAT THE COMMITTEE MUST SCREEN SECRETARY OF TRANSPORTATION APPOINTEES, AND TO DELETE PROVISIONS RELATED TO SCREENING DEPARTMENT OF TRANSPORTATION COMMISSION CANDIDATES; TO AMEND CHAPTER 1, TITLE 57, RELATING TO THE DEPARTMENT OF TRANSPORTATION, BY ADDING ARTICLE 9 TO ESTABLISH THE JOINT TRANSPORTATION PLANNING REVIEW COMMITTEE AND TO PROVIDE FOR ITS MEMBERSHIP, POWERS, DUTIES, AND OBLIGATIONS; TO AMEND CHAPTER 15 OF TITLE 2, RELATING TO THE LEGISLATIVE AUDIT COUNCIL, BY ADDING SECTION 2-15-130, TO ESTABLISH THE DEPARTMENT OF TRANSPORTATION INTERNAL AUDIT OFFICE WITH THE LEGISLATIVE AUDIT COUNCIL, AND TO PRESCRIBE THE INTERNAL AUDIT OFFICE'S POWERS, DUTIES, AND RESPONSIBILITIES; AND TO AMEND CHAPTER 1, TITLE 57, RELATING TO THE DEPARTMENT OF TRANSPORTATION, BY ADDING SECTION 57-1-45 TO PROHIBIT CERTAIN ENGINEERS FROM PARTICIPATING IN DEPARTMENTAL CONTRACTING FOR THREE YEARS AFTER THEY LEAVE THE EMPLOYMENT OF THE DEPARTMENT.

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Read the first time and referred to the Committee on Transportation.

S. 1163 -- Senators Knotts and Land: A BILL TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA 1976, BY ADDING SECTION 40-56-3 SO AS TO PROVIDE THAT THE RETAIL SALE OF FIREWORKS IS SOLELY SUBJECT TO STATE REGULATION AND, EXCEPT FOR AN ORDINANCE IMPOSING A BUSINESS LICENSE TAX, IS NOT SUBJECT TO REGULATION BY ORDINANCES OF POLITICAL SUBDIVISIONS, INCLUDING ZONING ORDINANCES IF THE FIREWORKS RETAILER HAS A VALID STATE RETAIL LICENSE, COMPLIES WITH STATE SAFETY AND BUILDING CODE REQUIREMENTS, AND HAS A VALID FIREWORKS LICENSE ISSUED BY THE STATE BOARD OF PYROTECHNIC SAFETY.

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Read the first time and referred to the Committee on Labor, Commerce and Industry.

S. 1164 -- Senators O'Dell and Nicholson: A SENATE RESOLUTION TO RECOGNIZE AND HONOR THE ABBEVILLE HIGH SCHOOL VARSITY FOOTBALL TEAM, COACHES, AND SCHOOL OFFICIALS FOR AN OUTSTANDING SEASON, AND TO CONGRATULATE THEM FOR WINNING THE 2011 CLASS A STATE CHAMPIONSHIP TITLE.

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The Senate Resolution was adopted.

S. 1165 -- Senator Lourie: A SENATE RESOLUTION TO RECOGNIZE AND HONOR LIZZIE PADGET UPON THE OCCASION OF HER RETIREMENT AFTER THIRTY-EIGHT YEARS AS AN EDUCATOR IN RICHLAND SCHOOL DISTRICT TWO, AND TO WISH HER MANY YEARS OF CONTINUED HEALTH AND HAPPINESS IN ALL HER FUTURE ENDEAVORS.

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The Senate Resolution was adopted.

H. 4434 -- Reps. White, Gambrell and Thayer: A BILL TO AMEND ACT 794 OF 1966, AS AMENDED, RELATING TO THE PENDLETON DISTRICT HISTORICAL AND RECREATIONAL COMMISSION OF ANDERSON, OCONEE, AND PICKENS COUNTIES, SO AS TO PROVIDE THAT EFFECTIVE MARCH 1, 2012, THE NAME OF THE PENDLETON DISTRICT AGRICULTURAL MUSEUM MUST BE THE “BART GARRISON AGRICULTURAL MUSEUM OF SOUTH CAROLINA”.

Read the first time and referred to the Committee on Agriculture and Natural Resources.

H. 4475 -- Reps. Young, Clyburn, Taylor, Hixon, Frye, Southard, Clemmons and Hardwick: A BILL TO AMEND SECTION 47-9-710, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO DEFINITIONS FOR PURPOSES OF EQUINE LIABILITY IMMUNITY, SO AS TO INCLUDE TRAIL RIDING IN THE DEFINITION OF “EQUINE ACTIVITY”; AND TO AMEND SECTION 47-9-730, RELATING TO WARNING SIGNS REQUIRED TO BE POSTED BY EQUINE PROFESSIONALS AND EQUINE ACTIVITY SPONSORS, SO AS TO INCLUDE A REQUIREMENT THAT WARNING SIGNS ARE TO BE POSTED AT THE ENTRANCE TO RIDING TRAILS.

Read the first time and referred to the Committee on Agriculture and Natural Resources.

H. 4665 -- Reps. Hixon, Clyburn, J. R. Smith, Spires, Taylor and Young: A BILL TO AMEND ACT 571 OF 1967, AS AMENDED, RELATING TO THE EDGEFIELD COUNTY WATER AND SEWER AUTHORITY, THE BOUNDARIES OF WHICH PURSUANT TO THIS ACT INCLUDE AREAS IN EDGEFIELD AND AIKEN COUNTIES, SO AS TO REVISE THE MANNER IN WHICH THE EXISTING MEMBERS OF THE GOVERNING BODY OF THE AUTHORITY ARE APPOINTED, AND TO ADD TWO MEMBERS TO THE GOVERNING BODY OF THE AUTHORITY FROM THE AREAS IN AIKEN COUNTY SERVED BY THE AUTHORITY.

Read the first time and referred to the Committee on Judiciary.

**REPORTS OF STANDING COMMITTEES**

**Invitations Accepted**

The following invitations were polled favorably from the Invitations Committee and the members voting as follows:

**Poll of the Invitations Committee**

**Polled 11; Ayes 11; Nays 0; Not Voting 0**

**AYES**

Alexander Campsen Cromer

Elliott Ford Knotts

Malloy McGill O’Dell

Reese Verdin

**Total--11**

**NAYS**

**Total--0**

Wednesday, February 1, 2012 - 8:00 a.m. - 10:00 a.m.

Members of the Senate, Breakfast, Room 112 of the Blatt Building, by SC ASSOCIATION OF SCHOOL ADMINISTRATORS

Wednesday, February 1, 2012 - 12:00 - 2:00 p.m.

Members of the Senate and Staff, Luncheon, Room 112 of the Blatt Building, by CAROLINA RECYCLING ASSOCIATION

Wednesday, February 1, 2012 - 6:00 p.m. - 8:00 p.m.

Members of the Senate and Staff, Lexington County Night Reception, Columbia Metropolitan Convention Center, by LEXINGTON COUNTY NIGHT

Thursday, February 2, 2012 - 8:00 a.m. - 10:00 a.m.

Members of the Senate and Staff, Breakfast, Room 112 of the Blatt Building, by the SC CHILDREN’S HOSPITAL COLLABORATIVE

Tuesday, February 7, 2012 - 1:00 p.m. - 2:30 p.m.

Members of the Senate, Luncheon, Capital City Club, by the SC ARTS ALLIANCE

Tuesday, February 7, 2012 - 6:00 p.m. - 8:00 p.m.

Members of the Senate, Reception, Clarion Hotel Downtown, by Members of the SC SUPREME COURT, THE COURT OF APPEALS, THE CIRCUIT COURT, THE FAMILY AND MASTERS-IN-EQUITY OF SC

Tuesday, February 7, 2012 - 6:00 p.m. - 8:00 p.m.

Members of the Senate and Staff, Reception, Capital City Club, by the SC FUNERAL DIRECTORS ASSOCIATION

Wednesday, February 8, 2012 - 8:00 a.m. - 10:00 a.m.

Members of the Senate and Staff, Breakfast, Room 112 of the Blatt Building, by the SC PRIMARY HEALTH CARE ASSOCIATION

Wednesday, February 8, 2012 - 12:00 - 2:00 p.m.

Members of the Senate, Luncheon, Room 112 of the Blatt Building, by the WIL LOU GRAY OPPORTUNITY SCHOOL

Wednesday, February 8, 2012 - 6:00 p.m. - 8:00 p.m.

Members of the Senate and Staff, York County Night Reception, Columbia Marriott, by the YORK COUNTY REGIONAL CHAMBER OF COMMERCE

Wednesday, February 8, 2012 - 7:00 p.m. - 9:00 p.m.

Members of the Senate and Staff, Reception, Clarion Hotel Downtown, by the SC OPTOMETRIC PHYSICIANS ASSOCIATION

Thursday, February 9, 2012 - 8:00 a.m. - 10:00 a.m.

Members of the Senate and Staff, Breakfast, Room 112 of the Blatt Building, by the AMI KIDS, INC.

Tuesday, February 14, 2012 - 6:00 p.m. - 7:00 p.m.

Members of the Senate, Reception, Capital City Club, by the AMERICAN RED CROSS

Wednesday, February 15, 2012 - 6:00 p.m. - 7:00 p.m.

Members of the Senate, Reception, Columbia Marriott, by the MUNICIPAL ASSOCIATION OF SC

Tuesday, February 21, 2012 - 12:30 p.m. - 2:00 p.m.

Members of the Senate, Luncheon, Epworth Children’s Home, by the SC CONFERENCE UNITED METHODIST WOMEN

Tuesday, February 21, 2012 - 6:00 p.m. - 8:00 p.m.

Members of the Senate and Staff, Reception, Columbia Metropolitan Convention Center, by the ELECTRIC COOPERATIVES OF SC, INC.

Wednesday, February 22, 2012 - 8:00 a.m. - 10:00 a.m.

Members of the Senate and Staff, Breakfast, Room 112 of the Blatt Building, by the SC ASSOCIATION OF HEATING AND AC CONTRACTORS

Wednesday, February 22, 2012 - 12:00 - 2:00 p.m.

Members of the Senate, Luncheon, Room 112 of the Blatt Building, by the SC PUBLIC DEFENDER ASSOCIATION

Wednesday, February 22, 2012 - 6:00 p.m. - 7:00 p .m.

Members of the Senate and Staff, Reception, Embassy Suites Hotel, by the SC ASSOCIATION OF COUNTIES

Wednesday, February 22, 2012 - 6:00 p.m. - 8:00 p.m.

Members of the Senate and Staff, Reception, The Summit Club, by CAROLINAS AGC

Thursday, February 23, 2012 - 8:00 a.m. - 10:00 a.m.

Members of the Senate, Breakfast, Room 112 of the Blatt Building, by the SC NURSERY AND LANDSCAPE ASSOCIATION AND SC GREENHOUSE GROWERS ASSOCIATION

Tuesday, February 28, 2012 - 6:00 p.m.

Members of the Senate, Reception and Dinner, Seawell’s, by the SC ASSOCIATION OF CONSERVATION DISTRICTS

Tuesday, February 28, 2012 - 6:30 p.m. - 8:30 p.m.

Members of the Senate, Reception, Clarion Hotel Downtown, by the SC CREDIT UNION LEAGUE

Wednesday, February 29, 2012 - 8:00 a.m. - 10:00 a.m.

Members of the Senate and Staff, Breakfast, Room 112 of the Blatt Building, by the SC COALTION AGAINST DOMESTIC VIOLENCE AND SEXUAL ASSAULT

Wednesday, February 29, 2012 - 12:00 - 2:00 p.m.

Members of the Senate, Luncheon, Room 112 of the Blatt Building, by the CHARLES LEA CENTER

Wednesday, February 29, 2012 - 6:00 p.m. - 8:00 p.m.

Members of the Senate and Staff, Inn at USC, by the INN AT USC

Wednesday, February 29, 2012 - 7:00 p.m. - 9:00 p.m.

Members of the Senate and Staff, Hilton Downtown, by the ASSOCIATED BUILDERS AND CONTRACTORS

Senator KNOTTS from the Committee on Invitations polled out S. 1114 favorable:

S. 1114 -- Senators Knotts, Grooms, Leventis, Ford, Bryant, Verdin, Setzler, Rose, Fair, McGill, Cleary, Land, Hayes, Matthews, Pinckney, Reese, Coleman, Malloy, Cromer, Sheheen, McConnell, Bright and Alexander: A CONCURRENT RESOLUTION TO INVITE THE NATIONAL COMMANDER OF THE AMERICAN LEGION, THE HONORABLE FANG WONG, TO ADDRESS THE GENERAL ASSEMBLY IN JOINT SESSION IN THE CHAMBER OF THE SOUTH CAROLINA HOUSE OF REPRESENTATIVES AT 12:30 P.M. ON TUESDAY, FEBRUARY 21, 2012.

