

Economic Development, Transportation, and Natural Resources Subcommittee Meeting
Wednesday, April 27, 2022

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AGENDA

South Carolina
House of Representatives



Legislative Oversight Committee

*ECONOMIC DEVELOPMENT, TRANSPORTATION,
AND NATURAL RESOURCES SUBCOMMITTEE*

The Honorable William M. "Bill" Hixon, Chair

The Honorable Adam M. Morgan

The Honorable Russell L. Ott

The Honorable Marvin R. Pendarvis

Wednesday, April 27, 2022

9:00 a.m.

321 - Blatt Building

*Pursuant to Committee Rule 6.8, S.C. ETV shall be allowed access for internet streaming whenever
technologically feasible.*

AGENDA

- I. Approval of Minutes**
- II. Discussion of the study of the Department of Commerce**
- III. Adjournment**

MEETING MINUTES

Chair Wm. Weston J. Newton

*First Vice-Chair:
Joseph H. Jefferson, Jr.*

Legislative Oversight Committee

*Kambrell H. Garvin
Rosalyn D. Henderson-Myers
Jeffrey E. "Jeff" Johnson
John R. McCravy, III
Adam M. Morgan
Melissa Lackey Oremus
Marvin R. Pendarvis
Tommy M. Stringer
Chris Wooten*



South Carolina House of Representatives

*Gil Gatch
William M. "Bill" Hixon
Kimberly O. Johnson
Josiah Magnuson
Timothy A. "Tim" McGinnis
Travis A. Moore
Russell L. Ott
Michael F. Rivers, Sr.
John Taliaferro (Jay) West, IV*

*Jennifer L. Dobson
Research Director*

*Cathy A. Greer
Administration
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Room 228 Blatt Building

*Charles L. Appleby, IV
Legal Counsel*

*Lewis Carter
Research Analyst/Auditor*

*Riley E. McCullough
Research Analyst*

Economic Development, Transportation, and Natural Resources Subcommittee

Thursday, August 5, 2021

10:00 a.m.

Blatt Room 321

Archived Video Available

- I. Pursuant to House Legislative Oversight Committee Rule 6.8, South Carolina ETV was allowed access for streaming the meeting. You may access an archived video of this meeting by visiting the South Carolina General Assembly's website (<http://www.scstatehouse.gov>) and clicking on *Committee Postings and Reports*, then under *House Standing Committees* click on *Legislative Oversight*. Then, click on *Video Archives* for a listing of archived videos for the Committee.

Attendance

- I. The Economic Development, Transportation, and Natural Resources Subcommittee meeting was called to order by Chair Bill Hixon on Thursday, August 5, 2021, in Room 321 of the Blatt Building. All other members (Rep. Adam M. Morgan; Rep. Russell L. Ott; and Rep. Marvin R. Pendarvis) were present for all or a portion of the meeting. Rep. Morgan and Rep. Pendarvis participated virtually.

Minutes

- I. House Rule 4.5 requires standing committees to prepare and make available to the public the minutes of committee meetings, but the minutes do not have to be verbatim accounts of meetings. It is the practice of the Legislative Oversight Committee to provide minutes for its subcommittee meetings.
- II. Representative Ott makes a motion to approve the meeting minutes from the prior Subcommittee meeting.

Rep. Ott' motion to approve the minutes from the prior meeting:	Yea	Nay	Not Voting (Not present)
Rep. Hixon	✓		
Rep. Morgan			✓
Rep. Ott	✓		
Rep. Pendarvis	✓		

Discussion of the S.C. Department of Commerce

- I. Chair Hixon places the following agency representatives under oath:
 - a. Secretary Harry M. Lightsey, III;
 - b. Mr. Daniel Young, Executive Director Coordinating Council for Economic Development; and
 - c. Ms. Cindy Turnipseed, Staff Counsel Coordinating Counsel to Economic Development

Chair Hixon reminds all previously sworn in that they remain under oath.

- II. Secretary Lightsey makes brief remarks.
- III. Mr. Young and Ms. Turnipseed provide an overview of the Coordinating Council for Economic Development. Topics discussed include:
 - a. Membership;
 - b. Experience and professional staff;
 - c. Discretionary grants;
 - d. Governmental Enterprise Accounts Receivable program;
 - e. Examples of project evaluations; and
 - f. Relationships with companies

Subcommittee members ask questions pertaining to the Coordinating Council for Economic Development. Topics discussed include:

- a. Succession planning;
- b. General parameters for grant commitments;
- c. Staff relationship with the Department of Commerce;
- d. Purpose;

- e. Performance agreement enforcement; and
 - i. Claw back decisions;
 - ii. Governmental Enterprise Accounts Receivable program;
 - iii. Penalties;
- f. Applicable incentives in various parts of the state;

Agency representatives respond to the questions.

- IV. Mr. Chris Huffman, Chief Financial Officer additional information pertaining to other agency duties. Topics discussed include:
 - a. Tourism Infrastructure Fund;
 - b. I-73;
 - c. Pass thru appropriations;
 - d. Venture Capital Authority;
 - e. Disaster Recovery Office;
 - f. Military Base Task Force;
 - g. Savannah Valley Development Division; and
 - h. Service on advisory councils, boards; and committees

Subcommittee members ask questions pertaining to other agency duties. Topics discussed include:

- a. Admission tax collection;
- b. Performance evaluation of pass thru appropriations;
- c. Community development organizations;
- d. Pass thru appropriations;
- e. Savannah Valley Development Division; and
- f. Service on various advisory councils, boards, and committees

Agency representatives respond to the questions.

- V. Ms. Manning provides an overview of the agency's recommendations for law changes.

Conclusion

- I. There being no further business, the meeting is adjourned.

Chair Wm. Weston J. Newton

*First Vice-Chair:
Joseph H. Jefferson, Jr.*

Legislative Oversight Committee

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Rosalyn D. Henderson-
Myers
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*Riley E. McCullough
Research Analyst*

Economic Development, Transportation, and Natural Resources Subcommittee

Monday, February 28, 2022

10:00 a.m.

Blatt Room 110

Archived Video Available

- II. Pursuant to House Legislative Oversight Committee Rule 6.8, South Carolina ETV was allowed access for streaming the meeting. You may access an archived video of this meeting by visiting the South Carolina General Assembly's website (<http://www.scstatehouse.gov>) and clicking on *Committee Postings and Reports*, then under *House Standing Committees* click on *Legislative Oversight*. Then, click on *Video Archives* for a listing of archived videos for the Committee.

Attendance

- II. The joint Economic Development, Transportation, and Natural Resources and Education and Cultural Subcommittee meeting was called to order by Chair Bill Hixon and Chair Jeff Johnson on Thursday, February 28, 2022, in Room 110 of the Blatt Building. Chair Johnson participated virtually. Members of the Economic Development, Transportation, and Natural Resources Subcommittee (Rep. Adam M. Morgan; Rep. Russell L. Ott; and Rep. Marvin R. Pendarvis) were present for all or a portion of the meeting. Members of the Education and Cultural Subcommittee (Rep. Kambrell H. Garvin and Rep. Michael F. Rivers) were present for all or a portion of the meeting.

Minutes

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Constituent Testimony

- I. Mr. Clarence Jenkins was placed under oath by Chair Hixon.
- II. Mr. Jenkins testified about his experience with state agencies and the House Legislative Oversight Committee.

Discussion of the State's Education and Workforce Development Pipeline

- I. Chair Hixon places individuals making presentations (see below) under oath.
- II. Chair Hixon reminds all previously sworn in that they remain under oath.
- III. Secretary of Commerce, Harry Lightsey, provided brief comments about the State's Workforce Development Council, which he chairs.
- IV. Presentations were made by various agencies that are part of the State's Workforce Development Pipeline.
 - a. First Steps
 - i. Georgia Mjartan, Executive Director of the South Carolina First Steps, testified about the agency's contributions to workforce development (e.g., childcare services for caregivers and teachers; parenting programs; Early Childhood Advisory Council; partnership with Technical College System; 4k programs in private and charter schools; and economic impact of child care in the state).
 - ii. Dr. Chelsea Richard, Director of Research and Strategy of the South Carolina First Steps, testified about the agency's efforts in providing actionable data for decision making.
 - b. Department of Education
 - i. Katie Nilges, Director of Governmental Affairs, testified about where the Department of Education fits in this pipeline and the agency's outcomes for which it has responsibilities (e.g.,

profile of South Carolina graduate; privacy of data; education and workforce programs)

- ii. Dr. David Mathis, Deputy Superintendent of College and Career Readiness Division, testified offices within this division.
- c. SC Technical College System
- i. Dr. Tim Hardee, Technical College System President, provided comments about being in the workforce development business, which affects economic development that in turn affects quality of life. He testified about some of the agency's education and workforce programs and partnerships with other state agencies. He spoke to the outcomes the agency provides, which is job placement for students.
- d. Commission on Higher Education (CHE)
- i. Dr. Rusty Monhollon, CHE Executive Director, provides comments about the agency's involvement with workforce development and notes the agency has a coordinating role among higher education institutions. Try to forge an informal system that works together and is responsive to the needs of the state.
- e. Department of Employment and Workforce (DEW)
- i. Dan Ellzey, Executive Director of DEW, provided comments about the agency's involvement with workforce development (e.g., assist individuals who are eligible to find jobs; assist employers with finding employees).
- f. Vocational Rehabilitation (VR)
- i. VR Commissioner, Felicia W. Johnson, testified on how the agency provides services to citizens (students and adults) with disabilities other than blindness.
 - ii. Jacob Chorey, Director of Planning and Program Evaluation for VR, provided comments about collaboration with other agencies and VR's outcomes.
 - iii. Audrey Brown, Director of Communications and Governmental Affairs, testified on VR's employer services.
- g. Commission for Blind

- i. Commissioner Darline Graham testified about services to blind or have vision loss including the vending/food services operations; summer teen program 2021; and student internship program.
 - h. Department of Social Services (DSS)
 - i. Tammy James, Director of Employment Services for DSS, testified about Temporary Assistance for Needy Families services; Supplemental Nutritional Assistance Program Employment and Training Program; workforce development efforts; involvement in the workforce ecosystem; and collaboration with other agencies.
 - i. Department of Veterans Affairs
 - i. Secretary of the Department of Veterans Affairs William F. Grimsley testified about: workforce development efforts for veterans, service members, and their families; outcomes; and collaboration.
 - j. Department of Commerce
 - i. Elisabeth Kovacs, Deputy Director for Workforce Development, testified about the agency's industry recruitment; workforce education and resources; community engagement; education and workforce pipeline.
- V. Presentations were made about established collaborative groups.
 - a. Early Childhood Advisory Council
 - i. The Executive Director of the South Carolina First Steps, Georgia Mjartan, testified about this council, which was created in 2010. The First Steps board is the coordinating entity for this council.
 - b. Workforce Innovation and Opportunity Act
 - i. Michelle Paczynksi, Director of Workforce Development for the Department of Employment and Workforce, testified about this initiative and the partners involved with it.
 - c. Education and Economic Development Coordinating Council
 - i. Katie Nilges, Director of Governmental Affairs for the Department of Education, testified about this council and legislation to combine it with the Coordinating Council for Workforce Development. There are four subcommittees. She

testified about the recommendations from the last report from the council.

d. Coordinating Council for Workforce Development

- i. Elisabeth Kovacs, Deputy Director for Workforce Development, testified about this group established in 2016. The council is chaired by the Secretary of Commerce, which has advisory groups to assist in its operations.

VI. Members ask questions, which agency representatives answer.

a. Topics include:

- i. Availability of childcare services and potential solutions to improve access (First Steps);
- ii. Participation in a statewide unified workforce plan (all agencies);
- iii. High school graduate performance tracking (Department of Education);
- iv. Personal identifier data privacy and protection (Department of Education);
- v. Kindergarten readiness assessment (First Steps);
- vi. Open jobs in South Carolina (Department of Employment and Workforce);
- vii. Side gig economy in South Carolina (Department of Employment and Workforce and Department of Education);
- viii. How state's higher education institutions evaluate a student's return on the investment in the education (SC Technical College System; Commission on Higher Education; and Department of Employment and Workforce);
- ix. Average salary by graduate from degree from each college (Commission on Higher Education);
- x. Funding for county veterans' affairs offices and consistency of services provided in across counties (Department of Veterans Affairs);
- xi. What can legislators do to assist the agencies (all agencies);
- xii. Assistance for small businesses (Department of Employment and Workforce and Vocational Rehabilitation);
- xiii. Selection for Vocational Rehabilitation locations (Vocational Rehabilitation);
- xiv. Communication about services to the public (all agencies);
- xv. Do higher education institutions focus on a statewide workforce strategy or independently (Commission on Higher Education);
- xvi. Workforce development efforts of the Department of Commerce (Department of Commerce);

- xvii. Partners in the Workforce Innovation and Opportunity Act (Department of Employment and Workforce and Commission for the Blind);
- xviii. Components of the workforce system (Department of Employment and Workforce);
- xix. Ascend 60 by 30 (Commission on Higher Education);
- xx. Interagency collaboration and decreased duplication (all agencies);
- xxi. Additional degree program approval factors (Commission on Higher Education);
- xxii. Agency referrals (Vocational Rehabilitation);
- xxiii. Preparing students for jobs, and bilingual needs, of tomorrow (Department of Education and SC Technical College System);
- xxiv. Advantages to hiring a people with disabilities (Vocational Rehabilitation);
- xxv. Substance abuse issues and federal tax credits (Vocational Rehabilitation and Department of Employment and Workforce);
- xxvi. Significant barriers when trying to connect customers with jobs (Department of Social Services);
- xxvii. Space for kindergarten four in public schools (Department of Education);
- xxviii. Technical school graduates' employment (SC Technical College System); and
- xxix. Employment of customers (Department of Social Services)

Adjournment

- I. There being no further business, the meeting is adjourned.

STUDY TIMELINE

The House Legislative Oversight Committee's (Committee) process for studying the Department of Commerce (agency) includes actions by the full Committee; Economic Development, Transportation, and Natural Resources Subcommittee (Subcommittee); the agency; and the public. Key dates and actions are listed below in Figure 1.

