COMMITTEE REPORT

January 26, 2017

**S. 218**

Introduced by Senators Massey, Bennett, Alexander and Bryant

S. Printed 1/26/17--S.

Read the first time January 10, 2017.

**THE COMMITTEE ON**

**LABOR, COMMERCE AND INDUSTRY**

To whom was referred a Bill (S. 218) to amend Chapter 1, Title 41 of the 1976 Code, relating to labor and employment generally, by adding Section 41-1-25, to provide that a political, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass:

THOMAS C. ALEXANDER for Committee.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

**Explanation of Fiscal Impact**

**Introduced on January 10, 2017**

**State Expenditure**

This bill ensures that a political subdivision cannot establish, mandate, or otherwise require an employee benefit. Employee benefit includes, but is not limited to any health benefits, disability benefits, death benefits, group accidental death and dismemberment benefits, paid days off for holidays, paid sick leave, paid vacation leave, paid personal necessity leave, retirement benefits, and profit-sharing benefits. Political subdivision includes, but is not limited to a municipality, county, school district, special purpose district, or public service district.

**Department of Education.** This bill prohibits school districts to establish, mandate, or otherwise require an employee benefit. A survey of the local school districts by the Department of Education indicates that the school districts do not mandate or otherwise require the employee benefits as defined in the bill. Therefore, this bill will have no expenditure impact on school district general funds, federal funds, or other funds.

**Department of Labor, Licensing, and Regulation.** The department indicates that while the requirements of this bill could result in increased labor complaints and questions, any expenses associated with the bill could be absorbed within current appropriations.

**Local Expenditure**

This bill ensures that a political subdivision cannot establish, mandate, or otherwise require an employee benefit. The Revenue and Fiscal Affairs Office contacted the Municipal Association of South Carolina and twenty-three county governments regarding the expenditure impact of this bill. The Municipal Association indicates that this bill will have no impact on municipal governments since municipalities currently practice these guidelines. Only one response was received from the surveyed counties, which indicates that this bill would have no impact on that locality. Although only one response was received from the surveyed counties, we anticipate that this bill will have no impact on local governments since it is expected that most localities currently practice these guidelines.

Frank A. Rainwater, Executive Director

Revenue and Fiscal Affairs Office

**A** **BILL**

TO AMEND CHAPTER 1, TITLE 41 OF THE 1976 CODE, RELATING TO LABOR AND EMPLOYMENT GENERALLY, BY ADDING SECTION 41-1-25, TO PROVIDE THAT A POLITICAL SUBDIVISION OF THIS STATE MAY NOT ESTABLISH, MANDATE, OR OTHERWISE REQUIRE AN EMPLOYEE BENEFIT; AND TO DEFINE NECESSARY TERMS.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Chapter 1, Title 41 of the 1976 Code is amended by adding:

“Section 41-1-25. (A) For purposes of this section:

(1) ‘Employee benefit’ means anything of value that an employee may receive from an employer in addition to wages. This term includes, but is not limited to, any health benefits, disability benefits, death benefits, group accidental death and dismemberment benefits, paid days off for holidays, paid sick leave, paid vacation leave, paid personal necessity leave, retirement benefits, and profit‑sharing benefits.

(2) ‘Political subdivision’ includes, but is not limited to, a municipality, county, school district, special purpose district, or public service district.

(B) A political subdivision of this State may not establish, mandate, or otherwise require an employee benefit.

(C) This section does not limit the authority of political subdivisions to establish employee benefits in employment relationships to which they are a party.”

SECTION 2. This act takes effect upon approval by the Governor.

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