**Poll of the Invitations Committee**

**Polled 11; Ayes 11; Nays 0; Not Voting 0**

**AYES**

Alexander Campsen Cromer

Elliott Ford Knotts

Malloy McGill O’Dell

Reese Verdin

**Total--11**

**NAYS**

**Total--0**

**S. 1114--Adopted, Sent to the House**

S. 1114 -- Senators Knotts, Grooms, Leventis, Ford, Bryant, Verdin, Setzler, Rose, Fair, McGill, Cleary, Land, Hayes, Matthews, Pinckney, Reese, Coleman, Malloy, Cromer, Sheheen, McConnell, Bright and Alexander: A CONCURRENT RESOLUTION TO INVITE THE NATIONAL COMMANDER OF THE AMERICAN LEGION, THE HONORABLE FANG WONG, TO ADDRESS THE GENERAL ASSEMBLY IN JOINT SESSION IN THE CHAMBER OF THE SOUTH CAROLINA HOUSE OF REPRESENTATIVES AT 12:30 P.M. ON TUESDAY, FEBRUARY 21, 2012.

Senator KNOTTS asked unanimous consent to take the Concurrent Resolution up for immediate consideration.

There was no objection.

The Concurrent Resolution was adopted and ordered sent to the House.

Senator KNOTTS from the Committee on Invitations polled out H. 4552 favorable:

H. 4552 -- Reps. Gilliard, Anderson, King, Cobb‑Hunter, Howard, McEachern and J.E. Smith: A CONCURRENT RESOLUTION TO INVITE THE HONORABLE BARACK H. OBAMA, PRESIDENT OF THE UNITED STATES OF AMERICA, TO ADDRESS THE SOUTH CAROLINA GENERAL ASSEMBLY IN JOINT ASSEMBLY IN THE CHAMBER OF THE HOUSE OF REPRESENTATIVES AT A TIME TO BE DETERMINED BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE PRESIDENT PRO TEMPORE OF THE SENATE.

**Poll of the Invitations Committee**

**Polled 11; Ayes 11; Nays 0; Not Voting 0**

**AYES**

Alexander Campsen Cromer

Elliott Ford Knotts

Malloy McGill O’Dell

Reese Verdin

**Total--11**

**NAYS**

**Total--0**

**H. 4552--Adopted, Returned to the House**

H. 4552 -- Reps. Gilliard, Anderson, King, Cobb‑Hunter, Howard, McEachern and J.E. Smith: A CONCURRENT RESOLUTION TO INVITE THE HONORABLE BARACK H. OBAMA, PRESIDENT OF THE UNITED STATES OF AMERICA, TO ADDRESS THE SOUTH CAROLINA GENERAL ASSEMBLY IN JOINT ASSEMBLY IN THE CHAMBER OF THE HOUSE OF REPRESENTATIVES AT A TIME TO BE DETERMINED BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE PRESIDENT PRO TEMPORE OF THE SENATE.

Senator FORD asked unanimous consent to take the Concurrent Resolution up for immediate consideration.

There was no objection.

The Concurrent Resolution was adopted and ordered returned to the House.

**Message from the House**

Columbia, S.C., January 31, 2012

Mr. President and Senators:

The House respectfully informs your Honorable Body that it has returned the following Bill to the Senate with amendments:

H. 3124 -- Reps. Pitts and G.R. Smith: A BILL TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING ARTICLES 108, 109, 110, 111, 112, 113, 114, 116, 117, 118, 119, 120, 121, 122, 123, AND 124 TO CHAPTER 3, TITLE 56, SO AS TO PROVIDE THAT THE DEPARTMENT OF MOTOR VEHICLES MAY ISSUE “DISTINGUISHED SERVICE MEDAL” SPECIAL LICENSE PLATES, “SECOND AMENDMENT” SPECIAL LICENSE PLATES, “DISTINGUISHED SERVICE CROSS” SPECIAL LICENSE PLATES, “DEPARTMENT OF NAVY” SPECIAL LICENSE PLATES, “PARENTS AND SPOUSES OF ACTIVE DUTY OVERSEAS VETERANS” SPECIAL LICENSE PLATES, “STATE FLAG” SPECIAL LICENSE PLATES, “SOUTH CAROLINA HIGHWAY PATROL‑RETIRED” LICENSE PLATES, “I SUPPORT LIBRARIES” SPECIAL LICENSE PLATES, “SOUTH CAROLINA EDUCATOR” SPECIAL LICENSE PLATES, “COON HUNTERS” LICENSE PLATES, “BEACH MUSIC” SPECIAL LICENSE PLATES, “CITADEL ALUMNI ASSOCIATION ‘BIG RED’” SPECIAL LICENSE PLATES, “LARGE MOUTH BASS” SPECIAL LICENSE PLATES, “HIGH SCHOOL” SPECIAL LICENSE PLATES, “SOUTH CAROLINA WILDLIFE FEDERATION” SPECIAL LICENSE PLATES AND “HISTORIC” SPECIAL LICENSE PLATES; TO AMEND SECTION 56‑3‑7330, RELATING TO THE ISSUANCE OF “BOY SCOUTS OF AMERICA” SPECIAL LICENSE PLATES, SO AS TO MAKE TECHNICAL CHANGES AND TO PROVIDE FOR THE ISSUANCE OF “EAGLE SCOUTS OF AMERICA” SPECIAL LICENSE PLATES; TO AMEND SECTION 56‑3‑2150, AS AMENDED, RELATING TO THE ISSUANCE OF SPECIAL LICENSE PLATES TO CERTAIN CURRENT AND FORMER ELECTED OFFICIALS AND JUDICIAL OFFICERS, SO AS TO INCREASE THE NUMBER OF SPECIAL LICENSE PLATES THAT A CORONER MAY BE ISSUED FROM ONE TO TWO; TO AMEND SECTION 56‑3‑1240, AS AMENDED, RELATING TO THE DISPLAY OF A LICENSE PLATE, SO AS TO PROVIDE THAT A FRAME MAY BE PLACED ON A LICENSE PLATE UNDER CERTAIN CIRCUMSTANCES; TO AMEND SECTION 56‑3‑10410, RELATING TO THE ISSUANCE OF “VETERAN” SPECIAL LICENSE PLATES, SO AS TO PROVIDE FOR THE PLACEMENT OF THE WHEELCHAIR SYMBOL ON CERTAIN “VETERAN” LICENSE PLATES; TO AMEND SECTION 56‑3‑3310, AS AMENDED, RELATING TO THE ISSUANCE OF “PURPLE HEART” SPECIAL LICENSE PLATES, SO AS TO INCREASE THE NUMBER OF LICENSE PLATES THAT MAY BE ISSUED TO A PERSON FROM ONE TO THREE AND TO PROVIDE A FEE FOR THE THIRD LICENSE PLATE; TO AMEND SECTION 56‑3‑8000, AS AMENDED, RELATING TO THE ISSUANCE OF SPECIAL LICENSE PLATES THAT CONTAIN THE EMBLEM OF A TAX EXEMPT ORGANIZATION, SO AS TO SPECIFY THEIR SIZE, GENERAL DESIGN, PERIOD OF VALIDITY, TO REVISE THEIR COSTS AND DISTRIBUTION OF FEES COLLECTED FROM THEIR SALE, TO REVISE THE MINIMUM NUMBER OF PREPAID APPLICATIONS AND MINIMUM PAYMENT THAT THE DEPARTMENT OF MOTOR VEHICLES MUST RECEIVE BEFORE A SPECIAL LICENSE PLATE MAY BE ISSUED, AND TO PROVIDE THAT THE ORGANIZATION MUST GIVE ITS LEGAL AUTHORITY TO THE DEPARTMENT FOR THE DEPARTMENT’S USE OF THE ORGANIZATION’S LOGO, TRADE MARK, OR DESIGN; AND TO AMEND SECTION 56‑3‑8100, AS AMENDED, RELATING TO THE ISSUANCE OF SPECIAL LICENSE PLATES CREATED BY THE GENERAL ASSEMBLY SO AS TO REVISE THE MINIMUM NUMBER OF PREPAID APPLICATIONS AND MINIMUM PAYMENT THAT THE DEPARTMENT OF MOTOR VEHICLES MUST RECEIVE BEFORE A SPECIAL LICENSE PLATE MAY BE ISSUED AND TO REVISE THEIR COSTS AND DISTRIBUTION OF FEES COLLECTED FROM THEIR SALES.

Respectfully submitted,

Speaker of the House

Received as information.

On motion of Senator GROOMS, the Bill was ordered placed on the Calendar for consideration tomorrow.

**THE SENATE PROCEEDED TO A CALL OF THE UNCONTESTED LOCAL AND STATEWIDE CALENDAR.**

**ORDERED ENROLLED FOR RATIFICATION**

The following Bill was read the third time and, having received three readings in both Houses, it was ordered that the title be changed to that of an Act and enrolled for Ratification:

H. 3470 -- Reps. Pitts, Knight, Loftis and Toole: A BILL TO AMEND SECTION 44‑53‑50, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE PROHIBITION AGAINST USING, SELLING, OR MANUFACTURING CLEANING AGENTS CONTAINING PHOSPHATES, SO AS TO INCLUDE HOUSEHOLD DISHWASHING DETERGENTS IN THIS PROHIBITION; TO FURTHER SPECIFY CRITERIA FOR AND TYPES OF CLEANING AGENTS EXEMPT FROM THIS PROHIBITION; TO PROVIDE A CRIMINAL OFFENSE FOR SECOND AND SUBSEQUENT VIOLATIONS; TO AUTHORIZE THE SALE OF PROHIBITED CLEANING AGENTS THAT ARE IN A RETAILER’S INVENTORY ON JULY 1, 2011; AND TO REQUIRE THE DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL TO REPORT ON THE AVAILABILITY, EFFECTIVENESS, AND COST OF NONPHOSPHATE COMMERCIAL DISHWASHING DETERGENT.

**PREVIOUSLY PROPOSED AMENDMENT WITHDRAWN**

**AMENDED, READ THE THIRD TIME**

**RETURNED TO THE HOUSE**

H. 3630 -- Reps. Bedingfield, Loftis, Hardwick and McLeod: A BILL TO AMEND SECTION 61‑4‑720, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE SALE OF WINE BY A LICENSED WINERY LOCATED IN SOUTH CAROLINA, SO AS TO ELIMINATE THE REQUIREMENT THAT A MAJORITY OF THE JUICE USED IN THE WINE BE DERIVED FROM FRUIT OR BERRIES GROWN IN THIS STATE; AND TO AMEND SECTION 61‑4‑730, RELATING TO THE SALE OF WINE BY PERMITTED WINERIES, SO AS TO ELIMINATE THE REQUIREMENT THAT A MAJORITY OF THE JUICE USED IN THE WINE BE DERIVED FROM FRUIT OR BERRIES GROWN IN THIS STATE.

The Senate proceeded to a consideration of the Bill, the question being the adoption of the previously proposed amendment.

Senator VERDIN asked unanimous consent to withdraw the previously proposed amendment.

There was no objection and the amendment was withdrawn.

**Motion Under Rule 26B**

Senator VERDIN asked unanimous consent to make a motion to take up further amendments pursuant to the provisions of Rule 26B.

There was no objection.

Senator VERDIN proposed the following amendment (JUD3630.001), which was adopted:

Amend the bill, as and if amended, by striking SECTION 2 in its entirety and inserting the following:

/ “Section 61-4-730. (A) Permitted wineries which produce and sell wine produced on its premises with ~~a majority~~ at least sixty percent of the juice from fruit and berries which are grown in this State may sell the wine at retail, wholesale, or both, and deliver or ship the wine to licensed retailers in this State or to ~~the purchaser~~ consumer homes in and outside the State. Wine must be delivered between 7:00 a.m. and 7:00 p.m.

(B) Permitted wineries that produce and sell wine produced on their premises with less than sixty percent of the juice from fruit and berries which are grown in this State may retail from the winery and ship the wine directly to consumer homes in and outside the State, but these wineries are not wholesalers of the wine. These wineries shall use a licensed South Carolina wholesaler to deliver or ship the wine to licensed retailers in this State.

(C) The South Carolina Department of Agriculture shall periodically inspect the records of permitted wineries for verification of the percentage of juice from fruit and berries grown in this State used in the manufacturing of the wineries’ products. Within ten days of conducting an inspection, the South Carolina Department of Agriculture shall report its findings to the South Carolina Department of Revenue. If a winery is found to be in violation of this statute, the owner of the winery is subject to the penalties set forth in Section 61-4-780.” /

Renumber sections to conform.

Amend title to conform.

Senator VERDIN explained the amendment.