Legislative Oversight Committee Actions

- December 9, 2019 – Holds **Meeting #1** and prioritizes the agency for study
- January 15, 2020 - Provides the agency notice about the oversight process
- February 28 – April 1, 2020 - Solicits input about the agency in the form of an online public survey

Economic Development, Transportation, and Natural Resources Subcommittee

- March 4, 2021 - Holds **Meeting #2** to discuss the agency's vision; mission; director responsibilities; organizational structure; history; and information about finances and employees
- March 11, 2021 - Holds **Meeting #3** to discuss agency deliverables related to TEAMSC, LocateSC, Community Development Block Grant, Appalachian Regional Commission, Applied Research Grant Program, Rural Development, and Regional Economic Development organizations
- May 12, 2021 - Holds **Meeting #4** to discuss agency deliverables related to marketing the state and project management
- May 27, 2021 - Holds **Meeting #5** to continue discussing agency deliverables related to project management and discuss deliverables related to incentives
- June 4, 2021 - Holds **Meeting #6** to discuss agency deliverables related to service after the sale.
- June 29, 2021 - Holds **Meeting #7** to continue discussion of agency deliverables related to service after the sale and begin discussion of other agency duties.
- August 5, 2021 - Holds **Meeting #8** to continue discussion of agency deliverables related to other agency duties and discuss law recommendations from the agency
- February 28, 2022 - Holds **Meeting #9** to discuss education and workforce development pipeline
- April 27, 2022 – Holds **Meeting #10 (TODAY)** to discuss member findings and recommendations

Department of Commerce

- March 31, 2015 - Submits its **Annual Restructuring and Seven-Year Plan Report**
- January 12, 2016 - Submits its **2016 Annual Restructuring Report**
- September 2016 - Submits its **2015-16 Accountability Report**
- September 2017 - Submits its **2016-17 Accountability Report**
- September 2018 - Submits its **2017-18 Accountability Report**
- September 2019 - Submits its **2018-19 Accountability Report**
- March 13, 2020 - Submits its **Program Evaluation Report**
- September 2020 - Submits its **2019-20 Accountability Report**
- December, 2019 - Present - Responds to Subcommittee's inquiries

Public's Actions

- February 28 – April 1, 2020 - Provides input about the agency via an **online public survey**
- Ongoing - Submits written comments on the Committee's webpage on the General Assembly's website (www.scstatehouse.gov)

Figure 1. Key dates in the study process.

AGENCY SNAPSHOT

Department of Commerce

Agency Mission

Working together to create opportunities by promoting job creation, economic growth and improved living standards for all South Carolinians.

History

The Department of Research, Planning and Development, created in 1945, changed to the State Development Board in 1954, and, during reorganization of state government in 1993, was replaced by the Department of Commerce, which also assumed duties of other entities including the Coordinating Council for Economic Development.

Organizational Units

Administration
 Global Business Development
 International Strategy and Trade
 Small Business and Existing Industry
 Community and Rural Development
 Marketing and Communications
 Research
 Grants
 Workforce
 Innovation
 Palmetto Railways
 Military Base Task Force

Resources (FY 19-20)

Employees

98
 filled FTE positions
 at the end of the year

Funding

\$256,919,111
 Cash and available funds

Successes

Identified by the agency

Jan. 2011-2020

- 151,800+ new jobs recruited
- \$41.3 billion+ capital investment
- 1,429 projects (i.e., new or expanding company, recruited and managed by agency to facilitate the creation of new jobs and taxable investment in South Carolina)

Challenges

Identified by the agency

Current:

- COVID-19
- Succession planning
- Economic development in rural South Carolina
- Infrastructure

Emerging:

- Diversification of economy
- Trade environment
- Adaptability to a changing economy

Figure 2. Snapshot of the agency's major organizational units, fiscal year 2019-20 resources (employees and funding), successes, and challenges.¹

DRAFT POTENTIAL FINDINGS AND
RECOMMENDATIONS

Findings

The Subcommittee has recommendations to address some, but not all, of these findings. However, the Subcommittee makes the findings to note information that a member of the public, or General Assembly, may seek to know or on which they may desire to act.

Business Recruitment

1. From an aggregated statewide perspective, in 2006 through 2019 the companies the Department of Commerce landed created 57,306 jobs and invested \$16.5 billion accounting for 98% of the jobs, and 129% of the investment, required in associated incentive agreements. Additionally, during 2020 and 2021, the Department of Commerce increased its transparency in making information and explanation of its processes available to the public.
2. Business recruitment involves multiple major steps: (1) each of the 46 individual counties must have a vision and strategy for its area, then take steps to make itself as attractive as possible to industries that will help achieve the long term vision; (2) Each regional alliance collects information from its respective counties and develops a vision and mission for the region; (3) Department of Commerce aligns S.C.'s advantages/disadvantages with S.C. region/county visions, then coordinates activities to stay top of mind with companies in applicable industry sectors; (4) each company internally decides if and when to expand or relocate, and when the county or Commerce learn a company is looking at S.C., Department of Commerce work to have the company locate in S.C.; (5) Coordinating Council for Economic Development reviews and gives final approval on incentive agreements in which incentives are offered in exchange for jobs and investment; and (6) Department of Commerce offers services to companies to help maintain jobs and investment in S.C. and get companies to select S.C. when they decide to expand again.
3. Eleven of the Tier III and IV counties (i.e., highest three-year unemployment rate average and lowest per capita income) do not have a strategic plan for economic development.
4. Regional Economic Development Alliances have geographical boundaries different from Regional Workforce Advisors and Local Workforce Development Boards. Efficiencies and focus may be gained by aligning the different geographical boundaries.
5. The S.C. Coordinating Council for Economic Development (CCED) is comprised of the agency head or board chair for eleven state agencies. While CCED is chaired by the Secretary of Commerce, and council staff provide recommendations based on research and analysis, all members of CCED have equal authority (i.e., chair's vote weighs the same as other members) and responsibility relating to approval of discretionary incentives (i.e., CCED can structure those incentives as deemed most beneficial).

Education and Workforce Development

6. There are numerous state agencies, councils, and committees involved in the process of education and workforce development with varying levels of coordination. During the study, representatives of ten state agencies expressed a willingness to work together toward a unified plan.
7. S.C. currently does not have established systems to assess whether investments in education and training produce employment in specific industries or what combination of programs assist an individual in obtaining economic advancement.

Recommendations

The Subcommittee recognizes that these recommendations will not satisfy everyone nor address every issue or potential area of improvement at the agency.

Business Recruitment¹

1. **Department of Commerce** and **Department of Employment and Workforce** meet annually with Tier III and IV county economic development personnel, document the meeting, and work with the regional alliance and county to ensure at least two individuals involved in the county's strategic planning can attend each economic development education opportunity.
2. **Department of Commerce** include performance measures in the agency's annual accountability report to quantify the actual results versus expected outcomes of the agency's marketing strategy to show Commerce personnel regularly analyze tangible results obtained from marketing efforts and regularly revise methods/amounts of investment based on past results.
3. **Department of Commerce** provide the General Assembly and public recommendations on statewide strategic economic development infrastructure investments (e.g., water, road, rail, etc.), explain how the recommendations facilitate and support the plans and visions of each region and county, and update the plan/recommendations every three years.
4. **CCED** establish a policy where CCED members annually provide guidance to staff on the following: (1) cost/benefit and analysis (i.e., update the analysis regularly and include list of economists that verify its validity and/or recommend update); (2) violation of contract terms (e.g., job and investment requirement, etc.); and (3) potential amendments to current and future contracts with companies.
5. **Department of Commerce** implement a more structured internal process to transfer closed projects to the business services division to provide new companies an introduction to the ongoing resources available from Commerce and discuss with **S.C. Human Affairs Commission** potential training for companies available from them.
6. **Department of Commerce** and **CCED** consolidate economic development information from disparate locations into a central source.²

Education and Workforce Development³

7. **CCWD** publish (i.e., update and issue after communicating with applicable parties): (1) new editions of the Education and Workforce Dictionary; (2) Workforce Development Program mapping and federal funding inventory, and (3) mapping and analysis from the February 2022 House Legislative Oversight Committee meeting.
8. **CCWD** ensure applicable memorandums of understanding with necessary entities are entered within six months after issuance of the full House Oversight study report for establishment of evidence building system to analyze and improve long term outcomes of education and workforce programs; then work with **RFA** and **EOC** to construct said system.⁴
9. **Department of Education** collaborate with the **EOC** and **RFA** to determine how school districts obtain, collect, and transmit information within the education system from the initial person with access to the information (e.g., student, teacher, etc.) forward and determine who owns and may access data at the local, state, and federal level.⁵

10. **CCWD** convene **applicable stakeholders**⁶ and, within six months after issuance of the full House Oversight study report, provide the Committee multiple options for how to efficiently obtain occupational codes and wage and hour information (e.g., central portal, etc.) to improve the value of the evidence building system along with the short and long term benefits to the state, businesses, education entities, and individuals, of having this information and the potential burdens of each option.
11. **CCWD** create a comprehensive statewide education and workforce development plan in collaboration with entities including, but not limited to, the **Department of Administration's Division of State Human Resources** and agencies involved in the **ECAC, WIOA, and EEDA**. Consider existing frameworks, such as the one in the Education and Economic Development Act, as starting points and ensure the plan can be utilized and submitted in compliance with any agency's requirements in state or federal law to submit a plan and/or track metrics related to education and/or workforce (e.g., WIOA, Perkins V, Every Student Succeeds Act, Education Accountability Act). Regularly report status on implementation and metrics of plan to **EOC** which will publish online dashboards. Request a meeting with the House Legislative Oversight Committee to provide an update on the progress at the end of each of the first two years.
12. **CCWD** ensure creation of a single online landing page for policy makers and the public, which contains the state unified education and workforce plan and access to reports and dashboards with information related to education and workforce⁷, in collaboration with applicable agencies, including, but not limited to, agencies involved in the **ECAC, WIOA, and EEDA**.
13. **Commission on Higher Education (CHE), State Technical College System (STCS), and Department of Employment and Workforce** ensure annual publication of a return-on-investment catalogue that contains (1) return on investment for students, parents, businesses, and the state in higher education programs and post-secondary training; and (2) industry supply gap analysis at the state and region level that shows the most high-demand occupations and assesses the number of completers for relevant secondary, post-secondary education, and work-based learning through Registered Apprenticeships. CHE and STCS collaborate with applicable agencies, including, but not limited to, agencies involved in the **ECAC, WOIA, and EEDA**.
14. **CCWD, Department of Administration, and RFA** staff have discussions to explore the feasibility of a regular applied analytics training program through partnerships with state institutions of higher education, and others, to create a yearly class that helps continually generate ideas and samples of more effective ways to utilize state agency data.⁸
15. **Department of Social Services** research and collaborate on sustainable options for addressing obstacles lack of available and affordable child care throughout S.C., and in particular in underserved areas, plays in individuals working and/or obtaining additional education (e.g., business utilization of the childcare program credits in S.C. Code Section 12-6-3440), with the **Department of Commerce, Department of Revenue, Department of Employment and Workforce, ECAC (e.g., First Steps, Department of Education),** and other applicable entities (e.g., **State Technical College System, S.C. Human Affairs Commission**). Provide a joint report with information learned within one year after issuance of the House Legislative Oversight study.
16. Agencies determined by **CCWD, CCED, ECAC, EEDA, and WIOA** to have information on credentials and licenses for workforce (e.g., **Department of Labor Licensing and Regulation, Department of Health and Environmental Control, Department of Motor Vehicles**), enter data sharing agreements with **RFA** and provide **RFA** permission to continuously utilize data in answering **CCWD** questions applicable to aggregate information on credentialed/licensed individuals in the state and for supply/gap analysis (e.g., number of credentialed nurses, number who may retire in the next five to ten years, and number the state will need educational entities to produce).

General Topics

17. **Department of Commerce** complete the State Human Resources remote working toolkit and provide the Subcommittee a summary of decisions made based on results of the analysis.
18. **Agencies involved in the February 2022 Committee meeting** enter a data sharing agreement with RFA to facilitate analysis that may assist the General Assembly with policy decisions.
19. **Department of Administration** work with **Department of Commerce** to ensure the data entered in NeoGov is accurate so Commerce can fully maximize the benefits of current auto-reporting capabilities, including, but not limited to, those required by **S.C. Human Affairs Commission**.
20. **Department of Administration** discuss with the **Department of Commerce** the potential benefits of using a digital onboarding tool to determine if it may be useful to the Division of State Human Resources in addressing high turnover in some agencies across state government.
21. **Department of Administration** track the number of agency personnel projects from the certified public manager training that are implemented by agencies.
22. **General Assembly** consider options to further ensure the effectiveness of funds that pass-through agencies to other entities based on lessons learned and provisions included in contracts by agencies.⁹
23. **General Assembly** consider modernizing 15+ statutes, as recommended by the agency, to eliminate obsolete language, duplicative duties other agencies are performing, references to advisory committees never established, and update and consolidate the duties of the agency to match its current activities.

¹ Terms: **CCED** includes all entities that are members of the Coordinating Council for Economic Development (i.e., Department of Commerce, Department of Revenue; Santee Cooper; Department of Agriculture; Department of Transportation; S.C. Research Authority; Department of Parks, Recreation and Tourism; State Technical College System; Department of Employment and Workforce; State Ports Authority; Jobs Economic Development Authority; Chairman, Senate Finance Committee; and Chairman, House Ways and Means Committee)

² Work with HOC staff to amalgamate information related to Commerce's activities to recruit companies from disparate locations into online resources that include, but are not limited to, a consolidated annual reports document [i.e. Annual Report of Economic Development Set-Aside Fund, Closing Fund, and Rural Infrastructure Fund Activity; the Annual Report of Enterprise Zone Activity; and any related reports from DOR (taxes) or DEW (workforce supply)], downloadable statistics, and interactive dashboards and create a Commerce and CCED policy requiring update of the information at regular intervals (e.g., every quarter, annually, etc.).