The amendment was adopted.

The question then was third reading of the Bill, as amended.

The "ayes" and "nays" were demanded and taken, resulting as follows:

**Ayes 30; Nays 0**

**AYES**

Alexander Anderson Bright

Bryant Campbell Campsen

Courson Cromer Davis

Elliott Ford Gregory

Grooms Hutto Knotts

Leatherman Leventis *Martin, Larry*

*Martin, Shane* Massey Nicholson

Peeler Pinckney Rose

Ryberg Scott Setzler

Thomas Verdin Williams

**Total--30**

**NAYS**

**Total--0**

There being no further amendments, the Bill was read the third time, passed and ordered returned to the House of Representatives with amendments.

**ADOPTED**

S. 1151 -- Senators Cleary, Rose and Leventis: A SENATE RESOLUTION TO DECLARE WEDNESDAY, FEBRUARY 1, 2012, AS “SOUTH CAROLINA RECYCLERS DAY” AND TO COMMEND AND RECOGNIZE SOUTH CAROLINA’S RECYCLERS FOR THEIR CONTRIBUTIONS TO OUR STATE’S ECONOMY, FOR THEIR EFFORTS TO PROMOTE ENERGY EFFICIENCY, AND FOR THEIR LEADERSHIP IN PROVIDING SUSTAINABLE MATERIAL‑MANAGEMENT OPTIONS.

The Senate Resolution was adopted.

**ADOPTED**

S. 1152 -- Senators Cleary, Rose and Setzler: A CONCURRENT RESOLUTION TO DECLARE FEBRUARY 2012 AS NATIONAL CHILDREN’S DENTAL HEALTH MONTH, AND TO THANK SOUTH CAROLINA DENTAL HEALTH CARE PROVIDERS FOR MAKING FEBRUARY 3, 2012, “GIVE KIDS A SMILE DAY” THAT PROMOTES ORAL HEALTH AND JOINS IN THE EFFORTS THROUGHOUT THE NATION TO ADVOCATE FOR ORAL HEALTH AWARENESS AND OPTIMAL ORAL HEALTH IN CHILDREN.

The Concurrent Resolution was adopted, ordered sent to the House.

**CARRIED OVER**

H. 3583 -- Rep. Cooper: A BILL TO AMEND SECTION 12‑6‑40, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE APPLICATION OF THE INTERNAL REVENUE CODE TO STATE INCOME TAX LAWS, SO AS TO UPDATE THE REFERENCE TO THE INTERNAL REVENUE CODE TO THE YEAR 2010.

On motion of Senator PEELER, the Bill was carried over.

**THE CALL OF THE UNCONTESTED CALENDAR HAVING BEEN COMPLETED, THE SENATE PROCEEDED TO THE MOTION PERIOD.**

**MOTION ADOPTED**

Senator LARRY MARTIN asked unanimous consent to make a motion that, when the Senate adjourns today, it stand adjourned to meet tomorrow at 11:45 A.M. for the purpose of attending the Joint Assembly, and at the conclusion of the Joint Assembly, the Senate would stand in recess until 2:00 P.M.

There was no objection and the motion was adopted.

**MOTION ADOPTED**

On motion of Senator LARRY MARTIN, the Senate agreed to dispense with the Motion Period.

**THE SENATE PROCEEDED TO THE INTERRUPTED DEBATE.**

**AMENDED, AMENDMENT PROPOSED**

**DEBATE INTERRUPTED**

H. 3066 -- Reps. G.R. Smith, Daning, Ballentine, Harrison, Allison, Hamilton, G.M. Smith, Bingham, Long, Henderson, Erickson, Horne, Willis, Weeks, McLeod, Pope, Simrill, Lucas, Norman, D.C. Moss, Clemmons, Harrell, Atwater, Bedingfield, Funderburk and Edge: A BILL TO ENACT THE “SOUTH CAROLINA RESTRUCTURING ACT OF 2011” INCLUDING PROVISIONS TO AMEND SECTION 1‑30‑10, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE AGENCIES OF THE EXECUTIVE BRANCH OF STATE GOVERNMENT BY ADDING THE DEPARTMENT OF ADMINISTRATION; BY ADDING SECTION 1‑30‑125 SO AS TO ESTABLISH THE DEPARTMENT OF ADMINISTRATION AS AN AGENCY OF THE EXECUTIVE BRANCH OF STATE GOVERNMENT TO BE HEADED BY A DIRECTOR APPOINTED BY THE GOVERNOR UPON THE ADVICE AND CONSENT OF THE GENERAL ASSEMBLY, AND TO TRANSFER TO THIS NEWLY CREATED DEPARTMENT CERTAIN OFFICES AND DIVISIONS OF THE STATE BUDGET AND CONTROL BOARD, OFFICE OF THE GOVERNOR, AND OTHER AGENCIES, AND TO PROVIDE FOR TRANSITIONAL AND OTHER PROVISIONS NECESSARY TO ACCOMPLISH THE ABOVE; BY ADDING CHAPTER 2 TO TITLE 2 SO AS TO PROVIDE FOR LEGISLATIVE OVERSIGHT OF EXECUTIVE DEPARTMENTS AND THE PROCESSES AND PROCEDURES TO BE FOLLOWED IN CONNECTION WITH THIS OVERSIGHT; TO AMEND SECTIONS 1‑11‑20, AS AMENDED, 1‑11‑22, 1‑11‑55, 1‑11‑56, 1‑11‑58, 1‑11‑65, 1‑11‑67, 1‑11‑70, 1‑11‑80, 1‑11‑90, 1‑11‑100, 1‑11‑110, 1‑11‑180, 1‑11‑220, 1‑11‑225, 1‑11‑250, 1‑11‑260, 1‑11‑270, 1‑11‑280, 1‑11‑290, 1‑11‑300, 1‑11‑310, AS AMENDED, 1‑11‑315, 1‑11‑320, 1‑11‑335, 1‑11‑340, 1‑11‑435, 2‑13‑240, CHAPTER 9, TITLE 3; 10‑1‑10, 10‑1‑30, AS AMENDED, 10‑1‑40, 10‑1‑130, 10‑1‑190, CHAPTER 9, TITLE 10, 10‑11‑50, AS AMENDED, 10‑11‑90, 10‑11‑110, 10‑11‑140, 10‑11‑330; 11‑9‑610, 11‑9‑620, 11‑9‑630, 11‑35‑3810, AS AMENDED, 11‑35‑3820, AS AMENDED, 11‑35‑3830, AS AMENDED, 11‑35‑3840, AS AMENDED, 13‑7‑30, AS AMENDED, 13‑7‑830, AS AMENDED, 44‑53‑530, AS AMENDED, AND 44‑96‑140; 48‑46‑30, 48‑46‑40, 48‑46‑50, 48‑46‑60, 48‑46‑90, 48‑52‑410, 48‑52‑440, AND 48‑52‑460; AND BY ADDING SECTION 1‑11‑185 RELATING TO VARIOUS AGENCY OR DEPARTMENT PROVISIONS SO AS TO CONFORM THEM TO THE ABOVE PROVISIONS PERTAINING TO THE NEW DEPARTMENT OF ADMINISTRATION OR TO SUPPLEMENT SUCH PROVISIONS.

The Senate proceeded to a consideration of the Bill, the question being the adoption of Amendment No. 11 (3066R046.cbh) proposed by Senators HUTTO and FORD and published in the Journal of Wednesday, January 25, 2012.

On motion of Senator HUTTO, with unanimous consent, Amendment No. 11 was withdrawn.

Senator ELLIOTT asked unanimous consent to make a motion to take up Amendment No. 20 for immediate consideration.

**Amendment No. 20**

Senators ELLIOTT and FORD proposed the following Amendment No. 20 (AGM\19397AB12), which was adopted:

Amend the bill, as and if amended, Section 1‑30‑125, as contained in Part III, SECTION 4, by adding an appropriately lettered subsection:

/ ( ) The divisions of government transferred or incorporated into the Department of Administration shall publish each expenditure exceeding one hundred dollars on the department’s website within one week of making each expenditure. /

Renumber sections to conform.

Amend title to conform.

Senator ELLIOTT explained the amendment.

The amendment was adopted.

**Amendment No. 77**

Senators SHEHEEN, DAVIS, MASSEY, SETZLER, CAMPSEN and THOMAS proposed the following Amendment No. 77 (3066R055.VAS):

Amend the bill, as and if amended, by striking Part II in its entirety and inserting:

/ Part II

Establishing the Department of Administration

and the Bond Review Authority

SECTION 2. A. Section 1‑11‑10 of the 1976 Code is amended to read:

“Section 1‑11‑10. ~~The State Budget and Control Board shall be comprised of the Governor, ex officio, who shall be chairman, the State Treasurer, ex officio, the Comptroller General, ex officio, and the chairman of the Senate Finance Committee, ex officio, and the chairman of the Ways and Means Committee of the House of Representatives, ex officio.~~ (A) Effective January 1, 2013, the following offices, divisions, or components of the State Budget and Control Board are transferred to, and incorporated into, the Department of Administration:

(1) Division of General Services including Business Operations, Facilities Management, State Building and Property Services, and Agency Services including surplus property, intra state mail, parking, state fleet management, except that this division shall not be transferred to the Department of Administration until the director of the Department of Administration enters into a memorandum of agreement with appropriate officials of applicable legislative and judicial agencies or departments as provided in Section 1‑11‑20;

(2) Division of State Information Technology including the Data Center, Telecommunications and Information Technology Services, and South Carolina Enterprise Information System, but not including support of the Joint Strategic Technology Committee;

(3) the Office of Human Resources;

(4) the Procurement Services Division, including the State Engineers Office;

(5) the Insurance Reserve Fund;

(6) that portion of the Office of Research and Statistics required to support the Governor’s executive budget writing duties; and

(7) the Office of State Budget, except for the employees required to provide fiscal impact statements and revenue impact statements on proposed legislation and to support the General Assembly’s budget writing duties who are transferred to the Legislative Fiscal Office.

(B) All functions, powers, duties, responsibilities, and authority vested in the agencies and authorities, including their governing boards, if any, named in this subsection are devolved upon the Department of Administration and the department shall constitute the agencies and authorities, including their governing boards, if any, named in this subsection.

(1) State Educational Assistance Authority;

(2) Educational Facilities Authority for Private, Non‑Profit Institutions of Higher Learning; and

(3) South Carolina Resources Authority.

(C) Effective January 1, 2013, the offices, divisions, or components of the State Budget and Control Board named in this subsection are transferred to, and incorporated into, the South Carolina Rural Infrastructure Authority as established in Section 11-50-30. All functions, powers, duties, responsibilities, and authority vested the agencies and authorities, including their governing boards, if any, named in this subsection are devolved upon the South Carolina Rural Infrastructure Authority and the authority shall constitute the agencies and authorities, including their governing boards, if any, named in this subsection.

(1) South Carolina Infrastructure Facilities Authority;

(2) Local Government Division in support of the local government loan program; and

(3) South Carolina Water Quality Revolving Fund Authority in support of water quality projects and federal loan program; and

(4) Tobacco Settlement Revenue Management Authority Board.

(D) Effective January 1, 2013, the South Carolina Confederate Relic Room and Military Museum is transferred from the State Budget and Control Board and is governed by the South Carolina Confederate Relic Room and Military Museum Commission, as established in Section 60-17-10.

(E) Effective January 1, 2013, the Office of State Auditor is abolished and all of the functions, duties, and responsibilities of the office are transferred to, and incorporated into, the Office of Inspector General. The employees, authorized appropriations, and assets and liabilities of the transferred office are also transferred to and become part of the Office of Inspector General. All classified or unclassified personnel employed by the office on the effective date of this section, either by contract or by employment at will, shall become employees of the Office of Inspector General to which the transfer was made, with the same compensation, classification, and grade level, as applicable.

(F) Effective November 1, 2012, the Board of Economic Advisors shall be an independent agency, which shall maintain the organizational and procedural framework under which it is operating, and exercise its powers, duties, and responsibilities, as of the effective date of Act \_\_\_ of 2012, R. \_\_\_, H. 3066.

(G) Effective November 1, 2012, the Office of Research and Statistics, except for the employees required to support the Governor’s executive budget writing duties, is transferred to, and incorporated into, the Legislative Fiscal Office.

(H) Effective January 1, 2013, there is devolved upon the Bond Review Authority all functions, powers, duties, responsibilities, and authority vested in the Budget and Control Board prior to the effective date of A. \_\_\_ of 2012, R. \_\_\_, H. 3066 related to the issuance of bonds and bonding authority, generally found in Title 11 of the 1976 Code but also contained in certain other provisions of South Carolina law. The authority shall establish criteria, upon consultation with the Joint Bond Review Committee, to apply to the review and approval process.