³ Terms: (1) **CCWD** includes all entities that are members of the Coordinating Council for Workforce Development and the strategic partner group (i.e., Department of Commerce, Department of Education, Department of Employment and Workforce, Commission on Higher Education, State Technical College System, First Steps, Workforce Development Board, Revenue and Fiscal Affairs Office); (2) **ECAC** includes all entities that are members of the Early Childhood Advisory Council and the interagency Collaboration Committee (i.e., First Steps, Department of Education, Commission on Higher Education, Department of Social Services, Department of Health and Environmental Control, Department of Health and Human Services, Department of Disabilities and Special needs, Department of Mental Health, Education Television Network, State Library, Head Start, and Children's Trust); (3) **EEDA** includes all entities that are members of the Education and Economic Development Coordinating Council (i.e., Department of Education, Department of Commerce, Department of Employment and Workforce, Commission on Higher Education, Technical College System, First Steps, and Education Oversight Committee); (4) **EOC** means the Education Oversight Committee; (5) **RFA** means the Revenue and Fiscal Affairs Office; (6) **WIOA** means all agencies that must comply with the federal Workforce Innovation and Opportunity Act (i.e., Department of Employment and Workforce, Department of Education, Department of Social Services, Vocational Rehabilitation Department, and Commission for the Blind).

⁴ Furthermore, work to create a suite of dashboards and analytics tools that can be accessed on a single platform for use by all partners. In building the system take guidance from Advisory Committee on Data for Evidence Building Reports. To become a best-in-class system while simultaneously enhancing economic opportunity and mobility for all residents, the system should aspire to provide reports, analyses, and insights containing actionable information regarding: (1) Employment rates and wage outcomes for high school graduates and CTE participants; (2) Labor market outcomes by institution, industry, and location of employment (in-state or out-of-state); (3) Programs and non-degree credentials associated with high-demand jobs; and (4) Supply-demand analyses for high-demand jobs, available for school districts and workforce development regions.

⁵ Utilize information collected to generate options for how to obtain the information in a more standard manner across the state that is not dependent on significant investments by school districts (e.g., online forms, shared case management system utilized by all school districts in the state, etc.) so it is available for current reporting and further data analysis by not only the state, but also individual school districts and schools so everyone involved may gain value from the process and information. The two goals are (1) initial person with access to the information enters it, and all others only review the information for accuracy; and (2) enable flexibility in collecting data without the need to add more forms and people to whom the data must be sent. Provide at least three options, with costs involved of each, in a report that outlines the current issues with data collection as well as pros and cons of each option (e.g., centralized online web reporting, etc.). The agency should anticipate presenting this information, as well as organization charts for each school district, as part of its House Legislative Oversight Committee meetings.

⁶ See list of entities potentially involved in education and workforce development from the February 2022 House Legislative Oversight Committee meeting and letter responses from agencies after the meeting.

⁷ For example, Education and Workforce Dictionary; workforce development programs mapping; different geographies of entities involved in workforce development (i.e., regional workforce advisor/workforce development board districts/areas; counties; school districts; etc.); industry recognized credentials, with explanation of renewal process; regional and state workforce snapshots with explanatory notes for what data in each section shows and why it may be important; longitudinal data: results of research requested in the past (add to each year) and information on how to make requests for research.

⁸ With entities like the Coleridge Initiative

⁹ For example, based on disaster recovery efforts implemented over a period of months or years, the Department of Commerce has found an implementation fee paid out pro rata when certain deliverables are completed worked well and helped ensure funds were not extended until services were provided. Additionally, Commerce was able to incorporate terms in disaster recovery contracts to help ensure satisfaction of customers prior to entities receiving all funds. An example term included: "once 500 homes were repaired, and if open complaints were less than 5% of all homes repaired, then the contractor would be eligible for a 1% payment. This is a deliverable repeated at 1,000 homes and then again upon completion of repairs to all homes."

LAW RECOMMENDATION DETAILS

As Commerce outlined during the agency's testimony, the current statutory framework has not limited in any material way what Commerce can do in fulfilling its mission generally and in implementing specific programs. That said, the review process provides an opportunity to streamline and update the agency's statutory framework for the future, an opportunity that is long overdue. Please note that where noted recommended Law Changes may be dependent upon (or work in concert with) one another whereby it may not make sense to undertake one without undertaking the other.

Law Change #5

In Law Change #5, Commerce has endeavored to modify the objectives of the former State Development Board, Commerce's primary predecessor before 1993 Restructuring to delete obsolete language and update the objectives to match what Commerce does now and anticipates focusing on prospectively. Among other things, the proposed change would add the promotion of strategic planning to Commerce's enabling legislation, moving it from the Coordinating Council's responsibilities, which is also reflected in **Law Change #12**. The change also would add objectives related to rural development and workforce, both of which are ongoing priorities for Commerce and the General Assembly.

Law Changes #7 & #8

Law Changes #7 and #8, in combination, will update Commerce's duties, powers and responsibilities, none of which have been updated since 1993 (and as a practical matter since the 1960s because no substantive changes were made during 1993 Restructuring). The proposed changes eliminate language that is obsolete, unconstitutional, duplicative of duties other agencies are performing or can be updated and consolidated into one statutory section that updates and streamlines Commerce's enabling legislation for the future.

Law Change #12 & #17

Law Change #12 updates the Coordinating Council's enabling legislation. Among other things, it moves a strategic planning mandate that Commerce is fulfilling (see **Law Change #5**), adds programs under the Coordinating Council's jurisdiction that post-date 1993 Restructuring (e.g., approval of job development credits under the Enterprise Zone Act of 1995, as amended; approval of rural infrastructure grants as authorized by the Rural Development Act of 1996; and approval of port volume increase credits), all programs that the Coordinating Council has been and continues administering. The law change would also update reporting requirements related to discretionary grant funding and the funding mechanism for the Council, which has been established by proviso (see **Law Change #17**) for more than 20 years.

Law Change #14

Law Change #14 removes Commerce from involvement with the Prison Industries Program at the Department of Corrections because Commerce does not have the data to provide the statutorily mandated certification. Additionally, Commerce does not recruit these types of companies. The program is working well, and Corrections does not object to Commerce's being removed statutorily from the process.

Law Changes #15 & #20

Law Change #15 would remove the Secretary of Commerce from oversight of housing related matters. These duties were given to the State Development Board director in 1959. For over 60 years, leaders of the former State Development Board, and now Commerce, have advised the General Assembly that housing oversight should not reside at the Development Board, now Commerce. Law Change #20 would remove Commerce as a member of an advisory committee related to housing.

Law Change #21

Law Change #21 removes the Secretary of Commerce as an agent for non-resident operators of aircraft for service of process. This change should have been made when Aeronautics was re-established as a standalone agency, but Legislative Council advised Commerce that Legislative Council could not make the fix.

Law Change #6

Law Change #6 is a good example of why less is more in statutory construction. The law change will remove very specific (and limiting) parameters on how Commerce must be organized and the qualifications senior staff must have, leaving the discretion to the Secretary of Commerce on how to organize the agency and ensure that agency leaders have requisite experience and qualifications. As a practical matter, Commerce views this limiting language as obsolete; therefore, the Secretary has not been constrained by the obsolete language in organizing the agency and establishing a leadership team.

Law Change #11 & Law Change #18

Law Changes #11 and #18 update and codify the manner of funding for the Recycling Market Development Advisory Council (RMDAC) and move its reporting date so RMDAC has the benefit of DHEC's annual report before RMDAC's report is due. This will allow RMDAC to provide better information to the General Assembly.

Law Change #1

Law Change #1 perhaps can be largely implemented by Legislative Council if the Savannah Development Division is repealed as recommended and in light of the reality that the Aeronautics Division is a standalone agency that is no longer a part of Commerce. In addition to some technical changes, Law Change #1 would eliminate references to the Savannah Valley Development Division and the Aeronautics Division.

Law Change #10

Law Change #10 would repeal a law passed, but never implemented regarding an advisory committee that was not established. The proposed change would also move "identification of challenges facing rural communities" to Commerce's objectives under **Law Change #5**.

Law Change #3

As mentioned, the Aeronautics Division no longer exists at Commerce, but its enabling legislation continues to reside in the middle of Commerce's enabling statutes, which creates confusion. The Aeronautics legislation should be relocated to an appropriate location in the Code.

Law Change #19

Law Change #19 would repeal the Water Resources Coordinating Council, which is defunct. The Rural Infrastructure Authority also recommended repeal of this council.

Law Change #13

Legislative Council should be able to implement Law Change #13 because it simply requires deletion of language in an Editor's Note to the Microenterprise Development Act.

Letter from Commerce to Subcommittee (4.6.22), Question 114

Law Change #1

LAW CHANGE #1			
Law	Summary of Current Law(s) and Recommended Change(s)	Basis for Recommendation	Approval and Others Impacted
<p>SECTION 1-30-25. Department of Commerce.</p> <p>SECTION 13-1-30. Secretary of Commerce; executive director; division directors; duties and responsibilities.</p>	<p><u>Current Law:</u> Transfers former agencies, boards, and commissions into the newly formed Department of Commerce as part of state government restructuring.</p> <p><u>Recommendation:</u> Modify to delete references to the following:</p> <ul style="list-style-type: none"> • SC Aeronautics Commission • Savannah Valley Authority • Savannah Valley Development • “Advisory” from Coordinating Council name. 	<p>Aeronautics was transferred to the former B&CB in 2009 and thereafter to DOA.</p> <p>The Savannah Valley Authority became the Savannah Valley Development Division (SVDD) during 1993 Restructuring, but no longer exists at Commerce. The remaining assets of SVDD were transferred to other interested parties in 2012.</p> <p>The Coordinating Council is not merely “Advisory.” This term has been removed from some, but not all, statutory references to the Coordinating Council. Need a global change to delete “advisory” from the Coordinating Council’s name.</p>	<p><u>Presented and approved by agency’s governing body:</u> Review by Governor pending.</p> <p><u>Other entities potentially impacted:</u></p> <ul style="list-style-type: none"> • SC Aeronautics Commission <p><u>If the law is a regulation, where agency is in the process of finalizing it and providing it to the General Assembly:</u> Not applicable.</p>
<u>Current Law Wording</u>		<u>Proposed Revisions to Law Wording</u>	
<p>SECTION 1-30-25. Department of Commerce.</p> <p>The following agencies, boards, and commissions, including all of the allied, advisory, affiliated, or related entities as well as the employees, funds, property, and all contractual rights and obligations associated with any such agency, except for those subdivisions specifically included under another department, are transferred to and incorporated in and must be administered as part of the Department of Commerce to be initially divided into divisions for Aeronautics, Advisory Coordinating Council for Economic Development, State Development, Public Railways, and Savannah Valley Development:</p>		<p>SECTION 1-30-25. Department of Commerce.</p> <p>The following agencies, boards, and commissions, including all of the allied, advisory, affiliated, or related entities as well as the employees, funds, property, and all contractual rights and obligations associated with any such agency, except for those subdivisions specifically included under another department, are transferred to and incorporated in and must be administered as part of the Department of Commerce to be initially divided into divisions for Aeronautics, Advisory Coordinating Council for Economic Development, State Development, and Public Railways, and Savannah Valley Development:</p>	

(A) South Carolina Aeronautics Commission, formerly provided for at Section 55-5-10, et seq.;

(B) Coordinating Council for Economic Development, formerly provided for at Section 41-45-30, et seq.;

(C) Savannah Valley Authority, formerly provided for at Section 13-9-10, et seq.;

(D) existing divisions or components of the Department of Commerce formerly a part of the State Development Board excluding the South Carolina Film Commission; and

(E) South Carolina Public Railways Commission, formerly provided for at Section 58-19-10, et seq.

HISTORY: 1993 Act No. 181, Section 1; 1999 Act No. 100, Part II, Section 71; 2000 Act No. 387, Part II, Section 73; 2004 Act No. 299, Section 5, eff July 1, 2004; 2005 Act No. 56, Section 3, eff May 9, 2005, applicable to taxable years beginning July 1, 2004; 2008 Act No. 313, Section 6.A, eff upon approval (became law without the Governor's signature on June 12, 2008); 2008 Act No. 359, Section 1, eff July 1, 2008.

SECTION 13-1-10. Department of Commerce established.

(A) The Department of Commerce is established as an administrative agency of state government which is comprised of a Division of State Development, a Division of Savannah Valley Development, a Division of Aeronautics, a Division of Public Railways, and an Advisory Coordinating Council for Economic Development. Each division of the Department of Commerce shall have such functions and powers as provided for by law.

(B) All functions, powers, and duties provided by law to the State Development Board, the Savannah Valley Authority, the South Carolina

~~(A) South Carolina Aeronautics Commission, formerly provided for at Section 55-5-10, et seq.;~~

~~(B) Coordinating Council for Economic Development, formerly provided for at Section 41-45-30, et seq.;~~

~~(C) Savannah Valley Authority, formerly provided for at Section 13-9-10, et seq.;~~

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(B) All functions, powers, and duties provided by law to the State Development Board, the Savannah Valley Authority, the South Carolina Aeronautics Commission,

Aeronautics Commission, the South Carolina Public Railways Commission, and the Coordinating Council for Economic Development, its officers or agencies, are hereby transferred to the Department of Commerce together with all records, property, personnel, and unexpended appropriations. All rules, regulations, standards, orders, or other actions of these entities shall remain in effect unless specifically changed or voided by the department in accordance with the Administrative Procedures Act.

HISTORY: 1993 Act No. 181, Section 243, eff July 1, 1993.

the South Carolina Public Railways Commission, and the Coordinating Council for Economic Development, its officers or agencies, are hereby transferred to the Department of Commerce together with all records, property, personnel, and unexpended appropriations. All rules, regulations, standards, orders, or other actions of these entities shall remain in effect unless specifically changed or voided by the department in accordance with the Administrative Procedures Act.

Law Change #3

LAW CHANGE #3			
Law	Summary of Current Law(s) and Recommended Change(s)	Basis for Recommendation	Approval and Others Impacted
SECTIONS 13-1-1000 thru 13-1-1090. Aeronautics Division	<p><u>Current Law:</u> Enabling legislation for Aeronautics Commission.</p> <p><u>Recommendation:</u> Relocate the Aeronautics Commission's enabling legislation out of Title 13, Chapter 1 of the Code to an appropriate location in the enabling legislation of SFAA.</p>	The Aeronautics Commission is no longer a part of Commerce, but its enabling legislation continues to reside in middle of the enabling statutes applicable to Commerce, which creates confusion.	<p><u>Presented and approved by agency's governing body:</u> Review by Governor pending.</p> <p><u>Other entities potentially impacted:</u></p> <ul style="list-style-type: none"> • Aeronautics Division • State Fiscal Accountability Authority <p><u>If the law is a regulation, where agency is in the process of finalizing it and providing it to the General Assembly:</u> Not applicable.</p>
Current Law Wording			Proposed Revisions to Law Wording
<p style="text-align: center;">ARTICLE 6 Aeronautics Commission</p> <p>SECTION 13-1-1000. Definitions. Notwithstanding any other provision of law, the following terms, when used in this article, have the following meanings unless the context clearly requires otherwise:</p> <p>(1) "Authority" means the State Fiscal Accountability Authority.</p> <p>(2) "Executive director" means the Executive Director for the Division of Aeronautics.</p> <p>(3) "Division" means the Division of Aeronautics.</p> <p>(4) "Commission" means the Aeronautics Commission.</p> <p>HISTORY: 2005 Act No. 11, Section 1.B, eff upon approval (became law without the Governor's signature on January 13,</p>			Transfer provisions to enabling legislation of SFAA.

2005); 2012 Act No. 270, Section 12, eff June 18, 2012.

SECTION 13-1-1010. Commission created; purpose; purchase and sale of aeronautics assets.

Notwithstanding any other provision of law, the Aeronautics Commission is hereby created within the State Fiscal Accountability Authority. The State Fiscal Accountability Authority shall provide administrative support functions to the division. The commission shall oversee the operation of the division as the division's governing body. The Joint Bond Review Committee must review, prior to approval by the Aeronautics Commission, purchases or sales of any aeronautics assets, the value of which exceeds fifty thousand dollars. There may be no purchase or sale of any aeronautics assets without the approval of the commission.

HISTORY: 2005 Act No. 11, Section 1.B, eff upon approval (became law without the Governor's signature on January 13, 2005); 2012 Act No. 270, Section 13, eff June 18, 2012.

SECTION 13-1-1020. Commission districts; election and appointment of members.

Notwithstanding any other provision of law, the congressional districts of this State are constituted and created commission districts of the State, designated by numbers corresponding to the number of the respective congressional districts. The commission shall be composed of one member from each district elected by the delegations of the congressional district and one member appointed by the Governor, upon the advice and consent of the Senate, from the State at large. The elections or appointments shall take into account race and gender so as to represent, to the greatest extent possible, all segments of the population of the State and shall comply with the provisions of Chapter 13, Title 8. However, consideration of these factors in making an appointment or in an election does not create a cause of action or basis for an employee grievance for a person appointed or elected or for a person who fails to be appointed or elected. HISTORY: 2005 Act No. 11, Section 1.B, eff upon approval (became law without the Governor's signature on January 13, 2005).

SECTION 13-1-1030. County-commission district overlap; consecutive terms; two commissioners from same county.

(A) Notwithstanding any other provision of law, a county that is divided among two or more commission districts, for purposes of electing a commission member, is considered to be in the district which contains the largest number of residents from that county.

(B) Notwithstanding any other provision of law, no county within a commission district shall have a resident commission member for more than one consecutive term and in no event shall any two persons from the same county serve as a commission member simultaneously.

HISTORY: 2005 Act No. 11, Section 1.B, eff upon approval (became law without the Governor's signature on January 13, 2005).

SECTION 13-1-1040. Delegations to elect commissioner from district; organization of delegation; certification and issuance of commission.

Notwithstanding any other provision of law, legislators residing in the congressional district shall meet upon written call of a majority of the members of the delegation of each district at a time and place to be designated in the call for the purpose of electing a commissioner to represent the district. A majority present, either in person or by written proxy, of the delegation from a given congressional district constitutes a quorum for the purpose of electing a district commissioner. No person may be elected commissioner who fails to receive a majority vote of the members of the delegation.

The delegation must be organized by the election of a chairman and a secretary, and the delegations of each congressional district shall adopt rules they consider proper to govern the election. Any absentee may vote by written proxy. When the election is completed, the chairman and the secretary of the delegation shall immediately transmit the name of the person elected to the Secretary of State who shall issue to the person after he has taken the usual oath of office, a certificate of election as commissioner. The Governor then shall issue a commission to the person, and pending the issuance of the commission, the certificate of election is sufficient warrant to the person to perform all of the duties and functions of his office as commissioner. Each commissioner shall serve until his successor is elected and qualified.

HISTORY: 2005 Act No. 11, Section 1.B, eff upon approval (became law without the Governor's signature on January 13, 2005).

SECTION 13-1-1050. Terms of commission members; vacancies; forfeiture of office; at-large commission member as chairman.

(A) Notwithstanding any other provision of law, beginning February 15, 2005, commissioners must be elected by the legislative delegation of each congressional district. For the purposes of electing a commission member, a legislator shall vote only in the congressional district in which he resides. All commission members must serve for a term of office of four years that expires on February fifteenth of the appropriate year. Commissioners shall continue to serve until their successors are elected and qualify, provided that a commissioner may only serve until their successors are elected and qualify, and provided that a commissioner may only serve in a hold-over capacity for a period not to exceed six months. Any vacancy occurring in the office of commissioner must be filled by election in the manner provided in this article for the unexpired term only. No person is eligible to serve as a commission member who is not a resident of that district at the time of his appointment, except that the at-large commission member may be appointed from any county in the State regardless of whether another commissioner is serving from that county. Failure by a commission member to maintain residency in the district for which he is elected shall result in the forfeiture of his office. The at-large commission member, upon confirmation by the Senate, shall serve as chairman of the commission.

(B) The terms of the initial members of the commission appointed from congressional district are as follows:

(1) commission members appointed to represent congressional district one and two, two years;

(2) commission members appointed to represent congressional district three, four, and seven, three years;

(3) commission members appointed to represent congressional district five and six, four years.

(C) The at-large commissioner shall serve at the pleasure of the Governor.

HISTORY: 2005 Act No. 11, Section 1.B, eff upon approval (became law without the Governor's signature on January 13, 2005); 2012 Act No. 270, Section 11, eff June 18, 2012; 2012 Act No. 279, Section 6, eff June 26, 2012.

SECTION 13-1-1060. Oath of office.

Notwithstanding any other provision of law, each voting commission member, within thirty days after his election or appointment, and before entering upon the discharge of the duties of his office, shall take, subscribe, and file with the Secretary of State the oath of office prescribed by the Constitution of the State.

HISTORY: 2005 Act No. 11, Section 1.B, eff upon approval (became law without the Governor's signature on January 13, 2005).

SECTION 13-1-1070. Official seal; adoption of rules and procedures; reimbursement for official expenses.

(A) The commission may adopt an official seal for use on official documents of the division.

(B) The commission shall adopt its own rules and procedures and may select additional officers to serve terms designated by the commission.

(C) Commissioners must be reimbursed for official expenses as provided by law for members of state boards and commissions as established in the annual general appropriations act.

HISTORY: 2005 Act No. 11, Section 1.B, eff upon approval (became law without the Governor's signature on January 13, 2005).

SECTION 13-1-1080. Appointment of executive director.

Notwithstanding any other provision of law, the executive director shall be appointed in accordance with the following procedures:

(A)(1) The commission shall nominate no more than one qualified candidate for the Governor to consider for appointment as executive director. In order to be nominated, a candidate must meet the minimum requirements as provided in Section

13-1-1090.

(2) If the Governor rejects a person nominated by the commission for the position of executive director, the commission must nominate another candidate for the Governor to consider until such time as the Governor makes an appointment.

(3) In the case of a vacancy in the position of executive director for any reason, the name of a nominee for the executive director's successor must be submitted by the commission to the Governor.

(4) The appointment must comply with the provisions contained in Chapter 13, Title 8.

(B) The executive director shall serve at the pleasure of the commission and be appointed as provided in this section.

HISTORY: 2005 Act No. 11, Section 1.B, eff upon approval (became law without the Governor's signature on January 13, 2005).

SECTION 13-1-1090. Qualifications for commission chairman and members.

Notwithstanding any other provision of law, individuals serving on the commission must meet the following minimum qualifications to be qualified:

(1) the commission chairman must have experience in the fields of business, general aviation, and airport management;

(2) all other members of the commission must have a proven record of public and community service, and experience in the fields of business and aviation. Additionally, each member must meet at least two of the following criteria:

(a) general aviation experience;

(b) airport or fixed based operator (FBO) management experience;

(c) aviation service provider experience;

(d) previous service as a state or regional airport commissioner;

(e) legal experience; or

(f) active involvement in a recognized aviation association.

HISTORY: 2005 Act No. 11, Section 1.B, eff upon approval (became law without the Governor's signature on January 13, 2005).

ARTICLE 7
Division of Aeronautics

SECTION 13-1-1110. Organization and objectives of division.

The organization and objectives of the division are stated in Chapters 1 through 9 of Title 55.

HISTORY: 1993 Act No. 181, Section 246, eff July 1, 1993.

Law Change #5

LAW CHANGE #5			
Law	Summary of Current Law(s) and Recommended Change(s)	Basis for Recommendation	Approval and Others Impacted
<p>SECTION 13-1-320. Objectives of division.</p>	<p><u>Current Law</u> Establishes the objectives of the Division of State Development.</p> <p><u>Recommendation</u> Modify to update objectives.</p> <ul style="list-style-type: none"> • Delete reference to division as the “official state liaison office.” • Clarify that promotion of system of transportation does not infer that division actually implements the development and expansion statewide of highway, railroad, port, waterway, and airport systems. • Add promotion of strategic planning for economic development (moved from Coordinating Council enabling legislation in Law Change 12). • Add objective to identify and overcome challenges in rural communities. • Add objective to facilitate coordination by and among education, communities, and businesses to ensure workforce needs are being met in the State. 	<p>While not the “official state liaison office”, Commerce promotes coordination of functions and activities of various agencies at the state, federal and local level regarding planning research and development.</p> <p>Commerce promotes, but does not actually implement, a system of transportation in the state (other than through its Division of Public Railways, which is separate from the Division of State Development).</p> <p>Since 1993 Restructuring Commerce, not the Coordinating Council, has undertaken and funded strategic planning in collaboration with other public and private stakeholders in the State. Recommend repeal of strategic planning and related mandates of the Coordinating Council in Sections 13-1-1720(A)(1)-(5). (See also Law Change 12.)</p> <p>Finding ways to overcome the unique challenges faced by rural communities to attract jobs, investment and new residents is and has been an important objective of Commerce.</p>	<p><u>Presented and approved by agency’s governing body:</u> Review by Governor pending.</p> <p><u>Other entities potentially impacted:</u> None.</p> <p><u>If the law is a regulation, where agency is in the process of finalizing it and providing it to the General Assembly:</u> Not applicable.</p>

		<p>Connecting education, communities and businesses regarding workforce needs is an objective the General Assembly has given Commerce since Commerce was created during 2003 Restructuring. Since 2014, Commerce has been responsible, along with the Department of Education, to provide staff support for the SC Education and Economic Development Coordinating Council (Section 59-59-175). Commerce also now has responsibility for and oversight of regional education centers (Sections 13-1-1810 and 1820).</p>	
<p>Current Law Wording</p>		<p>Proposed Revisions to Law Wording</p>	
<p>The objectives of the division are to:</p> <p>(1) conserve, restore, and develop the natural and physical, the human and social, and the economic and productive resources of the State;</p> <p>(2) promote coordination of the functions and activities of state agencies and act as the official state liaison office between the state, federal, and local planning, research, and development agencies;</p> <p>(3) promote a system of transportation for the State through development and expansion of the highway, railroad, port, waterway, and airport systems;</p> <p>(4) promote and correlate state and local activity in planning public works projects;</p> <p>(5) promote public interest in the development of the State through cooperation with public agencies, private enterprises, and charitable and social institutions;</p>		<p>The objectives of the division are to:</p> <p>(1) conserve, restore, and develop the natural and physical, the human and social, and the economic and productive resources of the State;</p> <p>(2) promote coordination of the functions and activities of state agencies and act as the official state liaison office between the state, federal, and local planning, research, and development agencies;</p> <p>(3) promote a system of transportation for the State through development and expansion, <u>by state, federal, and local government agencies,</u> of the highway, railroad, port, waterway, and airport systems;</p> <p>(4) promote <u>strategic planning for economic development, through coordination and collaboration with state, federal, and local government agencies and other stakeholders,</u> and correlate state and local activity in planning public works projects, <u>all for the purpose of diversifying and expanding the economic base of the State;</u></p> <p>(5) promote public interest in the development of the State through cooperation</p>	

(6) promote and encourage industrial development, private business and commercial enterprise, agricultural production, transportation, and the utilization and investment of capital within the State;

(7) assist the development of existing state and interstate trade, commerce, and markets for South Carolina goods and in the removal of barriers to the industrial, commercial, and agricultural development of the State;

(8) assist in ensuring stability in employment, increase the opportunities for employment of the citizens of the State, and devise ways and means to raise the living standards of the people of the State;

(9) advance the general welfare of the people.

HISTORY: 1993 Act No. 181, Section 244, eff July 1, 1993.

with public agencies, private enterprises, and charitable and social institutions;

(6) promote and encourage industrial development, private business and commercial enterprise, agricultural production, transportation, and the utilization and investment of capital within the State;

(7) assist the development of existing state and interstate trade, commerce, and markets for South Carolina goods and in the removal of barriers to the industrial, commercial, and agricultural development of the State;

(8) assist in ensuring stability in employment, increase the opportunities for employment of the citizens of the State, and devise ways and means to raise the living standards of the people of the State;

(9) identify challenges facing rural communities in the State and solutions to overcome those challenges for the purpose of diversifying and expanding the economic base of the State;

(10) facilitate interaction by and among education, communities, and private businesses to ensure that all South Carolina citizens are knowledgeable and prepared to meet the current and future workforce needs of new and existing businesses in the State;

(911) advance the general welfare of the people.