(I) Effective January 1, 2013, the State Energy Office is transferred from the State Budget and Control Board to the Office of Regulatory Staff.

(J) Effective January 1, 2013, and until July 1, 2015, the State Budget and Control Board consists of the:

(1) Employee Insurance Program; and

(2) Retirement Division.

Effective July 1, 2015, the State Budget and Control Board is abolished.

(L)(1) Effective July 1, 2015, the following offices, divisions, or components of the State Budget and Control Board and the Department of Administration are transferred to, and incorporated into, an independent agency of state government to be known as the Public Employee Benefit Agency:

(a) the Employee Insurance Program;

(b) the Retirement Division.

Effective July 1, 2011, and until June 30, 2013, any additions or amendments to the State Employee Insurance Plan or the retirement system may not be adopted without the unanimous consent of the State Budget and Control Board. Effective July 1, 2013, the State Budget and Control Board is abolished.

(2) The agency shall be comprised of the Employee Insurance Division, the Retirement Systems Division, the Insurance Reserve Fund Division, and the Administration Division. A board of trustees must be appointed to manage and make policy decisions for the Employee Insurance Division and the Retirement Systems Division. The daily office functions and other administrative tasks for all divisions shall be managed through the Administration Division by an executive director.

(3)(a) On the effective date of this section, there is established a transition committee to provide the expertise necessary to facilitate the transfer of operations from the Budget and Control Board to the Public Employee Benefit Agency.

(b) The transition committee is authorized to study and evaluate all actions necessary, both legislative and executive, for an orderly transition of the related trust funds and their operations to the trustee‑based system to be administered by the Public Employee Benefit Agency. The transition committee must conduct a comprehensive survey of the structure, trustee governance, and operations of other similar systems throughout the United States and make recommendations to the General Assembly concerning the legislative actions that are needed to implement the most efficient, effective system.

(c) The transition committee shall be comprised of eight voting members and the State Treasurer, ex officio, who shall serve as its chairman and may only vote when the committee is equally divided on any question. The eight voting members must be appointed by the State Budget and Control Board as follows:

(i) one member representing municipal employees;

(ii) one member representing county employees;

(iii) three members representing state employees, one of whom must be retired and one of whom must be an active or retired law enforcement officer who is contributing to or receiving benefits from the Police Officers Retirement System. If this law enforcement member is retired, the other two members representing state employees do not have to be retired;

(iv) two members representing public school teachers, one of whom must be retired;

(v) one member representing the Retirement Investment Commission.

The Budget and Control Board shall invite the appropriate associations, groups, and individuals to recommend persons to serve on the board. The Budget and Control Board must appoint members from among the recommendations. Members must be appointed within sixty days of the effective date of this section.

Members of the General Assembly may not be appointed to the transition committee. Members of the transition committee must have substantial academic or professional experience or specialization in one or more areas of public finance, government budgeting and administration, insurance, retirement investment, economics, accounting, or related legal fields.

(d) The members of the committee:

(i) must meet as soon as practicable after appointment to organize itself by electing officers as the committee may consider necessary. Thereafter, the committee must meet as necessary to fulfill the duties required in this subsection at the call of the chairman or by a majority of the members. A quorum exists of seven members. The committee must engage or employ staff or consultants as may be necessary or prudent to assist the committee in the performance of its duties and responsibilities. Any staff or consultants must possess an academic background or substantial career experience of such a nature as to assist the committee in fulfilling its duties, including, but not limited to, being credentialed in structure and board governance policy;

(ii) shall serve without compensation but may receive the usual mileage, subsistence, and per diem allowed by law for members of state boards, committee, or commissions; and

(iii) expenses incurred by the commission shall be paid by the Employee Insurance Program and the Retirement Division.

(e) No later than January 1, 2013, the committee must prepare and deliver a report to the President Pro Tempore of the Senate and the Speaker of the House of Representatives containing the committee’s recommendations concerning agency governance structure, statutory changes relative to the transition, and any other actions that must be taken to transition public employee insurance and retirement operations to the Public Employee Benefit Agency.”

B. Section 1‑11‑20 of the 1976 Code is amended to read:

“Section 1‑11‑20. ~~The functions of the State Budget and Control Board must be performed, exercised, and discharged under the supervision and direction of the board through three divisions, the Finance Division (embracing the work of the State Auditor, the former State Budget Commission, the former State Finance Committee and the former Board of Claims for the State of South Carolina), the Purchasing and Property Division (embracing the work of the former Commissioners of the Sinking Fund, the former Board of Phosphate Commissioners, the State Electrician and Engineer, the former Commission on State House and State House Grounds, the central purchasing functions, the former Surplus Procurement Division of the State Research, Planning and Development Board and the Property Custodian) and the Division of Personnel Administration (embracing the work of the former retirement board known as the South Carolina Retirement System and the administration of all laws relating to personnel), each division to consist of a director and clerical, stenographic and technical employees necessary, to be employed by the respective directors with the approval of the board. The directors of the divisions must be employed by the State Budget and Control Board for that time and compensation as may be fixed by the board in its judgment.~~

(A) Effective January 1, 2013, the offices, divisions, or components of the State Budget and Control Board, Office of the Governor, or other agencies named in this subsection are transferred to, and incorporated into, the Department of Administration, a department of the executive branch of state government headed by a director appointed by the Governor with the advice and consent of the Senate as provided in Section 1‑30‑10(B)(1)(i). The director shall have the authority to act on behalf of and administer the department:

(1) Division of General Services including Business Operations, Facilities Management, State Building and Property Services, and Agency Services including surplus property, intrastate mail, parking, state fleet management, except that this division shall not be transferred to the Department of Administration until the director of the Department of Administration enters into a memorandum of agreement with appropriate officials of applicable legislative and judicial agencies or departments meeting the requirements of this subsection.

(a) The memorandum of agreement shall provide for:

(i) continued use of existing office space;

(ii) a method for the allocation of new, additional, or different office space;

(iii) adequate parking;

(iv) a method for the allocation of new, additional, or different parking;

(v) the provision of appropriate levels of electrical, mechanical, maintenance, energy management, fire protection, custodial, project management, safety and building renovation, and other services currently provided by the General Services Division of the State Budget and Control Board;

(vi) the provision of water, electricity, steam and chill water to the offices, areas, and facilities occupied by the applicable agencies;

(vii) the ability for each agency or department to maintain building access control for its allocated office space; and

(viii) access control for the Senate and House chambers and courtrooms as appropriate.

(b) The parties may modify the memorandum of understanding by mutual consent at any time.

(c) The General Services Division must provide the services described in subsection (a) and any other maintenance and support, at a level that is greater than or equal to what is provided prior to the effective date of this act, to each building on the Capitol Complex, including the Supreme Court, without charge. The General Services Division must coordinate with the appropriate officials of applicable legislative and judicial agencies or departments when providing these services to the buildings and areas controlled by those agencies.

(d) In the fiscal year succeeding implementation of this act, the Department of Administration must include in its annual budget request to the Governor, the House Ways & Means Committee, and the Senate Finance Committee a specific line item for maintenance and support of the Capitol Complex, including the Supreme Court;

(2) Division of State Information Technology including the Data Center, Information Technology Services, and South Carolina Enterprise Information System, but not including, support of the Joint Strategic Technology Committee;

(3) that portion of the Office of Research and Statistics required to support the Governor’s executive budget writing duties;

(4) the Office of State Budget, except for the employees required to provide fiscal impact statements and revenue impact statements on proposed legislation and to support the General Assembly’s budget writing duties who are transferred to the Legislative Fiscal Office;

(5) the Procurement Services Division, including the State Engineer’s Office;

(6) the Insurance Reserve Fund;

(7) the Office of Human Resources;

(8) the Office of Executive Policy and Programs, except for the State Ombudsman and Children’s Services Programs that are contained within this office;

(9) the Guardian ad Litem program as established in Section 63‑11‑500;

(10) the Office of Economic Opportunity;

(11) the Developmental Disabilities Council;

(12) the Continuum of Care for Emotionally Disturbed Children Division as established by Section 63‑11‑1310;

(13) the Division for Review of the Foster Care of Children as established by Section 63‑11‑700;

(14) the Division of Veterans Affairs as established by Section 25‑11‑10;

(15) the Commission on Women as established by Section 1‑15‑10;

(16) the South Carolina Victim’s Advisory Board, as established pursuant to Article 13, Chapter 13 of Title 16;

(17) the Small and Minority Business Assistance Office, as established pursuant to Section 11‑35‑5270;

(18) the State Educational Assistance Authority;

(19) the Educational Facilities Authority for Private, Non‑Profit Institutions of Higher Learning; and

(20) the South Carolina Resources Authority.

(B) The Office of State Budget shall support the Governor’s budget writing duties, as contained in Section 11‑11‑70.

The office shall use the existing resources of the organizations transferred to the Department of Administration including, but not limited to, funding, personnel, equipment, and supplies. Vacant FTE’s at the State Budget and Control Board also may be used to fill needed positions for the office.

(C)(1) There is established, within the Department of Administration, the Executive Budget Office which shall support the Office of the Governor by conducting analysis, coordinating executive agency requests for funding, and evaluating program performance.

(2) The Executive Budget Office shall use the existing resources of the organizations transferred to the Department of Administration including, but not limited to, funding, personnel, equipment, and supplies. Vacant FTE’s at the State Budget and Control Board also may be used to fill needed positions for the office.

(D)(1) The Division of State Information Technology must submit the Statewide Strategic Information Technology Plan to the director of the Department of Administration by September 1, 2013, and biennially thereafter. The director shall review the Statewide Strategic Information Technology Plan and recommend to the Governor priorities for state government enterprise information technology projects and resource requirements. The director shall also review information technology spending by state agencies and evaluate whether greater efficiencies, more effective services, and cost savings can be achieved through streamlining, standardizing, and consolidating agency information technology;

(2) All oversight concerning the South Carolina Enterprise Information System is devolved to the director of the Department of Administration.

(E)(1) Each agency, office, authority, function, power, duty, or responsibility transferred to or devolved up the Department of Administration by Act \_\_\_ of 2012, R. \_\_\_, H. 3066, must be maintained as a distinct component, function, power, duty, or responsibility of the Department of Administration unless a reorganization plan is approved by the General Assembly pursuant to item (3). Any funds appropriated to a distinct component of the department must not be transferred to another component. Any funds appropriated for a distinct function, power, duty, or responsibility must be exercised by the distinct component to which that function, power, duty, or responsibility was vested. Any funds appropriated to the department, and not to a distinct component of the department or for a distinct function, power, duty, or responsibility, may be used at the discretion of the director.

(2) No later than December 31, 2013, the department’s director shall submit a report to the President Pro Tempore of the Senate and the Speaker of the House of Representatives that contains an analysis of and recommendations regarding the most appropriate organizational placement for each current component of the Office of Executive Policy and Programs. The department shall solicit input from and consider the recommendation of affected constituencies while developing its report.

(3) To change the organizational structure of the department the director must promulgate the reorganized structure as a regulation and submit it to the General Assembly for approval.

(F) No later than December 31, 2013, the Office of Human Resources, in coordination with the Department of Archives and History, shall develop policies and procedures related to providing agency public records officers with annual training concerning records retention laws, regulations, and guidelines.

(F)(1) Where the provisions of Act \_\_\_ of 2012, R. \_\_\_, H. 3066 transfer offices, or portions of offices, of the Budget and Control Board, Office of the Governor, or other agencies to the Department of Administration or the Office of Inspector General, the employees, authorized appropriations, and assets and liabilities of the transferred offices are also transferred to and become part of the Department of Administration. All classified or unclassified personnel employed by these offices on the effective date of this section, either by contract or by employment at will, shall become employees of the Department of Administration or the Office of Inspector General, as appropriate, with the same compensation, classification, and grade level, as applicable. The Executive Director of the Budget and Control Board and the Inspector General shall cause all necessary actions to be taken to accomplish this transfer in accordance with state laws and regulations.

(2) The Department of Administration and the Office of Inspector General shall use the existing resources of each division, insofar as it promotes efficiency and effectiveness, transferred to the department including, but not limited to, funding, personnel, equipment, and supplies from the board’s administrative support units, including, but not limited to, the Office of the Executive Director, Office of General Counsel, and the Office of Internal Operations. ‘Funding’ means state, federal, and other funds. Vacant FTE’s at the State Budget and Control Board also may be used to fill needed positions at the department. No new FTE’s may be assigned to the department without authorization from the General Assembly.

(G) Regulations promulgated by these transferred offices as they formerly existed under the Budget and Control Board, Office of the Governor, or other agencies are continued and are considered to be promulgated by these offices under the Department of Administration.

(H) The Department of Administration shall, during the absence of the Governor from Columbia, be placed in charge of the records and papers in the executive chamber kept pursuant to Section 1‑3‑30.

(I) Any duties to approve statewide policies, procedures, regulations, rates, and fees, or other specific actions must be acted upon by the Department of Administration in a timely manner. The Department of Administration must post its decisions on its website within sixty days of the day approval was sought.”

C. Chapter 11, Title 1 of the 1976 Code is amended by adding:

“Section 1-11-30. (A) There is established the Bond Review Authority comprised of the Governor, ex officio, who shall be chairman, the State Treasurer, ex officio, the Comptroller General, ex officio, one Senator selected by a majority of the Senate who shall serve ex officio, and one member of the House of Representatives selected by a majority of the House of Representatives who shall serve ex officio.

(B)(1) The Bond Review Authority shall exercise all functions, powers, duties, responsibilities, and authority related to the issuance of bonds and bonding authority, generally found in Title 11 of the 1976 Code but also contained in certain other provisions of South Carolina law, except for the functions, powers, duties, responsibilities, and authority vested in the Joint Bond Review Committee.

(2) Bonded indebtedness issued by the South Carolina Jobs ‑ Economic Development Authority and political subdivisions do not require approval by the Bond Review Authority. The authority and political subdivisions shall submit a report to the Bond Review Authority of any bonds the entity issues. Bonded indebtedness issued pursuant to this item does not constitute nor give rise to a pecuniary liability to the State or a charge against the credit or taxing powers of the State.

(C) The authority may employ and organize its staff as it deems most appropriate to carry out the various functions, powers, duties, responsibilities, and authority assigned to it.

(D) The authority shall establish criteria, upon consultation with the Joint Bond Review Committee, to apply to the review and approval process.”

D. Chapter 11, Title 1 of the 1976 Code is amended by adding:

“Section 1- 11-40. (A) For the purposes of this section:

(1) ‘Economic interest’ has the same meaning as provided in Section 8-13-100(11);

(2) ‘Family member’ has the same meaning as provided in Section 8-13-100(15);

(3) ‘Procurement’ has the same meaning as provided in Section 11-35-310(24);

(4) ‘Public employee’ has the same meaning as provided in Section 8-13-100(25);

(5) ‘Public member’ has the same meaning as provided in Section 8-13-100(26).and

(6) ‘Public official’ has the same meaning as provided in Section 8-13-100(27).

(B) It is unlawful for a public official, public officer, or public employee who is not directly associated with procurement as provided by law or regulation to attempt to influence a public official, public officer, or public employee who is directly associated with procurement as provided by law or regulation in the exercise of his duties or responsibilities.

(C) A person who violates this section is guilty of a felony and, upon conviction, must be fined no more than ten thousand dollars or imprisoned for not more than ten years, or both.”

E. Section 1‑11‑440 of the 1976 Code is amended to read:

“Section 1‑11‑440. ~~(A)~~ The State must defend the members of the ~~State Budget and Control Board~~ Bond Review Authority and the director of the Department of Administration against a claim or suit that arises out of or by virtue of their performance of official duties on behalf of the ~~board~~ authority or the department and must indemnify ~~these members~~ them for a loss or judgment incurred by them as a result of the claim or suit, without regard to whether the claim or suit is brought against them in their individual or official capacities, or both. The State must defend officers and management employees of the ~~board~~ authority, ~~and~~ legislative employees performing duties for ~~board~~ authority members, and management employees of the department against a claim or suit that arises out of or by virtue of the performance of official duties unless the officer, management employee, or legislative employee was acting in bad faith and must indemnify these officers, management employees, and legislative employees for a loss or judgment incurred by them as a result of such claim or suit, without regard to whether the claim or suit is brought against them in their individual or official capacities, or both. This commitment to defend and indemnify extends to members, officers, the director and management employees of the department, and legislative employees after they have left their employment with the ~~board~~ authority, ~~or~~ the General Assembly, ~~as applicable,~~ or the department, as applicable, if the claim or suit arises out of or by virtue of their performance of official duties on behalf of the ~~board~~ authority or the department.

~~(B)~~ ~~The State must defend the members of the Retirement Systems Investment Panel established pursuant to Section 16, Article X of the Constitution of this State and Section 9‑16‑310 against a claim or suit that arises out of or by virtue of their performance of official duties on behalf of the panel and must indemnify these members for a loss or judgment incurred by them as a result of the claim or suit, without regard to whether the claim or suit is brought against them in their individual or official capacities, or both. This commitment to defend and indemnify extends to members of the panel after they have left their service with the panel if the claim or suit arises out of or by virtue of their performance of official duties on behalf of the panel.~~” /

Amend the bill further, as and if amended, by adding new parts to read:

/ Part \_\_\_

Board of Economic Advisors

SECTION \_\_\_. Section 11-9-820(A), (B), and (C) of the 1976 Code are amended to read:

“(A)(1)There is created the Board of Economic Advisors, an independent agency of state government, as follows:

~~(1)~~(a) One member, appointed by, and serving at the pleasure of, the Governor, who shall serve as chairman and shall receive annual compensation of ten thousand dollars;

~~(2)~~(b) One member appointed by, and serving at the pleasure of, the Chairman of the Senate Finance Committee, who shall receive annual compensation of eight thousand dollars;

~~(3)~~(c) One member appointed by, and serving at the pleasure of, the Chairman of the Ways and Means Committee of the House of Representatives, who shall receive annual compensation of eight thousand dollars;

~~(4)~~(d) The Director of the Department of Revenue, who shall serve ex officio, with no voting rights.

(2) The board shall unanimously select an executive director who shall serve a four-year term and who may only be removed for malfeasance, misfeasance, incompetency, absenteeism, conflicts of interest, misconduct, persistent neglect of duty in office, or incapacity as found by the board. The executive director shall have the authority and perform the duties prescribed by law and as may be directed by the board.

(B) The Chairman of the Board of Economic Advisors shall report directly to the ~~Budget and Control Board~~ the Governor, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee to establish policy governing economic trend analysis. The Board of Economic Advisors shall provide for its staffing and administrative support from funds appropriated by the General Assembly.

(C) The Executive Director of the ~~Budget and Control Board~~ Board of Economic Advisors shall assist the Governor, Chairman of the Board of Economic Advisors, Chairman of the Senate Finance Committee, and Chairman of the Ways and Means Committee of the House of Representatives in providing an effective system for compiling and maintaining current and reliable economic data. The Board of Economic Advisors may establish an advisory board to assist in carrying out its duties and responsibilities. All state agencies, departments, institutions and divisions shall provide the information and data the advisory board requires. The Board of Economic Advisors is considered a public body for purposes of the Freedom of Information Act, pursuant to Section 30‑4‑20(a).”

SECTION \_\_\_. Sections 11-9-825 and 11-9-830 of the 1976 Code are amended to read:

/ Section 11-9-825. The staff of the Board of Economic Advisors must be supplemented by the following officials who each shall designate one professional from their individual staffs to assist the BEA staff on a regular basis: the Governor, the Chairman of the House Ways and Means Committee, the Chairman of the Senate Finance Committee, the State Department of Revenue Chairman~~, and the Director of the Budget Division of the Budget and Control Board~~. The BEA staff shall meet monthly with these designees in order to solicit their input. /

Section 11-9-830. In order to provide a more effective system of providing advice to the ~~Budget and Control Board~~ Governor and the General Assembly on economic trends, the Board of Economic Advisors shall:

(1) compile and maintain in a unified, concise, and orderly form information about total revenues and expenditures which involve the funding of state government operations, revenues received by the state which comprise general revenue sources of all receipts to include amounts borrowed, federal grants, earnings, and the various activities accounted for in other funds;

(2) continuously review and evaluate total revenues and expenditures to determine the extent to which they meet fiscal plan forecasts/projections;

(3) evaluate federal revenues in terms of impact on state programs;

(4) compile economic, social, and demographic data for use in the publishing of economic scenarios for incorporation into the development of the state budget;

(5) bring to the attention of the Governor and the General Assembly the effectiveness, or lack thereof, of the economic trends and the impact on statewide policies and priorities;

(6) establish liaison with the Congressional Budget Office and the Office of Management and Budget at the national level.”

SECTION \_\_\_. Section 1-9-880(C) of the 1976 Code is amended to read:

“(C) All forecasts, adjusted forecasts, and reports of the Board of Economic Advisors, including the synopsis of the current year's review as required by subsection (B), must be published and reported to the Governor, ~~the members of the Budget and Control Board,~~ the members of the General Assembly, and made available to the news media.” SECTION \_\_\_. Section 11-9-890(B) of the 1976 Code is amended to read:

/ (B) If at the end of the first, second, or third quarter of any fiscal year quarterly revenue collections are two percent or more below the amount projected for that quarter by the Board of Economic Advisors, the ~~State Budget and Control Board~~ General Assembly, within ~~seven~~ twenty days of that determination, shall take action to avoid a year‑end deficit. If the quarterly revenue projections at the end of the first and second quarter are two percent or less below the amount projected, the President Pro Tempore of the Senate and the Speaker of the House of Representatives may call each respective house into session to take action to avoid a year-end deficit. If revenue projections are more than two percent below the amount projected, each house of the General Assembly shall convene in statewide session at twelve noon on the first Tuesday following the announcement of the deficit to take action to avoid a year-end deficit, if not called into session earlier by the President Pro Tempore and the Speaker of the House. ~~Notwithstanding Section 1‑11‑495, if the State Budget and Control Board~~ If the General Assembly does not take ~~unanimous~~ action within ~~seven~~ fifteen days, the Director of the Office of State Budget must reduce general fund appropriations by the requisite amount in the manner prescribed by law. Upon making the reduction, the Director of the Office of State Budget immediately must notify the State Treasurer and the Comptroller General of the reduction, and upon notification, the appropriations are considered reduced. No agencies, departments, institutions, activity, program, item, special appropriation, or allocation for which the General Assembly has provided funding in any part of this section may be discontinued, deleted, or deferred by the Director of the Office of State Budget. A reduction of rate of expenditure by the Director of the Office of State Budget, under authority of this section, must be applied as uniformly as shall be practicable, except that no reduction must be applied to funds encumbered by a written contract with the agency, department, or institution not connected with state government. /

Amend the bill further, as and if amended, beginning on page 7, by striking SECTION 4 in its entirety and inserting:

/ SECTION 4. Chapter 3, Title 2 of the 1976 Code is amended by adding:

“Section 2‑3‑250. Effective November 1, 2012, the Office of Precinct Demographics is established under the joint direction and management of the Clerk of the Senate and the Clerk of the House of Representatives as a division of the Legislative Services Agency. The Clerk of the Senate, the Clerk of the House of Representatives, and the executive director of the Budget and Control Board, in consultation with the President Pro Tempore of the Senate and the Speaker of the House of Representatives, shall determine the employees, authorized appropriations, and assets and liabilities to be transferred to the Office of Precinct Demographics. The Office Precinct Demographics shall:

(1) review existing precinct boundaries and maps for accuracy and develop and rewrite descriptions of precincts for submission to the legislative process;

(2) consult with members of the General Assembly or their designees on matters related to precinct construction or discrepancies that may exist or occur in precinct boundary development in the counties they represent;

(3) develop a system for originating and maintaining precinct maps and related data for the State;

(4) represent the General Assembly at public meetings, meetings with members of the General Assembly, and meetings with other state, county, or local governmental entities on matters related to precincts;

(5) assist the appropriate county officials in the drawing of maps and writing of descriptions or precincts preliminary to these maps and descriptions being filed in this office for submission to the United States Department of Justice;

(6) coordinate with the Census Bureau in the use of precinct boundaries in constructing census boundaries and the identification of effective uses of precinct and census information for planning purposes; and

(7) serve as a focal point for verifying official precinct information for the counties of South Carolina.” /

Amend the bill further, as and if amended, beginning on page 11 by striking SECTION 5 in its entirety and inserting:

/ SECTION 5. Chapter 3, Title 2 of the 1976 Code is amended by adding:

“Section 2‑3‑240. (A) Effective November 1, 2012, the Legislative Fiscal Office is established under the joint direction and management of the Clerk of the Senate and the Clerk of the House of Representatives as a division of the Legislative Services Agency. The following personnel of the State Budget and Control Board are transferred to the Legislative Fiscal Office, organized as recommended by the Clerk of the Senate and the Clerk of the House of Representatives:

(1) the employees of the Office of State Budget required to provide fiscal impact statements on proposed legislation and to support the General Assembly’s budget writing duties; and

(2) the employees of the Office of Research and Statistics required to provide revenue impact statements on proposed legislation and to support the General Assembly’s budget writing duties.

(B) The Legislative Fiscal Office must support the work of the General Assembly through the provision of data, fiscal impact statements and revenue impact statements, as appropriate, on proposed legislation, forecast of economic conditions pursuant to Section 11-9-880, and support the General Assembly’s budget writing duties without regard to political or other considerations beyond technical accuracy and professionalism required to perform the duties of the office.