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Law Change #6

LAW CHANGE #6			
Law	Summary of Current Law(s) and Recommended Change(s)	Basis for Recommendation	Approval and Others Impacted
<p>SECTION 13-1-330. Division made up of bureaus.</p>	<p><u>Current Law:</u> Requires that the Division of State Development be made up of certain bureaus and headed by individuals with certain qualifications.</p> <p><u>Recommendation:</u> Modify to update obsolete language and provide discretion to director, with approval of Secretary of Commerce, to organize and staff division with qualified personnel.</p>	<p>Bureau language is outdated and does not reflect organization of Commerce since 1993 Restructuring. Removing limiting language clarifies that current and future Secretaries have the ability to organize the Division of State Development, or Commerce, in the way that best meets the needs of the state.</p>	<p><u>Presented and approved by agency's governing body:</u> Review by Governor pending.</p> <p><u>Other entities potentially impacted:</u> None.</p> <p><u>If the law is a regulation, where agency is in the process of finalizing it and providing it to the General Assembly:</u> Not applicable.</p>
Current Law Wording		Proposed Revisions to Law Wording	
<p>The division shall consist of a bureau of research, a bureau of planning, a bureau of development, and such other bureaus as the director may establish. Each bureau may be headed by a bureau chief selected on the basis of his technical and administrative qualifications and experience to perform the duties required by his position. The chief for the bureau of research shall be a person thoroughly familiar with the principles of, and experienced in, the methods and techniques of research and economics. The chief for the bureau of planning shall be an industrial engineer experienced in that type of work. The chief for the bureau of development shall be a person thoroughly familiar with the principles of, and experienced in, the methods and techniques of developing a program of advertising and salesmanship.</p> <p>HISTORY: 1993 Act No. 181, Section 244, eff July 1, 1993.</p>		<p>The division shall <u>be organized at the discretion of the director, with approval of the Secretary, and staffed by personnel with the necessary qualifications and experience to perform the duties required</u> consist of a bureau of research, a bureau of planning, a bureau of development, and such other bureaus as the director may establish. Each bureau may be headed by a bureau chief selected on the basis of his technical and administrative qualifications and experience to perform the duties required by his position. The chief for the bureau of research shall be a person thoroughly familiar with the principles of, and experienced in, the methods and techniques of research and economics. The chief for the bureau of planning shall be an industrial engineer experienced in that type of work. The chief for the bureau of development shall be a person thoroughly familiar with the principles of, and experienced in, the methods and techniques of developing a program of advertising and salesmanship.</p>	

Law Change #7

LAW CHANGE #7			
Law	Summary of Current Law(s) and Recommended Change(s)	Basis for Recommendation	Approval and Others Impacted
<p>SECTION 13-1-340. Director of division; duties, powers and responsibilities.</p>	<p><u>Current Law:</u> Establishes duties, powers, and responsibilities of the Director of the Division of State Development, or Commerce.</p> <p><u>Recommendation:</u> Modify and consolidate duties, powers, and responsibilities set forth in Section 13-1-350 with Section 13-1-340 to update, eliminate duplication, and remove obsolete and/or unconstitutional statutory language. (See Law Change 8.)</p>	<p>This is the primary section outlining Commerce’s duties, powers, and responsibilities, which have not been updated since 1993. While most of the duties, powers, and responsibilities under Section 13-1-340 are still relevant, many of the additional duties, powers, and responsibilities set forth in Section 13-1-350 (related to former boards, commissions, and councils restructured into Commerce) are obsolete, unconstitutional, duplicative of duties being performed by other state agencies, or can be updated and consolidated into this one section of the duties, powers, and responsibilities. (See Law Change 8.)</p>	<p><u>Presented and approved by agency’s governing body:</u> Review by Governor pending.</p> <p><u>Other entities potentially impacted:</u> None.</p> <p><u>If the law is a regulation, where agency is in the process of finalizing it and providing it to the General Assembly:</u> Not applicable.</p>
Current Law Wording		Proposed Revisions to Law Wording	
<p>SECTION 13-1-340. Director of division; duties, powers and responsibilities.</p> <p>The director is vested with duties, powers, and responsibilities involved in accomplishing the division's objectives outlined in this article within the appropriations provided by the General Assembly. The director may:</p> <p>(1) advise and make recommendations to the Governor and the General Assembly on matters concerning the division's objectives;</p> <p>(2) cooperate with the operating agencies of the State in the development of plans;</p>		<p>SECTION 13-1-340. Director of division; duties, powers and responsibilities.</p> <p>The director is vested with duties, powers, and responsibilities involved in accomplishing the division's objectives outlined in this article within the appropriations provided by the General Assembly. The director may:</p> <p>(1) advise and make recommendations to the Governor and the General Assembly on matters concerning the division's objectives;</p> <p>(2) cooperate with the operating agencies of the State in the development of plans;</p> <p>(3) have access to the records and studies of each state agency pertaining to the</p>	

(3) have access to the records and studies of each state agency pertaining to the division's objectives;

(4) conduct studies on his own initiative pertaining to the division's objectives and others at the request of the Governor, the General Assembly, or state or local agencies;

(5) make special studies on area problems or specific subjects, establish local agencies, and furnish staff or financial aid;

(6) stimulate and encourage local, state, and federal governmental agencies with similar and related objectives and purposes and cooperate with local, regional, and federal planning and development programs;

(7) publish and distribute the division's findings through written reports, brochures, magazine and newspaper articles, and other appropriate forms and use the radio, periodicals, and other recognized forms of advertising, personal interviews, exhibits, and displays in order that governmental agencies, corporations, and individual citizens may become acquainted with the development program of the State;

(8) advertise the advantages of the State for industrial, agricultural, and commercial development by paid publicity;

(9) provide information to and make contact with private business enterprises and local, state, and federal governmental agencies to acquaint them with industrial, agricultural, and commercial opportunities in the State and encourage the establishment of new or the expansion of existing industries and enterprises;

(10) provide advice upon request by local, state, and federal agencies, private citizens, and business and commercial enterprises upon matters of economic development, industrial and business expansion, and agricultural activity upon which his knowledge, sources of information, and findings and decisions qualify him to speak;

division's objectives;

(4) conduct studies on his own initiative pertaining to the division's objectives and others at the request of the Governor, the General Assembly, or state or local agencies;

(5) make special studies on area problems or specific subjects, establish local agencies, and furnish staff or financial aid;

(6) stimulate and encourage local, state, and federal governmental agencies with similar and related objectives and purposes and cooperate with local, regional, and federal planning and development programs;

(7) publish and distribute the division's findings through ~~written reports, brochures, magazine and newspaper articles, and other appropriate forms and use the radio, periodicals, and other~~ recognized forms of advertising and marketing, personal interviews, exhibits, and displays in order that governmental agencies, corporations, and individual citizens may become acquainted with the development program of the State;

(8) advertise the advantages of the State for industrial, agricultural, and commercial development by paid publicity;

(9) provide information to and make contact with private business enterprises and local, state, and federal governmental agencies to acquaint them with industrial, agricultural, and commercial opportunities in the State and encourage the establishment of new or the expansion of existing industries and enterprises;

(10) provide advice upon request by local, state, and federal agencies, private citizens, and business and commercial enterprises upon matters of economic development, industrial and business expansion, and agricultural activity upon which his knowledge, sources of information, and findings and decisions qualify him to speak;

(11) accept gifts, grants, loans, funds, and property to accomplish the division's

(11) accept gifts, grants, funds, and property to accomplish the division's objectives, administer and disburse gifts, grants, and funds, and dispose of property to counties, municipalities, and local agencies performing a public service or function which may disburse the gifts, grants, and funds or make the property available to eligible participants in a program established to perform and implement the public service or function subject to the approval of the State Fiscal Accountability Authority.

HISTORY: 1993 Act No. 181, Section 244, eff July 1, 1993.

objectives, administer and disburse gifts, grants, loans, and funds, and dispose of property to counties, municipalities, and local agencies performing a public service or function which may disburse the gifts, grants, and funds or make the property available to eligible participants in a program established to perform and implement the public service or function subject to the approval of the State Fiscal Accountability Authority.

(12) compile surveys showing the nature and extent of the natural resources and of the manufactured products and raw materials found or produced in the State which may move in domestic or foreign commerce;

(13) determine the areas throughout the world where commodities and products of this State may find advantageous markets and secure perfection of arrangements between citizens of this State and producers and consumers in other areas whereby there may be carried on greater interchange of commerce.

(14) purchase, hold, use, lease, sell, transfer, convey, assign, or otherwise to acquire or dispose of any property, real, personal or mixed, or any estate or interest therein, all subject to requisite approvals;

(15) employ attorneys and other consultants and contractors upon such reasonable basis of compensation commensurate with the services rendered or to be rendered to the end that no excessive or unreasonable fees or compensation shall be allowed;

(16) promulgate regulations in accordance with Chapter 23 of Title 1.

(17) have the power of eminent domain;

(18) borrow money from the United States or any corporation or agency created, designed or established by the United States;

(19) have all additional powers, not inconsistent with this article, that are vested by law in corporations generally.

Law Change #8

LAW CHANGE #8			
Law	Summary of Current Law(s) and Recommended Change(s)	Basis for Recommendation	Approval and Others Impacted
<p>SECTION 13-1-350. Director to assume duties of certain former boards, commissions, and councils.</p>	<p><u>Current Law:</u> Outlines additional duties and powers vested in Commerce from former boards, commissions, and councils restructured into the Division of State Development.</p> <p><u>Recommendation:</u> Repeal and consolidate certain duties into Section 13-1-340. (See Law Change 7.)</p>	<p>Many of the duties, powers, and responsibilities of these former boards, commissions, and councils are obsolete (most if not all had not been amended long before 1993 Restructuring), unconstitutional, duplicative of duties being performed by other state agencies, or can be updated and consolidated into the duties, powers, and responsibilities under Section 13-1-340. (See Law Change 7.)</p> <p>Under “Proposed Revisions to Law Wording,” each section of the statute is in a separate row for ease in referencing which statutes are proposed to be eliminated, and why, and which to be moved to Section 13-1-340. Duties, powers, and responsibilities that remain and are proposed to be moved to Section 13-1-340 are in BOLD.</p>	<p><u>Presented and approved by agency’s governing body:</u> Review by Governor pending.</p> <p><u>Other entities potentially impacted:</u></p> <ul style="list-style-type: none"> • SC State Housing & Finance Development Authority • Parks, Recreation & Tourism • DHEC • Department of Agriculture <p><u>If the law is a regulation, where agency is in the process of finalizing it and providing it to the General Assembly:</u> Not applicable.</p>
<u>Current Law Wording</u>		<u>Proposed Revisions to Law Wording</u>	
<p>The former State Planning Board, State Board of Housing, Building Council of South Carolina, South Carolina Commerce Development Board, South Carolina Intra-Coastal Waterway Commission, South Carolina Board for Promotion of External Trade, and Natural Resources Commission and their successor the State Development Board having been abolished, the director shall have the following additional duties formerly imposed on such boards, commissions and councils:</p>		<p>Repeal entire statute and add the duties, powers, and responsibilities that remain relevant and useful to the list of duties powers and responsibilities of the Division of State Development in Section 13-1-340. (See Law Change 7.)</p> <p>Certain duties of the State Board of Housing may be duplicative of current duties of the SC State Housing Finance & Development Authority, but Commerce makes no recommendation regarding housing-related duties other than to repeal/remove</p>	

	<p>responsibilities the Secretary of Commerce has for housing-related matters. (See Law Change 15.)</p> <p>Each section of the statute is in a separate row below for ease in referencing which statutes are proposed to be eliminated, and why, and which to be moved to Section 13-1-340. Duties, powers, and responsibilities that remain and are proposed to be moved to Section 13-1-340 are in BOLD.</p>
<p>(1) State Planning Board:</p> <p>(a) to confer and cooperate with the executive, legislative and planning authorities of the United States and of neighboring states and of subdivisions thereof;</p> <p>(b) to promote interest in the understanding of the problems of state planning; and</p> <p>(c) to cooperate with the United States and any of its agencies in the planning, conservation, utilization and development of state resources and in the planning of its public works programs and to act, when so designated, as an agency of the United States, or of any agency thereof.</p>	<ul style="list-style-type: none"> • (1)(a)-(c) is DUPLICATIVE: Duties already contained in Sections 30-4-340(2), (4), (5), (6).
<p>(2) State Board of Housing: to perform the duties imposed upon him under Title 31 of this Code;</p> <p>(3) Building Council of South Carolina: to promulgate and recommend to the General Assembly of the State a building code for adoption;</p>	<ul style="list-style-type: none"> • (2) and (3) are OBSOLETE as to Commerce: These provisions predated the creation of SC State Housing Finance & Development Authority (“SC Housing”) and have not been amended for decades. • Certain provisions may be DUPLICATIVE of current duties of SC Housing. (See Law Change 15.)
<p>(4) Commerce Development Board:</p>	
<p>(a) to purchase, hold, use, lease, mortgage, sell, transfer, convey, assign, pledge or otherwise to acquire, encumber or dispose of any property, real, personal or mixed, or any estate or interest therein, including, but without limiting the foregoing, stock in any corporation;</p>	<ul style="list-style-type: none"> • (4)(a) is MOVED as appropriate and not unconstitutional into Section 13-1-340(14). Proposed language for Section 13-1-340(14) is as follows: <p>(14) purchase, hold, use, lease, sell, transfer, convey, assign, or otherwise to acquire or dispose of any property, real, personal or mixed, or any estate or interest therein, all subject to requisite approvals;</p>

	<ul style="list-style-type: none"> Wording not in bold is unconstitutional and not moved into Section 13-1-340. Mortgaging, pledging, encumbering state property and state ownership of stock in any corporation is unconstitutional.
<p>(b) to employ attorneys upon such reasonable basis of compensation as may be agreed upon, or as he may determine, commensurate with the services rendered or to be rendered to the end that no excessive or unreasonable fees or compensation shall be allowed;</p>	<ul style="list-style-type: none"> (4)(b) is MOVED into Section 13-1-340(15) and added to the duties of Division of Development. Proposed language for Section 13-1-340(15) is as follows: (15) employ attorneys and other consultants and contractors upon such reasonable basis of compensation commensurate with the services rendered or to be rendered to the end that no excessive or unreasonable fees or compensation shall be allowed;
<p>(c) to build, acquire, construct and maintain power houses and any and all structures, ways and means necessary, useful or customarily used and employed in the construction of highways, in the construction and operation of railroads and in the manufacture, generation and distribution of electricity and any and all other kinds of power, including power transmission lines, poles, telephone and telegraph lines, substations, transformers and generally all things used or useful in the manufacture, distribution and purchase of power and electricity; provided, that electric current produced shall be used by the director and that none of it shall be sold;</p>	<ul style="list-style-type: none"> (4)(c) is OBSOLETE.
<p>(d) to acquire or to build, construct, equip, maintain and operate one or more railroads with any motive power, one or more highways or other methods, means or ways of commerce or transportation or of communication, telegraph or telephone lines, electric lines, pipe lines, commissaries, houses, camps, lakes, fills, dams, reservoirs, ditches, drains, roads, tunnels, culverts, bridges, conduits, shops and depots and equipment; provided, that telegraph or telephone lines shall be used by the director and that no telegraph or telephone service shall be sold to the general public;</p>	<ul style="list-style-type: none"> 4(d) is DUPLICATIVE: Commerce’s Division of Public Railways, to be studied at a later date, has the authority to build, construct, equip, maintain and operate railroads. DHEC is responsible for flood prevention and dam regulation under the Dams and Reservoirs Safety Act, Section 49-110 thru 260 and associated regulations R.72.1- thru .71.9. SCDOT is responsible for construction and maintenance of state highways and bridges and electric power and telephone service infrastructure and services are almost exclusively in the private sector.
<p>(e) to engage in the business of a common carrier of freight <i>or passengers</i> for hire;</p>	<ul style="list-style-type: none"> (4)(e) is partly DUPLICATIVE and partly OBSOLETE: Commerce’s Division of Public Railways is a common carrier of freight. Words in italics are obsolete.