(C) The Clerk of the Senate, the Clerk of the House of Representatives, and the executive director of the Budget and Control Board, in consultation with the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee, shall determine the employees, authorized appropriations, and assets and liabilities to be transferred pursuant to items (1), (2), and (3) of subsection (A).” /

Amend the bill further, as and if amended, beginning on page 15, by striking PART V, relating to the State Financial Affairs Authority, in its entirety.

Amend the bill further, as and if amended, page 33, by striking lines 1 - 9 and inserting:

/ Committee, before any new lease for space is entered into; and requiring prior review by the Joint Bond Review Committee and the requirement of ~~Budget and Control Board~~ departmental approval before the adoption of any new lease that commits more than one million dollars in a five‑year period; and

(7) requiring prior review by the Joint Bond Review Committee and the requirement of ~~Budget and Control Board~~ departmental approval before the adoption of any new lease that commits more than one million dollars in a five‑year period. /

Amend the bill further, as and if amended, in Part VI, by striking SECTION 13A in its entirety.

Amend the bill further, as and if amended, page 32, by striking lines 9 - 12.

Amend the bill further, as and if amended, page 33, by striking lines 42 and 43, and on page 34, by striking line 1 and 2.

Amend the bill further, as and if amended, page 34, by striking lines 10 - 20 and inserting:

/ the ~~State Budget and Control Board~~ Department of Administration. Upon approval of the transaction ~~by the Budget and Control Board~~, there must be recorded simultaneously with the deed, a certificate of acceptance, which acknowledges the ~~board’s~~ department’s approval of the transaction. The county recording authority cannot accept for recording any deed not accompanied by a certificate of acceptance. The ~~board~~ department may exempt a governmental body from the provisions of this subsection. /

Amend the bill further, as and if amended, page 35, by striking line 10 and inserting:

/ Section 1‑11‑20. /

Amend the bill further, as and if amended, page 35, by striking lines 31 - 33 and inserting:

/ affected thereby. /

Amend the bill further, as and if amended, page 36, by striking lines 12 - 15 and inserting:

/ condemnation or otherwise.

(2) The ~~State Budget and Control Board~~ Department of Administration shall make use of the /

Amend the bill further, as and if amended, page 37 by striking lines 12 - 20 and inserting:

/ Department of Administration pursuant to this chapter or another provision of law, the department may require submission and approval of plans and specifications for permanent improvements by a state department, agency, or institution before a contract is awarded for the permanent improvement.

(B) The Department of Administration may promulgate regulations necessary to carry out its duties.

(C) The respective divisions of the Department of Administration are authorized to provide to /

Amend the bill further, as and if amended, page 43, by striking lines 7 and 8 and inserting:

/ Section 1‑11‑335. The respective divisions of the ~~Budget and Control Board~~ Department of Administration are /

Amend the bill further, as and if amended, page 43, by striking lines 35 and 36 and inserting:

/ the ~~Office~~ Division of ~~the~~ State ~~Chief~~ Information ~~Officer~~ Technology in the Department of Administration ~~(CIO)~~ should /

Amend the bill further, as and if amended, page 46, by striking lines 17 - 19.

Amend the bill further, as and if amended, page 47, by striking lines 13 - 35 and inserting:

/ Section 10‑1‑30. (A) The Director of the Division of General Services ~~of the State Budget and Control Board~~ may authorize the use of ~~the State House lobbies,~~ areas of State House except for those provided in subsection (B), the State House steps and grounds, and other public buildings and grounds except for those provided in subsection (B) in accordance with regulations promulgated by the ~~board~~ department.

(B) The Clerk of the Senate and the Clerk of the House of Representatives must provide joint approval for access to or the use of the second and third floors of the State House. The ~~director shall obtain the approval of the~~ Clerk of the Senate ~~before~~ ~~authorizing~~ must provide prior authorization for any access to or use of the Gressette Building and ~~shall obtain the approval of~~ the Clerk of the House of Representatives ~~before authorizing~~ must provide prior authorization for any access to or use of the Blatt Building.

(C) The regulations promulgated pursuant to subsection (A) must contain provisions to ~~insure~~ ensure that the public health, safety, and welfare ~~will be~~ are protected in the use of the areas including reasonable time, place, and manner restrictions and application periods before use. If sufficient measures ~~cannot be~~ are not taken to protect the public health, safety, and welfare, the director shall deny the requested use. Other restrictions may be imposed on the use of the areas as are necessary for the conduct of business in those areas and the maintenance of the dignity, decorum, and aesthetics of the areas. /

Amend the bill further, as and if amended, page 54, by striking line 34 and inserting:

/ exclusive agent for the ~~board~~ department in selecting lands to be leased, /

Amend the bill further, as and if amended, page 56, by striking lines 3 and 4 and inserting:

/ be construed to abridge the authority of the ~~State Budget and Control Board~~ Department of Administration to grant /

Amend the bill further, as and if amended, page 56, by striking lines 13 ‑ 15 and inserting:

/ authorized by law or by rules of the House or Senate ~~or of the State Budget and Control Board~~ or the Department of Administration, respectively, when such entry is done for the purpose of uttering /

Amend the bill further, as and if amended, page 56, by striking lines 32 and 33 and inserting:

/ the State. The department must report annually on the financial status of the Sinking Fund to the General Assembly. /

Amend the bill further, as and if amended, page 57, by striking lines 11 ‑ 13.

Amend the bill further, as and if amended, page 58, by striking lines 42 and 43 and inserting:

/ the Governor, and the ~~Budget and Control Board~~ Department of Administration.” /

Amend the bill further, as and if amended, page 64, by striking lines 34 and 35 and inserting:

/ provided by the ~~State Energy Office~~ Department of Administration. /

Amend the bill further, as and if amended, page 68, by striking line 17 and inserting:

/ be in writing to the ~~board~~ department. In approving such special /

Amend the bill further, as and if amended, by striking Part IX in its entirety.

Amend the bill further, as and if amended, by adding an appropriately numbered new SECTION to read:

/ SECTION \_\_\_. A. Section 1-6-20(B) of the 1976 Code, as added by A. \_\_ of 2012, R. \_\_, S. 258, is amended to read:

“(B) The State Inspector General is responsible for investigating and addressing allegations of fraud, waste, abuse, mismanagement, misconduct, violations of state or federal law, and wrongdoing in agencies and must conduct annual audits of state agencies pursuant to Section 1‑6‑110.”

B. Section 1-6-20(D)(3) of the 1976 Code, as added by A. \_\_ of 2012, R. \_\_, S. 258, is amended to read:

“(3) is entitled to receive compensation set by the Governor ~~and approved by the Budget and Control Board~~.

C. Chapter 6, Title 1 of the 1976 Code, as added by A. \_\_ of 2012, R. \_\_, S. 258, is amended by adding:

“Section 1‑6‑110. (A)(1) All State agencies and entities supported partially or entirely by public funds are subject to audit by or under the oversight of the State Inspector General, except as otherwise specifically provided by law. The State Inspector General, to the extent practicable and consistent with his overall responsibility, shall audit or cause to be audited each State agency and entity annually.

(2) Annually the State Auditor shall audit or cause to be audited the State’s basic financial statements prepared by the Comptroller General of South Carolina.

(3) Annually the State Auditor shall audit or cause to be audited the compliance of the State of South Carolina with the U. S. Office of Management and Budget (OMB) Circular A‑133 Compliance Supplement as applicable to major Federal programs.

(4) Audits must be conducted in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A‑133, Audits of States, Local Governments, and Nonprofit Organizations.

(B) To the extent practicable and consistent with his overall responsibility, the State Inspector General periodically shall audit or cause to be audited the financial records of the county treasurers, municipal treasurers, county clerks of court, magistrates, and municipal courts to report if fines and assessments imposed pursuant to Sections 14‑1‑205 through 14‑1‑208 are collected properly and remitted to the State Treasurer. Upon the issuance of an audit report, the State Inspector General immediately shall notify the State Treasurer, Division of Court Administration, and the chief administrator of the affected agency, department, county, or municipality.

(C) Reports of audit findings must be available to the Governor, the Department of Administration, General Assembly, and the general public. The State Inspector General shall notify the Governor, the Department of Administration, and the General Assembly immediately upon the issuance of an audit report.

(D) In order to carry out his duties, the State Inspector General and his assistants or designees must have access to all records and facilities of every state agency during normal operating hours. The State Inspector General and his assistants or designees shall have access to all relevant records and facilities of a private organization receiving appropriated state monies, relating to the management and expenditures of these state monies, during the organization’s normal operating hours. In the performance of his official duties, the State Inspector General and his assistants or designees are subject to the statutory provisions and penalties regarding the confidentiality of records of the agency or organization under review. All audit working papers and memoranda of the State Inspector General, except final audit reports, are confidential and not subject to public disclosure.

(E) The State Inspector General shall bill the South Carolina Department of Health and Human Services monthly for fifty percent of the costs incurred by the State Inspector General in conducting the medical assistance audit. The amount billed by the State Inspector General must include those appropriated salary adjustments and employer contributions allowable under the Medicaid program. The Department of Health and Human Services shall remit the amount billed to the credit of the general fund of the State.

(F) As required by professional auditing standards, the State Inspector General shall maintain independence in the performance of his authorized duties. Neither the Governor nor an agency or entity of the executive or judicial branches of State government has the authority to limit the scope, direction, or report content of an audit undertaken by the State Inspector General.

(G)(1) To preserve the independence and objectivity of the audit function, the State Inspector General or his employees may not serve in any capacity on an administrative board, commission, or other organization that they have the responsibility or authority to audit, and they may not have a material, direct or indirect, financial or other economic interest in the transactions of a state agency.

(2) The State Inspector General or a member of his staff may not conduct an audit of a program, activity, or agency for which he had management responsibility or by which he has been employed during the last two years.

(H) The State Inspector General may obtain the services of independent public accountants as he considers necessary to carry out his duties and responsibilities. The State Inspector General may use funds appropriated for personal services to contract with private firms, using a request for proposals, to perform audits.

(I) Each state agency shall remit to the State Inspector General an amount representing an equitable portion of the expense of contracting with a certified public accounting firm to conduct a portion of the audit of the State’s Comprehensive Annual Financial Report prepared by the Comptroller General’s Office. Each state agency’s equitable portion of the expense must be determined by a schedule developed by the State Inspector General. The remittance must be based upon invoices provided by the State Inspector General upon completion of the annual audit. The audit must be rebid using a request for proposals no less frequently than every five years.”

D. This SECTION takes effect on July 1, 2012. /

Amend the bill further, as and if amended, by striking SECTION 29 in its entirety.

Amend the bill further, as and if amended, page 92, by striking lines 31 - 43, and on page 93, by striking lines 1 - 7 and inserting:

/ (C) The Naval Base Museum Authority shall become operative upon the signing of a Memorandum Of Understanding between the RDA and the Hunley Commission. With respect to the Hunley project, the MOU must provide for the Naval Base Museum Authority division of the RDA to undertake and comply with the duties, responsibilities, powers, and functions of the Hunley Commission as specified in Sections 54-7-100 and 54-7-110 of the 1976 Code, and as otherwise provided by law. The Navy Base Museum Authority shall possess and may exercise all powers and authority granted to the Hunley Commission by specific statutory reference in Sections 54‑7‑100 and 54‑7‑110. /

Amend the bill further, as and if amended, in SECTION 31, page 93, by adding:

/ “(C) The board of directors also constitute the governing board of the Tobacco Settlement Revenue Management Authority. /

Amend the bill further, as and if amended, beginning on page 106 by striking Part XII, relating to the Performance Audit and Effective Date, in its entirety and inserting:

/ Part \_\_\_\_

Miscellaneous

SECTION \_\_\_. A. Title 2 of the 1976 Code is amended by adding:

“CHAPTER 79

State Agency Deficit Prevention and Recognition

Section 2‑79‑10. This chapter may be cited as the ‘State Agency Deficit Prevention and Recognition Act’.

Section 2‑79‑20. It is the responsibility of each state agency, department, and institution to operate within the limits of appropriations set forth in the annual general appropriations act, appropriation acts, or joint resolution supplemental thereto, and any other approved expenditures of monies. A state agency, department, or institution shall not operate in a manner that results in a year‑end deficit except as provided in this chapter.

Section 2‑79‑30. If at the end of each quarterly deficit monitoring review by the Office of State Budget, it is determined by either the Office of State Budget or a state agency, department, or institution that the likelihood of a deficit for the current fiscal year exists, the state agency shall submit to the Office of State Budget and the General Assembly within fourteen days, a plan to eliminate the projected deficit. After submission of the plan, if it is determined that the deficit cannot be eliminated by the state agency, department, or institution on its own, the state agency is required to officially notify the General Assembly within fifteen days of the determination that the state agency is requesting that a deficit be recognized.

Section 2‑79‑40. (A) Upon notification from the state agency, department, or institution, as provided in Section 2‑79‑30, the General Assembly, by joint resolution, may make a finding that the cause of, or likelihood of, a deficit is unavoidable due to factors which are outside the control of the state agency, department, or institution, and recognize the deficit. Any legislation to recognize a deficit must be in a separate joint resolution enacted for the sole purpose of recognizing the deficit of a particular state agency, department, or institution. A deficit only may be recognized by an affirmative vote of each branch of the General Assembly.

(B) If the General Assembly recognizes the deficit, then the actual deficit at the close of the fiscal year must be reduced as necessary from surplus revenues or surplus funds available at the close of the fiscal year in which the deficit occurs and from funds available in the General Reserve Fund and the Capital Reserve Fund, as required by the Constitution of this State.

Section 2‑79‑50. Once a deficit has been recognized by the General Assembly, the state agency, department, or institution shall limit travel and conference attendance to the minimum required to perform its core mission. In addition, the General Assembly, when recognizing a deficit may direct that any pay increases and purchases of equipment and vehicles must be approved by the Office of State Budget.

Section 2‑79‑60. Section 2‑79‑60. (A)(1) An officer or employee of this State may not:

(a) except following the enactment of a joint resolution pursuant to Section 2‑79‑40, make or authorize an expenditure or obligation exceeding the amount available in an existing state appropriation or existing state fund for the expenditure or obligation; or

(b) unless otherwise authorized by law, involve the state government in a contract or obligation for the payment of money before an appropriation to fund the contract or obligation is made.

(B)(1) An officer or employee of this State may not employ personal services exceeding that authorized by law except for emergencies involving the safety of human life or the protection of property.

(2) As used in this subsection, ‘emergencies involving the safety of human life or the protection of property’ do not include ongoing, regular functions of state government the suspension of which would not imminently threaten the safety of human life or the protection of property.

(C)(1) If an employee of this State covered by the State Employee Grievance Protection Act is determined by his employing authority knowingly and wilfully to have violated a provision of this section, the officer may be suspended with or without pay, as appropriate, and, pending final action pursuant to that act, dismissed, demoted, or otherwise disciplined.

(2) If an ‘at will’ employee or an officer of this State is determined by his employing or appointing authority knowingly and wilfully to have violated a provision of this section, the officer or employee may be dismissed, demoted, or otherwise disciplined. An ‘at will’ employee subject to a personnel action pursuant to this section is nevertheless entitled to appeal that action to his employing or appointing authority at a hearing at which the officer or employee may be represented by a person of his choosing. The decision of the hearing body or officer is final with respect to the disposition of this personnel action.

(D) The provisions of Subsection (C) of this section are in addition to and not in lieu of any other administrative or criminal penalties provided by law for violating similar provisions of law, including, specifically, the criminal penalties provided for violations pursuant to Section 11‑1‑40.”

B. Section 1‑11‑495 of the 1976 Code, as last amended by Act 152 of 2010, is repealed.

SECTION \_\_\_. Chapter 47 of Title 2 of the 1976 Code is amended to read:

“Chapter 47

Joint Bond Review Committee

Section 2‑47‑10. The General Assembly finds that a need exists for careful planning of permanent improvements and of the utilization of State general obligation and institutional bond authority in order to ensure the continued favorable bond credit rating our State has historically enjoyed. It further finds that the responsibility for ~~proper~~ management of these matters is properly placed upon the ~~General Assembly by our State Constitution~~ legislative and executive branches of government. It is the purpose of this ~~resolution~~ act to further ensure the proper legislative and executive response in the fulfillment of this responsibility.

Section 2‑47‑15. (A) Subject to the conditions and limitations set forth in Article X, Section 13 of the South Carolina Constitution, the General Assembly shall establish annually in a joint resolution monetary limitations for the issuance of State general obligation and institutional bonds for specific categories of bonded indebtedness based on the capability of the State to fulfill such obligations considering current and projected revenues. The State Treasurer shall not initiate incurring of State general obligation and institutional bonds above the limitations established annually by the General Assembly. Unless otherwise specifically accounted for in A. \_\_\_ of 2012, R. \_\_\_, H. 3066, there is devolved upon the Bond Review Authority all functions, powers, duties, responsibilities, and authority vested in the Budget and Control Board prior to the effective date of this A. \_\_\_ of 2012, R. \_\_\_, H. 3066 related to the issuance of bonds and bonding authority, generally found in Title 11 of the 1976 Code but also contained in certain other provisions of South Carolina law. The authority shall establish criteria, upon consultation with the Joint Bond Review Committee, to apply to the review and approval process.

(B) Bonded indebtedness issued by the South Carolina Jobs ‑ Economic Development Authority and political subdivisions do not require approval by the Bond Review Authority. The South Carolina Jobs ‑ Economic Development Authority and political subdivisions shall submit a report to the Bond Review Authority of any bonds the entity issues. Bonded indebtedness issued pursuant to this subsection does not constitute nor give rise to a pecuniary liability to the State or a charge against the credit or taxing powers of the State.

Section 2‑47‑20. There is hereby created a six member joint committee of the General Assembly to be known as the Joint Bond Review Committee to study and monitor policies and procedures relating to the approval of permanent improvement projects and to the issuance of State general obligation and institutional bonds; to evaluate the effect of current and past policies on the bond credit rating of the State; and provide advisory assistance in the establishment of future capital management policies. Three members shall be appointed from the Senate Finance Committee by the chairman thereof and three from the Ways and Means Committee of the House of Representatives by the chairman of that committee correspond to the terms for which they are elected to the General Assembly. The committee shall elect officers of the committee, but any person so elected may succeed himself if elected to do so.

The expenses of the committee shall be paid from approved accounts of both houses. The Legislative Council and all other legislative staff organizations shall provide such assistance as the joint committee may request.

Section 2‑47‑25. In addition to the members provided for by Section 2‑47‑20, two additional members shall be appointed by the Chairman of the Ways and Means Committee of the House of Representatives from the membership of that body. Two additional members shall be appointed by the Chairman of the Finance Committee of the Senate from the membership of the Senate. Members shall serve the same terms as the members of the committee provided for in Section 2‑47‑20.

Section 2‑47‑30. The committee is specifically charged with, but not limited to, the following responsibilities:

(1) To review, prior to approval by the ~~Budget and Control Board~~ Bond Review Authority, the establishment of any permanent improvement project and the source of funds for any such project not previously authorized specifically by the General Assembly.

(2) To study the amount and nature of existing general obligation and institutional bond obligations and the capability of the State to fulfill such obligations based on current and projected revenues.

(3) To recommend priorities of future bond issuance based on the social and economic needs of the State.

(4) To recommend prudent limitations of bond obligations related to present and future revenue estimates.

(5) To consult with independent bond counsel and other nonlegislative authorities on such matters and with fiscal officials of other states to gain in‑depth knowledge of capital management and assist in the formulation of short and long‑term recommendations for the General Assembly.

(6) To carry out all of the above assigned responsibilities in consultation and cooperation with the executive branch of government and the ~~Budget and Control Board~~ Bond Review Authority.

(7) To report its findings and recommendations to the General Assembly annually or more frequently if deemed advisable by the committee.

Section 2‑47‑35. No project authorized in whole or in part for capital improvement bond funding under the provisions of Act 1377 of 1968, as amended, may be implemented until funds can be made available and until the Joint Bond Review Committee, in consultation with the ~~Budget and Control Board~~ Bond Review Authority, establishes priorities for the funding of the projects. The Joint Bond Review Committee shall report its priorities to the members of the General Assembly within thirty days of the establishment of the funding priorities.

Section 2‑47‑40. (A) To assist the ~~State Budget and Control Board (the Board)~~ Bond Review Authority and the Joint Bond Review Committee ~~(the Committee)~~ in carrying out their respective responsibilities, any agency or institution requesting or receiving funds from any source for use in the financing of any permanent improvement project, as a minimum, shall provide to the ~~Board~~ authority, in such form and at such times as the ~~Board~~ authority, after review by the Committee, may prescribe:

~~(a)~~(1) a complete description of the proposed project;

~~(b)~~(2) a statement of justification for the proposed project;

~~(c)~~(3) a statement of the purposes and intended uses of the proposed project;

~~(d)~~(4) the estimated total cost of the proposed project;

~~(e)~~(5) an estimate of the additional future annual operating costs associated with the proposed project; (f) a statement of the expected impact of the proposed project on the five‑year operating plan of the agency or institution proposing the project;

~~(g)~~(6) a proposed plan of financing the project, specifically identifying funds proposed from sources other than capital improvement bond authorizations; and

~~(h)~~(7) the specification of the priority of each project among those proposed.

(B) All institutions of higher learning shall submit permanent improvement project proposal and justification statements to the ~~Board~~ authority through the Commission on Higher Education which shall forward all such statements and all supporting documentation received to the ~~Board~~ authority together with its comments and recommendations. The recommendations of the Commission on Higher Education, among other things, shall include all of the permanent improvement projects requested by the several institutions listed in the order of priority deemed appropriate by the Commission on Higher Education without regard to the sources of funds proposed for the financing of the projects requested.

The ~~Board~~ authority shall forward a copy of each project proposal and justification statement and supporting documentation received together with the ~~Board’s~~ authority’s recommendations on such projects to the Committee for its review and action. The recommendations of the Commission on Higher Education shall be included in the materials forwarded to the Committee by the ~~Board~~ authority.

(C) No provision in this section or elsewhere in this chapter, shall be construed to limit in any manner the prerogatives of the Committee and the General Assembly with regard to recommending or authorizing permanent improvement projects and the funding such projects may require.

Section 2‑47‑50. (A) The ~~board~~ Bond Review Authority shall establish formally each permanent improvement project before actions of any sort which implement the project in any way may be undertaken and no expenditure of any funds for any services or for any other project purpose contracted for, delivered, or otherwise provided prior to the date of the formal action of the ~~board~~ authority to establish the project shall be approved. State agencies and institutions may advertise and interview for project architectural and engineering services for a pending project so long as the architectural and engineering contract is not awarded until after a state project number is assigned. After the committee has reviewed the form to be used to request the establishment of permanent improvement projects and has reviewed the time schedule for considering such requests as proposed by the ~~board~~ authority, requests to establish permanent improvement projects shall be made in such form and at such times as the ~~board~~ authority may require.

(B) Any proposal to finance all or any part of any project using any funds not previously authorized specifically for the project by the General Assembly or using any funds not previously approved for the project by the ~~board~~ authority and reviewed by the committee shall be referred to the committee for review prior to approval by the ~~board~~ authority.

(C) Any proposed revision of the scope or of the budget of an established permanent improvement project deemed by the ~~board~~ authority to be substantial shall be referred to the committee for its review prior to any final action by the board. In making their determinations regarding changes in project scope, the ~~board~~ authority and the committee shall utilize the permanent improvement project proposal and justification statements, together with any supporting documentation, considered at the time the project was authorized or established originally. Any proposal to increase the budget of a previously approved project using any funds not previously approved for the project by the ~~board~~ authority and reviewed by the committee shall in all cases be deemed to be a substantial revision of a project budget which shall be referred to the committee for review. The committee shall be advised promptly of all actions taken by the ~~board~~ authority which approve revisions in the scope of or the budget of any previously established permanent improvement project not deemed substantial by the ~~board~~ authority.

(C) For purposes of this chapter, with regard to all institutions of higher learning, permanent improvement project is defined as:

(1) acquisition of land, regardless of cost, with staff level review of the committee and the ~~Budget and Control Board~~ Bond Review Authority, Capital Budget Office, up to two hundred fifty thousand dollars;

(2) acquisition, as opposed to the construction, of buildings or other structures, regardless of cost, with staff level review of the committee and the ~~Budget and Control Board~~ Bond Review Authority, Capital Budget Office, up to two hundred fifty thousand dollars;

(3) work on existing facilities for any given project including their renovation, repair, maintenance, alteration, or demolition in those instances in which the total cost of all work involved is one million dollars or more;

(4) architectural and engineering and other types of planning and design work, regardless of cost, which is intended to result in a permanent improvement project. Master plans and feasibility studies are not permanent improvement projects and are not to be included;

(5) capital lease purchase of a facility acquisition or construction in which the total cost is one million dollars or more;

(6) equipment that either becomes a permanent fixture of a facility or does not become permanent but is included in the construction contract shall be included as a part of a project in which the total cost is one million dollars or more; and

(7) new construction of a facility that exceeds a total cost of five hundred thousand dollars.