<p>(f) to build, construct, equip, maintain and operate, or cause the same to be done, a railroad or a highway connecting the existing lines of railroad at Walhalla, South Carolina, and at or near Maryville, Tennessee, or as near to such points as practicable and to do every act and thing necessary or proper to accomplish that result and to secure improvement of such existing lines connecting the same with the Atlantic seaboard;</p>	<ul style="list-style-type: none"> • (4)(f) is OBSOLETE.
<p>(g) to transport goods, freight, <i>mail, passengers and intelligence for hire</i> and to fix and collect proper charges therefor;</p>	<ul style="list-style-type: none"> • (4)(g) is partly DUPLICATIVE and partly OBSOLETE: Commerce’s Division of Public Railways is a common carrier of freight. • Words in italics are obsolete.
<p>(h) to construct or establish parks or playgrounds for the use, benefit, recreation and amusement of the people of this State under such rules and regulations and subject to such charges as it may establish, determine or fix, with all necessary or proper appurtenances, roadways, lakes, reservoirs, pipe lines, wires, buildings or other structures and equipment which it may from time to time deem desirable;</p>	<ul style="list-style-type: none"> • (4)(h) is DUPLICATIVE: PRT has confirmed it has this responsibility under Section 51-1-60(h).
<p>(i) to take such steps as may be proper to prevent and control soil erosion and floods in the areas served by it;</p>	<ul style="list-style-type: none"> • (4)(i) is DUPLICATIVE: DHEC has confirmed it has authority to undertake these duties and maintain regulatory programs to control stormwater runoff and sediment erosion. Sections 48-14-10 thru 170 and associated regulations.
<p>(j) to cooperate with the United States to promote the national defense;</p>	<ul style="list-style-type: none"> • (4)(j) is OBSOLETE
<p>(k) to develop and increase commerce, intrastate, interstate and foreign, by shortening and improving existing routes, by constructing new routes and facilities and by equipping, maintaining and operating or leasing the same, or causing it to be done, by procuring or endeavoring to procure a reduction in freight, passenger, power, light, water, telegraph and telephone rates and tolls and by any other means or method which shall tend so to do and securing to the people of this State the annual saving of large sums and an improvement in their living conditions and general welfare;</p>	<ul style="list-style-type: none"> • (4)(k) is DUPLICATIVE: Division of Public Railways (rail routes and freight). SCDOT (road and highway routes)

<p>(l) to cooperate with the health authorities in the areas served by it to the end that the public health may be improved and disease and suffering reduced;</p>	<ul style="list-style-type: none"> • (4)(l) is DUPLICATIVE: DHEC has confirmed that it has broad authority to fulfill this mandate. Sections 44-1-80 thru 44-1-170.
<p>(m) to fix, alter, charge and collect tolls, freight and other charges for the use of the division's facilities or for the services rendered by or for any commodities furnished by it, at rates to be determined by the director, such rates to be at least sufficient to provide for payment of all expenses of the director under this subparagraph (4) of this section, the conservation, maintenance and operation of its facilities and properties, the payment of principal and interest on its notes, bonds and other evidences of indebtedness or obligation and to fulfill the terms and provisions of any agreements made with the purchasers or holders of any of the division's notes, bonds or other evidences of indebtedness or obligation;</p>	<ul style="list-style-type: none"> • (4)(m) language is OBSOLETE • BUT any authority here to charge for use of facilities would be captured in catchall provision related to corporate powers in Section 13-1-140(19).
<p>(n) to have the power of eminent domain;</p>	<ul style="list-style-type: none"> • (4)(n) is MOVED to Section 13-1-340(17) and added to the duties of Division of Development. Proposed language for 13-1-340(17) is as follows: (17) have the power of eminent domain;
<p>(o) to acquire by purchase, gift, condemnation or in any other manner any lands, waters, water rights, riparian rights, flowage rights, rights of way, easements, licenses, franchises, engineering data, maps, construction plans or estimates or any other property of any kind, real, personal or mixed, necessary or useful in carrying out any of his powers;</p>	<ul style="list-style-type: none"> • (4)(o) is MOVED to Section 13-1-340(14) and added to the duties of Division of Development. Words that are OBSOLETE and/or not needed are omitted. Proposed language for Section 13-1-340(14) is as follows: (14) purchase, hold, use, lease, sell, transfer, convey, assign, or otherwise to acquire or dispose of any property, real, personal or mixed, or any estate or interest therein, all subject to requisite approvals;
<p>(p) to borrow money, to make and issue negotiable notes, bonds and other evidences of indebtedness and to secure the payment of such obligations or any part thereof by mortgage, lien, pledge or deed of trust on any or all of the division's property, contracts, franchises or revenues and to make such agreements with the purchasers or holders of such notes, bonds or other evidences of indebtedness or with others in connection with any such notes, bonds or other evidences of indebtedness, whether issued or to be issued, as the director shall deem advisable and in general to provide for the security</p>	<ul style="list-style-type: none"> • (4)(p) is MOVED as appropriate and not unconstitutional into Section 13-1-340(18) and added to the duties of Division of Development. Words that are OBSOLETE and/or not needed are omitted Proposed language for Section 13-1-340(18) is as follows: (18) borrow money from the United States or any corporation or agency created, designed or established by the United States; • Wording not in bold is UNCONSTITUTIONAL.

<p>for such notes, bonds or other evidences of indebtedness and the rights of the holders thereof;</p>	<ul style="list-style-type: none"> Accepting and disbursing “loans” is also proposed to be added to Section 13-1-340(11). See Law Change 7.
<p>(q) to endorse or otherwise to guarantee the obligations of any corporation all of the voting stock of which the division may own or acquire;</p> <p>(r) to mortgage, pledge, hypothecate or otherwise to encumber any or all of the division's property, real, personal or mixed, facilities or revenues as security for notes, bonds, evidences of indebtedness or other obligations;</p>	<ul style="list-style-type: none"> (4)(q)-(r) is UNCONSTITUTIONAL.
<p>(s) to borrow money from the United States or any corporation or agency created, designed or established by the United States;</p>	<ul style="list-style-type: none"> (4)(s) is MOVED into Section 13-1-340(18) and added to the duties of Division of Development. Proposed language for Section 13-1-340(18) is as follows: (18) borrow money from the United States or any corporation or agency created, designed or established by the United States; Accepting and disbursing “loans” is also proposed to be added to Section 13-1-340(11). See Law Change 7.
<p>(t) to exercise the powers and to do the things authorized by subparagraph (4) of this section either by and with his own efforts and resources or to procure or to cause the same to be done by the United States or any agency or instrumentality thereof, by any one or more of the states affected or their political subdivisions, agencies or instrumentalities, by any private corporation, association or individual, contractor or otherwise or by the joint efforts of any or all of them or by cooperation with any or all of them, having in mind that the primary objective to be achieved is the construction, maintenance and operation of the railroad, highways, lines of communication and other facilities authorized by this subparagraph, regardless of the particular method, manner or agency by or through which the same may be done, and to do any and all acts and things and to make any and all agreements or contracts necessary thereunto, including also the power to lease the whole or any part of the division's facilities or to contract or agree upon a particular method, manner or agency of or for the maintenance or operation of such facilities;</p>	<ul style="list-style-type: none"> (4)(t)-(u) are largely OBSOLETE. The authorization to make regulations in subsection (u) is MOVED to Section 13-1-340(16) and added to the duties of the Division of Development. Proposed language for Section 13-1-340(16) is as follows: (16) promulgate regulations in accordance with Chapter 23 of Title 1.

<p>(u) to make, alter and repeal reasonable rules and regulations governing the use of the division's facilities and to fix and collect the charges, tolls, prices or rate of compensation it shall receive for the same, but nothing herein contained shall prevent the director, when in his opinion the public interest will best be served thereby and when the division's financial condition will permit, from allowing the use of its parks, places of amusement and recreation, roads, highways and the like, to be designated by the director from time to time, free of charge or at a merely nominal charge for the benefit of the people of this State;</p>	
<p>(v) to sell or otherwise to dispose of any surplus property which the division may acquire and which the director may decide is not needed; and</p>	<ul style="list-style-type: none"> • (4)(v) is MOVED into Section 13-1-340(14) and added to the duties of Division of Development. Proposed language for Section 13-1-340(14) is as follows: (14) purchase, hold, use, lease, sell, transfer, convey, assign, or otherwise to acquire or dispose of any property, real, personal or mixed, or any estate or interest therein, all subject to requisite approvals;
<p>(w) to have all additional powers, not inconsistent with this article, that are vested by law in common carriers of freight, passengers, electricity and intelligence for hire and in corporations generally.</p>	<ul style="list-style-type: none"> • (4)(w) is MOVED as appropriate into Section 13-1-340(19) and added to the duties of Division of Development. Proposed language for Section 13-1-340(19) is as follows: (19) have all additional powers, not inconsistent with this article, that are vested by law in corporations generally.
<p>(5) South Carolina Intra-Coastal Waterway Commission: to perform the duties imposed upon it by Chapter 5 of Title 3 of this Code;</p>	<ul style="list-style-type: none"> • (5) is DUPLICATIVE: This reference has not been updated since 1993 Restructuring. In Chapter 3 of Title 5, DHEC was substituted for the SC Coastal Council during 1993 Restructuring when the former SC Intra Coastal Waterway Commission was made part of Commerce. DHEC has confirmed that it's Office of Coastal Resource Management (OCRM) has statutory authority, previously exercised by the State Development Board, and continues to perform the functions set forth in the Grants of Perpetual Rights and Easements to the United States for Development of Waterways Act. See Act No. 0508 of 1978.
<p>(6) Board for Promotion of External Trade: (a) to compile surveys showing the nature and extent of the natural resources</p>	<ul style="list-style-type: none"> • (6)(a) is MOVED into Section 13-1-340(12) and added to the duties of Division of Development. Proposed language for Section 13-1-340(12) is as follows:

<p>and of the manufactured products and raw materials found or produced in the State which may move in domestic or foreign commerce; and</p>	<p>(12) compile surveys showing the nature and extent of the natural resources and of the manufactured products and raw materials found or produced in the State which may move in domestic or foreign commerce;</p>
<p>(b) to determine the areas throughout the world where commodities and products of this State may find advantageous markets and secure perfection of arrangements between citizens of this State and producers and consumers in other areas whereby there may be carried on greater interchange of commerce.</p>	<ul style="list-style-type: none"> • (6)(b) is MOVED into Section 13-1-340(13) and added to the duties of Division of Development. Proposed language for Section 13-1-340(13) is as follows: <p>(13) determine the areas throughout the world where commodities and products of this State may find advantageous markets and secure perfection of arrangements between citizens of this State and producers and consumers in other areas whereby there may be carried on greater interchange of commerce.</p>
<p>(7) Natural Resources Commission:</p> <p>(a) to select a label, have it copyrighted and registered in the United States copyright office, which label shall in the judgment of the director be used to advertise the chemical and other contents of food products grown in South Carolina or to advertise other articles;</p> <p>(b) to promulgate and register the conditions upon which such label may be used and fix the charges for such use; and</p> <p>(c) to promulgate information furnished by the South Carolina Research Laboratories and other educational institutions and such other information as has bearing upon value of South Carolina products.</p> <p>HISTORY: 1993 Act No. 181, Section 244, eff July 1, 1993</p>	<ul style="list-style-type: none"> • (7)(a)-(c) is DUPLICATIVE: The Department of Agriculture confirms it has broad authorization to promote and market SC agricultural products and does so through its Certified South Carolina trademarked program. The Department of Agriculture also works with Clemson University and its Clemson Extension offices to receive and disseminate information that affects agricultural marketing efforts in SC.