(D) Any permanent improvement project that meets the above definition must become a project, regardless of the source of funds. However, an institution of higher learning that has been authorized or appropriated capital improvement bond funds, capital reserve funds or state appropriated funds, or state infrastructure bond funds by the General Assembly for capital improvements shall process a permanent improvement project, regardless of the amount.

(E) For purposes of establishing permanent improvement projects, Clemson University Public Service Activities (Clemson‑PSA) and South Carolina State University Public Service Activities (SC State‑PSA) are subject to the provisions of this chapter.

Section 2‑47‑55. (A) All state agencies responsible for providing and maintaining physical facilities are required to submit a Comprehensive Permanent Improvement Plan (CPIP) to the Joint Bond Review Committee and the ~~Budget and Control Board~~ Bond Review Authority. The CPIP must include all of the agency’s permanent improvement projects anticipated and proposed over the next five years beginning with the fiscal year starting July 1 after submission. The purpose of the CPIP process is to provide the ~~board~~ authority and the committee with an outline of each agency’s permanent improvement activities for the next five years. Agencies must submit a CPIP to the committee and the ~~board~~ authority on or before a date to be determined by the committee and the ~~board~~ authority. The CPIP for each higher education agency, including the technical colleges, must be submitted through the Commission on Higher Education which must review the CPIP and provide its recommendations to the ~~board~~ authority and the committee. The ~~board~~ authority and the committee must approve the CPIP after submission and may develop policies and procedures to implement and accomplish the purposes of this section.

(B) The State shall define a permanent improvement only in terms of capital improvements, as defined by generally accepted accounting principles, for reporting purposes to the State.

Section 2‑47‑56. Each state agency and institution may accept gifts‑in‑kind for architectural and engineering services and construction of a value less than two hundred fifty thousand dollars with the approval of the Commission of Higher Education or its designated staff, the Director of the Division of General Services, and the Joint Bond Review Committee or its designated staff. No other approvals or procedural requirements, including the provisions of Section 11‑35‑10, may be imposed on the acceptance of such gifts.

Section 2‑47‑60. The Joint Bond Review Committee is hereby authorized and directed to regulate the starting date of the various projects approved for funding through the issuance of state highway bonds so as to ensure that the sources of revenue for debt service on such bonds shall be sufficient during the current fiscal year.

Section 2-47-70. (A) To ensure the integrity and the effectiveness of the procurement process, the Joint Bond Review Committee shall receive a monthly report from the Department of Administration identifying each contract newly executed, against which the department expects that at least five million dollars will be expended over the life of the agreement, inclusive of any available extensions or renewals. The department’s monthly report must also provide notice of any renewals or extensions approved for such contracts during the relevant period.

(B) Each governmental body, as defined in Section 11‑35‑310, shall, by the fifteenth day of each month, furnish the department with records the department shall require in order to satisfy the reporting requirements established in this section. The department’s monthly reports must provide information on contracts executed, extended, or renewed during the period concluding one month prior to the date on which the report is transmitted to the Joint Bond Review Committee.

(C) The Joint Bond Review Committee may also, when deemed necessary, refer matters to the Legislative Audit Council or other appropriate investigative or prosecutorial entities for further review. Whenever the Joint Bond Review Committee identifies deficiencies in procurement policies or procedures, the committee shall notify and make recommendations to the Director of the Department of Administration.

Section 2-47-80. (A) To ensure the integrity and the effectiveness of the Insurance Reserve Fund, the Joint Bond Review Committee shall receive a monthly report from the Department of Administration. The department’s monthly reports must provide information concerning each policy issued, the premiums collected, each claim paid, attorney fees, and financial management data during the period concluding one month prior to the date on which the report is transmitted to the Joint Bond Review Committee.

(B) The Joint Bond Review Committee may also, when deemed necessary, refer matters to the Legislative Audit Council or other appropriate investigative or prosecutorial entities for further review. Whenever the Joint Bond Review Committee identifies deficiencies in Insurance Reserve Fund policies or procedures, the committee shall notify and make recommendations to the Director of the Department of Administration.”

SECTION \_\_\_. Section 2‑15‑50(b)(2) of the 1976 Code is amended to read:

“(2) the effectiveness of organizations, programs, activities or functions; and whether these organization, programs, activities, or functions should be continued, revised, or eliminated;”

SECTION \_\_\_. Chapter 17, Title 60 of the 1976 Code is amended by adding:

“CHAPTER 17.

SOUTH CAROLINA CONFEDERATE RELIC ROOM AND MILITARY MUSEUM COMMISSION

Section 60‑17‑10. (A) Effective January 1, 2013, the South Carolina Confederate Relic Room and Military Museum Commission is established and must be composed of nine voting members who shall be appointed for terms of four years and until their successors are appointed and qualify, except as specified in Subsection (B) for initial terms. The members of the board shall be appointed as follows:

(1) three members appointed by the Governor;

(2) two members appointed by the President Pro Tempore of the Senate;

(3) one member appointed by the President Pro Tempore of the Senate upon the recommendation of the South Carolina Division Commander of the Sons of Confederate Veterans;

(4) two members appointed by the Speaker of the House of Representatives; and

(5) one member appointed by the Speaker of the House of Representatives upon the recommendation of the President of the South Carolina Division of the United Daughters of the Confederacy.

(B) Initially, in order to stagger terms:

(1) one member appointed by the Governor shall serve a term of one year;

(2) one member appointed by the Governor shall serve a term of two years;

(3) one member appointed by the Governor shall serve for three years;

(4) one member appointed by the President Pro Tempore of the Senate shall serve for one year’

(5) one member appointed by the President Pro Tempore of the Senate shall serve for two years;

(6) one member appointed by the President Pro Tempore of the Senate shall serve for three years;

(7) one member appointed by the Speaker of the House of Representatives shall serve for one year;

(8) one member appointed by the Speaker of the House of Representatives shall serve for two years; and

(9) one member appointed by the Speaker of the House of Representatives shall serve for three years.

At the expiration of these initial terms, successors must be appointed for terms of four years.

Section 60‑17‑20. (A) The South Carolina Confederate Relic Room and Military Museum is authorized to supplement its state appropriations by receiving donations of funds and artifacts and admission fees and to expend these donations and fees to support its operations and for the acquisition, restoration, preservation, and display of its collection.

(B) The South Carolina Confederate Relic Room and Military Museum is authorized to collect, retain, and expend fees from research and photographic processing requests and from the sale of promotional items.

Section 60‑17‑30. No artifacts owned by the State in the permanent collections of the South Carolina Confederate Relic Room and Military Museum may be permanently removed or disposed of except by a Concurrent Resolution of the General Assembly.

Section 60‑17‑40. The Director of the South Carolina Confederate Relic Room and Military Museum must be selected by the South Carolina Confederate Relic Room and Military Museum Commission after consultation with the South Carolina Division Commander of the Sons of the Confederate Veterans and the President of the South Carolina Chapter of the United Daughters of the Confederacy. The director shall serve at the pleasure of the commission.”

B. Article 7, Chapter 11, Title 1 is repealed.

Part \_\_\_

Performance Audit and Effective Date

SECTION \_\_\_. (A) All functions, powers, duties, responsibilities, and authority vested in the Budget and Control Board, including board officials and board programs, prior to the effective date of this act that are not otherwise specifically accounted for in this act are devolved upon the Department of Administration along with funding, staff, facilities, and other items necessary to carry out the devolved functions, powers, duties, responsibilities or authority. The code commissioner is directed to make appropriate changes in the South Carolina Code to reflect this devolution. The code commissioner is directed to make appropriate conforming changes in the South Carolina Code to reflect this devolution and report the changes made to the General Assembly.

(B) Unless otherwise specifically accounted for in this act, there is devolved upon the Department of Administration all functions, powers, duties, responsibilities, and authority vested in the Budget and Control Board prior to the effective date of this act related to the issuance of bonds and bonding authority, generally found in Title 11 of the 1976 Code but also contained in certain other provisions of South Carolina law. The code commissioner is directed to make appropriate conforming changes in the South Carolina Code to reflect this devolution.

(C) All functions, powers, duties, responsibilities, and authority vested in the Budget and Control Board prior to the effective date of this act relating to the Employee Insurance Program and the Retirement Division that are not otherwise specifically accounted for in this act are devolved upon the Public Employee Benefits Agency along with funding, staff, facilities, and other items necessary to carry out the devolved functions, powers, duties, responsibilities, or authority. The code commissioner is directed to make appropriate conforming changes in the South Carolina Code to reflect this devolution.

(D) The name of the Office Legislative Printing, Information and Technology Systems is changed to the Legislative Services Agency. References in the 1976 Code to the “Office of Legislative Printing, Information and Technology Systems” or “LPITS” mean the “Legislative Services Agency” or “LSA”, as appropriate. The Code Commissioner is directed to change references in the 1976 Code to conform to this name change, and such changes must be included in the next printing of replacement volumes of or cumulative supplements to the 1976 Code.

(E) All functions, powers, duties, responsibilities, and authority related to the preparation of estimated revenue impact statements, fiscal impact statements, financial impact statements, or other similar impact statements required by law to be produced in conjunction with certain legislation that are vested in the Board of Economic Advisors, the State Budget Division of the State Budget and Control Board, the Division of Research and Statistical Services, the Office of State Budget, or any other agency, division, office, board, or other instrumentality of state government that are not otherwise specifically accounted for in this act are devolved upon the Legislative Fiscal Office along with funding, staff, facilities, and other items necessary to carry out the devolved functions, powers, duties, responsibilities, or authority. The code commission is directed to make appropriate conforming changes in the South Carolina Code to reflect this devolution.

SECTION \_\_\_. The State Budget and Control Board, as constituted in Chapter 11, Title 1 of the 1976 Code, is abolished (1) upon the completion of the Executive Director of the Budget and Control Board completing all necessary actions to accomplish the transfers of functions, powers, duties, responsibilities, and authority in accordance with this act, state laws, and regulations, (2) after the Memorandum of Agreement required by SECTION 4 of this act is executed, and (3) upon the transfer of the Employee Insurance Program and the Retirement Division to the Public Employee Benefit Agency. The employees, authorized appropriations, and assets and liabilities of the transferred offices are also transferred to and become part of the agency, department, or institution to which the transfer was made. All classified or unclassified personnel employed by these offices on the effective date of this act, either by contract or by employment at will, shall become employees of the agency, department or institution to which the transfer was made, with the same compensation, classification, and grade level, as applicable.

SECTION \_\_\_. References in the 1976 Code to the “Budget and Control Board”, or the “board”, that refer to functions, powers, duties, responsibilities, and authority vested in the Budget and Control Board prior to the effective date of this act related to the issuance of bonds and bonding authority, generally found in Title 11 of the 1976 Code but also contained in certain other provisions of South Carolina law, mean the “Bond Review Authority” or “authority”, as appropriate. The Code Commissioner shall change references in the 1976 Code to conform to this act, and such changes must be included in the next printing of replacement volumes or cumulative supplements.

SECTION \_\_\_. Section 11‑35‑4410, Section 11‑35‑4420, Section 1-11-90, and Section 11-49-40(A) of the 1976 Code are repealed.

SECTION \_\_\_. Chapter 7, Title 11 of the 1976 Code is repealed.

SECTION \_\_\_. During the year 2018, the Legislative Audit Council shall conduct a performance review of the provisions of this act to determine its effectiveness and achievements with regard to the more efficient performance of the functions and duties of the various agencies provided for herein and the cost savings and benefits to the State.

SECTION \_\_\_. On or before September 1, 2012, the Code Commissioner shall prepare and deliver a report to the President Pro Tempore of the Senate and the Speaker of the House of Representatives of all code references and cross‑references which he considers in need of correction or modification insofar as the 1976 Code has been affected by this act.

SECTION \_\_\_. Unless otherwise provided, this act takes effect July 1, 2012. The General Assembly shall undertake a joint oversight review investigation of the Department of Administration during the department’s fifth year of operation. /

Renumber sections to conform.

Amend title to conform.

Senator SHEHEEN explained the amendment.

**Expression of Personal Interest**

Senator RANKIN rose for an Expression of Personal Interest.

On motion of Senator LARRY MARTIN, debate was interrupted by adjournment.

**MOTION ADOPTED**

On motion of Senator McGILL, with unanimous consent, the Senate stood adjourned out of respect to the memory of Mrs. Alma Smith Fulton of Kingstree, S.C. She was the beloved wife of Raymond Fulton and was employed with Baxter Laboratory for 28 years.

**ADJOURNMENT**

At 2:05 P.M., on motion of Senator LARRY MARTIN the Senate adjourned to meet tomorrow at 11:45 A.M.

**Recorded Vote**

Senators GROOMS, SHANE MARTIN, BRYANT and BRIGHT desired to be recorded as voting against adjournment.

\* \* \*