Law Change #10

LAW CHANGE #10			
Law	Summary of Current Law(s) and Recommended Change(s)	Basis for Recommendation	Approval and Others Impacted
<p>SECTION 13-1-370. Advisory committee of the Division of State Development.</p>	<p><u>Current Law:</u> Allows director to establish advisory committee of the Division of State Development.</p> <p><u>Recommendation:</u> Repeal.</p>	<p>While the State Library is researching whether the advisory committee has ever existed, a 46-year Commerce employee who previously worked for the State Development Board confirms that it has not. Additionally, the Secretary of Commerce has authority pursuant to Section 13-1-40 to form advisory councils so this statutory provision is not needed.</p>	<p><u>Presented and approved by agency's governing body:</u> Review by Governor pending.</p> <p><u>Other entities potentially impacted:</u> None.</p> <p><u>If the law is a regulation, where agency is in the process of finalizing it and providing it to the General Assembly:</u> Not applicable.</p>
Current Law Wording			Proposed Revisions to Law Wording
<p>The director may, in his discretion, establish an advisory committee of the Division of State Development (hereafter, in this section, the "advisory committee") which if established, would be comprised of twenty-four citizens of the State to be appointed by the Governor upon the advice and consent of the Senate. One member must be appointed from each of the following two-county areas:</p> <ol style="list-style-type: none"> 1. Richland and Kershaw counties; 2. Spartanburg and Cherokee counties; 3. Laurens and Newberry counties; 4. Abbeville and Greenwood counties; 5. Berkeley and Charleston counties; 6. Oconee and Anderson counties; 7. Florence and Marion counties; 8. Greenville and Pickens counties; 9. Horry and Georgetown counties; 10. Union and York counties; 11. Lee and Darlington counties; 			<p>Repeal entire statute and add the identification of challenges facing rural communities and solutions to those challenges as a Division of State Development objective under Section 13-1-320. See Law Change 5.</p>

12. Marlboro and Dillon counties;
13. Chester and Fairfield counties;
14. Lancaster and Chesterfield counties;
15. Sumter and Calhoun counties;
16. Clarendon and Williamsburg counties;
17. Beaufort and Jasper counties;
18. Dorchester and Colleton counties;
19. Orangeburg and Bamberg counties;
20. Allendale and Hampton counties;
21. Aiken and Barnwell counties;
22. Lexington and Saluda counties;
23. Edgefield and McCormick counties.

The Governor shall appoint one member from the State at large who shall serve as chairman. The terms of the members are for a period of four years and until their successors are appointed and qualify. Terms for all members commence on July first of the year of appointment. Of the members initially appointed from the two-county areas, the Governor shall appoint one member from each of the following counties for a term of two years: Kershaw, Cherokee, Newberry, Greenwood, Charleston, Anderson, Marion, Pickens, Georgetown, York, Darlington, and Dillon, and the Governor shall appoint one member from each of the following counties for a term of four years: Fairfield, Chesterfield, Calhoun, Williamsburg, Jasper, Colleton, Bamberg, Hampton, Barnwell, Lexington, and McCormick. Upon the expiration of the initial terms of the members appointed from the two-county areas, the Governor shall rotate the appointment of these members between the counties in each of the two-county areas. The advisory committee may select other officers from its membership to serve for terms designated by it. Vacancies must be filled in the manner of the original appointments for the unexpired portions of the terms. The members of the advisory committee must be paid the usual mileage and subsistence as is provided by law for members of state boards, commissions, and committees. The advisory committee must meet four times a year, and may meet more often if the chairman considers it necessary or if ten members request the chairman to call a meeting, and the director approves such additional meetings. The advisory committee may not meet at any location outside the boundaries of South Carolina. The advisory committee shall advise and consult with the director on the following matters:

- (a) the condition of and prospects for economic development in the State - particularly in the rural areas;
- (b) the fostering of a close working relationship between the primarily rural, or primarily agricultural, counties of the State and the counties which are primarily nonrural or nonagricultural;

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|---|--|
| <p>(c) the identification of problems facing smaller rural counties and of solutions to those problems;</p> <p>(d) having input to the director regarding industrial prospects throughout the State; and</p> <p>(e) any other matter which the director considers necessary to assist the director, in the way of consultation or advice, in carrying out any of the director's duties or functions under this article.</p> | |
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HISTORY: 1993 Act No. 181, Section 244, eff July 1, 1993.

Law Change #11

LAW CHANGE #11			
Law	Summary of Current Law(s) and Recommended Change(s)	Basis for Recommendation	Approval and Others Impacted
SECTION 13-1-380. Recycling Market Development Advisory Council.	<p><u>Current Law:</u> Establishes the Recycling Market Development Advisory Council (RMDAC).</p> <p><u>Recommendation:</u></p> <ul style="list-style-type: none"> • Modify manner of funding provision to reflect current manner of funding. • Modify annual reporting date. 	<p>The Solid Waste Management Trust Fund has accumulated sufficient funds and is funding the advisory council's expenses as contemplated when the RMDAC was formed.</p> <p>Moving the annual report to one month after the date DHEC's annual report to the General Assembly is due allows RMDAC to take DHEC's report into account. This amendment also codifies and updates Proviso 50.12. (See also Law Change 18.)</p>	<p><u>Presented and approved by agency's governing body:</u> Review by Governor pending.</p> <p><u>Other entities potentially impacted:</u> None.</p> <p><u>If the law is a regulation, where agency is in the process of finalizing it and providing it to the General Assembly:</u> Not applicable.</p>
Current Law Wording		Proposed Revisions to Law Wording	
<p>(A) Notwithstanding the provisions of Section 13-1-40, there is established within the division a Recycling Market Development Advisory Council to assist in the development of markets for recovered materials and products with recycled content in this State.</p> <p>(B) The members of the advisory council shall be appointed not later than ninety days after this article is effective.</p> <p>(C) The advisory council shall consist of fourteen members to be appointed by the Governor to include:</p> <p>(1) one member shall represent the division;</p> <p>(2) one member shall represent county governments;</p>		<p>(A) Notwithstanding the provisions of Section 13-1-40, there is established within the division a Recycling Market Development Advisory Council to assist in the development of markets for recovered materials and products with recycled content in this State.</p> <p>(B) The members of the advisory council shall be appointed not later than ninety days after this article is effective.</p> <p>(C) The advisory council shall consist of fourteen members to be appointed by the Governor to include:</p> <p>(1) one member shall represent the division;</p> <p>(2) one member shall represent county governments;</p>	

(3) one member shall represent municipalities;

(4) one member shall represent the solid waste collection and disposal industry;

(5) one member shall represent the existing recycling industry;

(6) one member shall represent the glass industry;

(7) one member shall represent the paper industry;

(8) one member shall represent the aluminum industry;

(9) one member shall represent the plastics industry;

(10) one member shall represent the tire industry;

(11) one member shall represent the general public;

(12) one member shall represent the oil industry;

(13) one member shall represent the scrap metal recycling industry; and

(14) one member shall represent higher education research institutions.

(D) Each member of the advisory council shall serve a two-year term beginning on the date of his appointment and shall serve until a successor is appointed and qualified. Members shall serve at the pleasure of their appointing authority and shall receive the usual mileage, per diem, and subsistence provided by law for members of boards, committees, and commissions. Until sufficient funds have accumulated in the Solid Waste Management Trust Fund to cover the advisory council's expenses, the appointing authorities shall provide the mileage, per diem, and subsistence for their respective appointees. Any other expenses of the advisory council shall be shared equally by the appointing authorities until the trust fund has

(3) one member shall represent municipalities;

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(6) one member shall represent the glass industry;

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(8) one member shall represent the aluminum industry;

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(10) one member shall represent the tire industry;

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sufficient funds to cover the expenses.

(E) The chairman shall be designated by the Secretary of Commerce and the advisory council shall select its own vice-chairman. The advisory council shall adopt operating procedures and shall meet on the call of the chairman or of a majority of the members. Members shall promulgate regulations concerning meeting attendance. A majority of the members shall constitute a quorum to do business. The division shall provide the necessary staff and administrative facilities and services to the advisory council. The Department of Health and Environmental Control shall provide technical assistance to the council at the request of the chairman or of the vice-chairman, or by majority vote of the advisory council.

(F) Not later than fifteen months after this article is effective, the council shall provide to the Governor and to the General Assembly an initial report which shall include, at a minimum, the following:

- (1) a description and analysis of this state's existing recycling industry;
- (2) an analysis of the projected long-term capacity of existing markets to absorb materials generated by source separation, recovery, or recycling programs;
- (3) an analysis of potential markets in this State, in other states, or in foreign countries for recovered materials and products with recycled content from this State;
- (4) an analysis of institutional, economic, and technical barriers to the use of recovered materials and products with recycled content;
- (5) recommendations for actions which may be taken to increase demand for source separated, recovered, or recycled materials or products;
- (6) recommendations for actions which may be taken to increase the incentives for private individuals and for business and industry to consume or

(E) The chairman shall be designated by the Secretary of Commerce and the advisory council shall select its own vice-chairman. The advisory council shall adopt operating procedures and shall meet on the call of the chairman or of a majority of the members. Members shall promulgate regulations concerning meeting attendance. A majority of the members shall constitute a quorum to do business. The division shall provide the necessary staff and administrative facilities and services to the advisory council. The Department of Health and Environmental Control shall provide technical assistance to the council at the request of the chairman or of the vice-chairman, or by majority vote of the advisory council.

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- (1) a description and analysis of this state's existing recycling industry;
- (2) an analysis of the projected long-term capacity of existing markets to absorb materials generated by source separation, recovery, or recycling programs;
- (3) an analysis of potential markets in this State, in other states, or in foreign countries for recovered materials and products with recycled content from this State;
- (4) an analysis of institutional, economic, and technical barriers to the use of recovered materials and products with recycled content;
- (5) recommendations for actions which may be taken to increase demand for source separated, recovered, or recycled materials or products;
- (6) recommendations for actions which may be taken to increase the incentives for private individuals and for business and industry to consume or export recovered materials and products with recycled content;
- (7) an analysis of the compatibility of recycling with solid waste treatment or disposal methods and recommendations on the feasibility of the implementation of

export recovered materials and products with recycled content;

(7) an analysis of the compatibility of recycling with solid waste treatment or disposal methods and recommendations on the feasibility of the implementation of mechanisms for cooperative marketing of recyclable materials;

(8) recommendations on categories of materials which should be recovered, given existing and potential markets for such materials;

(9) recommendations for a public education program to be implemented by the Office of Solid Waste Reduction and Recycling within the department to provide information to the public and to business and industry on the benefits of source separation, recovery, and recycling and on the availability of recovered materials or products with recycled content;

(10) a study of methods of and cost effectiveness of source separation and recycling of recovered materials;

(11) a study of packaging reduction; and

(12) a study of the design of products at the primary stage of development to promote recyclability.

(G) Following its initial report, the council shall submit to the Governor and to the General Assembly by the end of each calendar year an annual report on recycling activities in this State which shall, at a minimum, include the following:

(1) any revisions which the council determines are necessary to its initial report;

(2) a description and analysis of the amounts and types of solid waste materials recovered or recycled in this State during the preceding year;

mechanisms for cooperative marketing of recyclable materials;

(8) recommendations on categories of materials which should be recovered, given existing and potential markets for such materials;

(9) recommendations for a public education program to be implemented by the Office of Solid Waste Reduction and Recycling within the department to provide information to the public and to business and industry on the benefits of source separation, recovery, and recycling and on the availability of recovered materials or products with recycled content;

(10) a study of methods of and cost effectiveness of source separation and recycling of recovered materials;

(11) a study of packaging reduction; and

(12) a study of the design of products at the primary stage of development to promote recyclability.

(G) Following its initial report, the council shall submit to the Governor and to the General Assembly ~~the end of each calendar year~~ an annual report on recycling activities in this State for the previous calendar year. The report shall be submitted one month after the date the annual report on recycling activities is submitted by the Department of Health and Environmental Control and ~~which~~ shall, at a minimum, include the following:

(1) any revisions which the council determines are necessary to its initial report;

(2) a description and analysis of the amounts and types of solid waste materials recovered or recycled in this State during the preceding year;

(3) recommendations regarding materials which should be added to or deleted from source separation, recovery, and recycling programs; and

(4) any other recommendations, including tax incentives, to facilitate the

(3) recommendations regarding materials which should be added to or deleted from source separation, recovery, and recycling programs; and

(4) any other recommendations, including tax incentives, to facilitate the development of markets for recovered materials or products in this State.

HISTORY: 1993 Act No. 181, Section 244, eff July 1, 1993; 1994 Act No. 361, Section 8, eff May 3, 1994.

development of markets for recovered materials or products in this State.

Law Change #18

LAW CHANGE #18			
Law	Summary of Current Law(s) and Recommended Change(s)	Basis for Recommendation	Approval and Others Impacted
<p>50.12. (CMRC: Recycling Advisory Council Reporting) The Recycling Market Development Advisory Council must submit an annual report outlining recycling activities to the Governor and members of the General Assembly by March fifteenth each year.</p>	<p><u>Current Law:</u> Requires annual report from RMDAC by March 15 each year.</p> <p><u>Recommendation:</u> Modify due date and codify to Section 13-1-380(G). (See also Law Change 11.)</p>	<p>Changing the due date would allow RMDAC to receive and take into account DHEC's final report, which is due on March 15. (See also Law Change 11.)</p>	<p><u>Presented and approved by agency's governing body:</u> Review by Governor pending.</p> <p><u>Other entities potentially impacted:</u> None.</p> <p><u>If the law is a regulation, where agency is in the process of finalizing it and providing it to the General Assembly:</u> Not applicable.</p>
Current Law Wording	Proposed Revisions to Law Wording		
<p>The Recycling Market Development Advisory Council must submit an annual report outlining recycling activities to the Governor and members of the General Assembly by March fifteenth each year.</p>	<p>Section 13-1-380: (G) Following its initial report, the council shall submit to the Governor and to the General Assembly by the end of each calendar year <u>an annual report on recycling activities in this State for the previous calendar year. The report shall be submitted one month after the date the annual report on recycling activities is submitted by the Department of Health and Environmental Control and which</u> shall, at a minimum, include the following:</p> <ol style="list-style-type: none"> (1) any revisions which the council determines are necessary to its initial report; (2) a description and analysis of the amounts and types of solid waste materials recovered or recycled in this State during the preceding year; (3) recommendations regarding materials which should be added to or deleted from source separation, recovery, and recycling programs; and (4) any other recommendations, including tax incentives, to facilitate the development of markets for recovered materials or products in this State. 		

Law Change #12

LAW CHANGE #12			
Law	Summary of Current Law(s) and Recommended Change(s)	Basis for Recommendation	Approval and Others Impacted
<p>SECTION 13-1-1720. Purpose and duties of council.</p> <p>SECTION 13-1-1730. Reports.</p> <p>SECTION 13-1-1740. Recommendations by council; review of agency requests for appropriations.</p> <p>SECTION 13-1-1750. Funding; technical advisory committees; data sources.</p> <p>SECTION 13-1-1770. Downtown Redevelopment Program; purpose; guidelines for evaluating and awarding grants.</p> <p>SECTION 13-1-1780. Agricultural businesses considered for economic development awards.</p>	<p><u>Current Law:</u></p> <ul style="list-style-type: none"> Establishes the purpose and duties of Coordinating Council; establishes annual reporting requirements. Requires Coordinating Council to make recommendations concerning policies or programs necessary to carry out the state's strategic plan. Requires Coordinating Council to review appropriation requests by Commerce and make recommendations to General Assembly regarding same. Establishes that member agencies must fund staff and technical support to Coordinating Council. Requires the Coordinating Council to establish a Downtown Redevelopment Program. <p><u>Recommendation:</u></p> <ul style="list-style-type: none"> Modify duties to remove Coordinating Council responsibilities related to strategic planning and add those duties to the State Division of Development. 	<p>The Coordinating Council mandates related to strategic planning predated the creation of the Department of Commerce in 1993. Within two years of the Coordinating Council's formation in 1986, the Council commissioned a strategic plan</p>	<p><u>Presented and approved by agency's governing body:</u> Coordinating Council approved recommended Law Changes 11 and 16 at its March, 5, 2020 meeting.</p> <p><u>Other entities potentially impacted:</u></p> <ul style="list-style-type: none"> SC Department of Agriculture Department of Employment & Workforce SC Department of Parks & Tourism State Board for Technical & Comprehensive Education SC Ports Authority SC Public Service Authority SC Jobs Economic Development Authority SC Department of Revenue SC Department of Transportation SC Research Authority <p><u>If the law is a regulation, where agency is in the process of finalizing it and providing it to the General Assembly:</u> Not applicable.</p>

	<ul style="list-style-type: none"> • Modify duties to add programs under Coordinating Council jurisdiction that post-dated 1993 Restructuring. • Repeal responsibility of Coordinating Council to review Commerce appropriation requests and to report on strategic planning, which is now a Commerce function. • Update Coordinating Council reporting requirements to 	<p>for economic development after the General Assembly appropriated \$250,000 for that purpose. The Council remained active in strategic planning from 1989 until Restructuring in 1993. After that time Commerce, not the Coordinating Council, has undertaken and funded strategic planning in collaboration with other public and private stakeholders in the State. (See Law Change 5.)</p> <p>Approval of Rural Infrastructure grants pursuant to Section 12-10-85 post-dated 1993 Restructuring.</p> <p>Approval of Enterprise Zone Act applications and negotiation of revitalization agreements pursuant to Chapter 10 of Title 12 of the Code post-dated 1993 Restructuring.</p> <p>Approval of Port Volume Increase credits pursuant to Section 12-6-3375 post-dated 1993 Restructuring.</p> <p>Prior to 1993 Restructuring the Coordinating Council approved appropriation requests by the former State Development Board. Commerce is now a cabinet agency and must submit its budget to the Governor.</p> <p>The Coordinating Council reports annually on its various incentive programs; Commerce, not the Council, reports</p>	
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	<p>capture incentive programs with no statutory reporting mandate.</p> <ul style="list-style-type: none"> • Update funding of Coordinating Council by repealing funding mechanism in Section 13-1-1750 and codifying Proviso 50.2 (See Law Change 16.) • Modify requirement to establish the Downtown Redevelopment Program to make it discretionary, not mandatory. • Modify to update language in Section 13-1-1780. 	<p>annually on economic development goals and status.</p> <p>Funding mechanism in Section 13-1-1750 is obsolete. For over 20 years, staff support for the Coordinating Council has been authorized by proviso and funded via a percentage of the Set Aside Fund. (See also Law Change 16.)</p> <p>The Downtown Redevelopment Program originated in a 1998 proviso that was later codified at the request of a local legislative delegation for a particular project. The intent was the for the Coordinating Council to use Set Aside funds for this purpose, but the Coordinating Council did not believe that downtown redevelopment was an appropriate use of Set Aside funds so the program was never established. The Council, through its Rural Infrastructure Fund, and Commerce through CDBG funds, has the ability to fund downtown redevelopment, but doing so has lower priority than other needs, and cities and towns generally create their own programs when such development is a priority.</p> <p>When Section 13-1-1780 was added, Commerce was not consulted, and the language includes an incorrect fund</p>	
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		name. Department of Agriculture agrees with the proposed change.	
Current Law Wording		Proposed Revisions to Law Wording	
<p>SECTION 13-1-1720. Purpose and duties of council.</p> <p>(A) The coordinating council shall meet at least quarterly. It shall enhance the economic growth and development of the State through strategic planning and coordinating activities that include:</p> <p>(1) development and revision of a strategic state plan for economic development. "Strategic state plan for economic development" means a planning document that outlines strategies and activities designed to continue, diversify, or expand the economic base of South Carolina, based on the natural, physical, social, and economic needs of the State;</p> <p>(2) monitoring implementation of a strategic plan for economic development through an annual review of economic development activities of the previous year and modifying the plan as necessary;</p> <p>(3) coordination of economic development activities of member agencies of the coordinating council and its advisory committees;</p>		<p>SECTION 13-1-1720. Purpose and duties of council.</p> <p>(A) The coordinating council shall meet at least quarterly. It shall enhance the economic growth and development of the State through strategic planning and coordinating activities that include:</p> <p>(1) development and revision of a strategic state plan for economic development. "Strategic state plan for economic development" means a planning document that outlines strategies and activities designed to continue, diversify, or expand the economic base of South Carolina, based on the natural, physical, social, and economic needs of the State;</p> <p>(2) monitoring implementation of a strategic plan for economic development through an annual review of economic development activities of the previous year and modifying the plan as necessary;</p> <p>(13) coordination of economic development activities of member agencies of the coordinating council and its advisory committees;</p>	

(4) use of federal funds, foundation grants, and private funds in the development, implementation, revision, and promotion of a strategic plan for economic development. Funds from foundation grants and private funds used for these purposes are public monies, notwithstanding their private source, and must be treated like public monies. These monies are subject to all accountability requirements governing public monies, including compliance with the South Carolina Consolidated Procurement Code, unless exempt by formal approval of the State Fiscal Accountability Authority. These monies are also subject to all disclosure requirements governing public monies, unless exempt by Section 30-4-40;

(5) evaluation of plans and programs in terms of their compatibility with state objectives and priorities as outlined in the strategic plan for economic development;

(6) approval of infrastructure and other economic development grants for local units of government pursuant to Section 12-28-2910;

(7) approval of infrastructure development grants for local units of government pursuant to Section 12-21-6540.

(B) The coordinating council may not engage in the delivery of services.

HISTORY: 1993 Act No. 181, Section 248, eff July 1, 1993; 1993 Act No. 164, Part II, Section 46B, eff July 1, 1993; 1994 Act No. 497, Part II, Section 22A, eff July 1, 1994; 2000 Act No. 387, Part II, Section 57A, eff July 1, 2000; 2003 Act No. 86, Section 2, eff July 14, 2003.

SECTION 13-1-1730. Reports.

The coordinating council shall make reports to the Governor, the chairmen of the Senate Finance and House Ways and Means Committees, and the General Assembly at least annually, in the Department of Commerce's annual report, on the status and progress of economic development goals which

~~(24)~~ use of federal funds, foundation grants, and private funds in the ~~development,~~ implementation ~~and, revision, and~~ promotion of a ~~strategic plan for~~ economic development. Funds from foundation grants and private funds used for these purposes are public monies, notwithstanding their private source, and must be treated like public monies. These monies are subject to all accountability requirements governing public monies, including compliance with the South Carolina Consolidated Procurement Code, unless exempt by formal approval of the State Fiscal Accountability Authority. These monies are also subject to all disclosure requirements governing public monies, unless exempt by Section 30-4-40;

~~(35)~~ evaluation of plans and programs in terms of their compatibility with state objectives and priorities ~~as outlined in the strategic plan for economic development;~~

~~(46)~~ approval of infrastructure and other economic development grants for local units of government pursuant to Section 12-10-85, Section 12-28-2910 or any other source designated for administration by the council;

~~(57)~~ approval of infrastructure development grants for local units of government pursuant to Section 12-21-6540;

~~(68)~~ approval of applications submitted under the Enterprise Zone Act of 1996 and negotiation of revitalization agreements pursuant to Section 12-10-60;

~~(79)~~ approval of applications submitted under Section 12-6-3375.

(B) The coordinating council may not engage in the delivery of services.

SECTION 13-1-1730. Reports.

The coordinating council shall make reports to the Governor, the chairmen of the Senate Finance and House Ways and Means Committees, and the General Assembly at least annually regarding grant programs administered by the council that do not otherwise have a statutory reporting requirement. Such reports shall itemize the

have been set for the State as a part of the ongoing planning process and on the commitments, expenditures, and balance of the Economic Development Account, with appropriate recommendations.

HISTORY: 1993 Act No. 181, Section 248, eff July 1, 1993; 2000 Act No. 387, Part II, Section 57A, eff July 1, 2000.

SECTION 13-1-1740. Recommendations by council; review of agency requests for appropriations.

(A) The coordinating council shall make recommendations to the Governor, the General Assembly, and the State Fiscal Accountability Authority as to the policies and programs involved in the state's economic development it considers necessary to carry out the objectives of the strategic plan.

(B) The coordinating council shall review agency requests for legislative appropriations for economic development and may make recommendations to the Office of the Governor and the State Fiscal Accountability Authority and the General Assembly concerning requests compatible with the

expenditures for the preceding calendar year and include an identification of the following information:

(a) company name or confidential project number;

(b) location of the project;

(c) amount of the grant award; and

(d) scope of grant award.

Reports required by this section are in addition to any other reporting requirements applicable to the council.

~~in the Department of Commerce's annual report, on the status and progress of economic development goals which have been set for the State as a part of the ongoing planning process and on the commitments, expenditures, and balance of the Economic Development Account, with appropriate recommendations.~~

SECTION 13-1-1740. Recommendations by council; review of agency requests for appropriations.

Repeal.

objectives of the strategic plan. This section does not limit an agency's direct access to the General Assembly, and comment by the coordinating council is not a part of the budget process.

HISTORY: 1993 Act No. 181, Section 248, eff July 1, 1993; 2000 Act No. 387, Part II, Section 57A, eff July 1, 2000.

SECTION 13-1-1750. Funding; technical advisory committees; data sources.

Funds for technical, administrative, and clerical assistance and other expenses of the coordinating council must be provided by the member agencies. The coordinating council may establish technical advisory committees to assist in the development of a strategic plan for economic development. The coordinating council shall seek to utilize data available from the Department of Transportation, the University of South Carolina, Clemson University, and other state agencies and organizations and relevant to the economic growth and development of the State.

HISTORY: 1993 Act No. 181, Section 248, eff July 1, 1993; 2000 Act No. 387, Part II, Section 57A, eff July 1, 2000.

SECTION 13-1-1770. Downtown Redevelopment Program; purpose; guidelines for evaluating and awarding grants.

(A) The coordinating council shall establish the "Downtown Redevelopment Program" for the purpose of making grants for revitalizing and enhancing the viability of downtown areas through partnerships of municipal government, county government, and private investors.

SECTION 13-1-1750. Funding; ~~technical advisory committees; data sources.~~

~~Funds for technical, administrative, and clerical assistance and other expenses of the coordinating council must be provided by the member agencies. The coordinating council may establish technical advisory committees to assist in the development of a strategic plan for economic development. The coordinating council shall seek to utilize data available from the Department of Transportation, the University of South Carolina, Clemson University, and other state agencies and organizations and relevant to the economic growth and development of the State.~~

From the amount set aside in Section 12-28-2910, the council is authorized to use up to ten percent of such amount for actual operating expenses in support of administrative program costs and business recruitment and retention and up to \$60,000 to support the Geographic Information Systems (GIS) program, as approved by council. Any balance on June thirtieth of the prior fiscal year may be carried forward and expended for the same purposes in the current fiscal year.*

*Wording is the same as Proviso 50.2, which has existed for 20 years (see law change #17)

SECTION 13-1-1770. Downtown Redevelopment Program; purpose; guidelines for evaluating and awarding grants.

(A) The coordinating council ~~shall~~ may establish the "Downtown Redevelopment Program" for the purpose of making grants for revitalizing and enhancing the viability of downtown areas through partnerships of municipal government, county government, and private investors.

(B) The council shall establish program guidelines, regulations, and criteria by which grants must be evaluated and awarded including, but not limited to:

(1) a nonstate match requirement of at least one hundred fifty percent of state grant funds; and

(2) completion of an economic impact before an award is made.

HISTORY: 1998 Act No. 419, Part III, Section 3(A), eff July 1, 1998; 2000 Act No. 387, Part II, Section 57A, eff July 1, 2000.

SECTION 13-1-1780. Agricultural businesses considered for economic development awards.

In awarding benefits for economic development projects, including awards from the Governor's Closing Fund, the Department of Commerce and the coordinating council must consider agricultural businesses. The Department of Commerce and the coordinating council must consider the number of jobs created, including full-time, part-time, and seasonal jobs, and the total investment made, including the cost of the real property.

HISTORY: 2016 Act No. 256 (S.427), Section 6, eff June 8, 2016.

(B) The council shall establish program guidelines, regulations, and criteria by which grants must be evaluated and awarded including, but not limited to:

(1) a nonstate match requirement of at least one hundred fifty percent of state grant funds; and

(2) completion of an economic impact before an award is made.

SECTION 13-1-1780. Agricultural businesses considered for economic development awards.

In awarding ~~grants or other incentives~~ benefits for economic development projects, ~~including awards from the Governor's Closing Fund,~~ the Department of Commerce and the coordinating council must consider agricultural businesses. The Department of Commerce and the coordinating council must consider the number of jobs created, including full-time, part-time, and seasonal jobs, and the total investment made, including the cost of the real property.

Law Change #17

LAW CHANGE #17			
Law	Summary of Current Law(s) and Recommended Change(s)	Basis for Recommendation	Approval and Others Impacted
Proviso 50.2. (CMRC: Economic Dev. Coordinating Council - Set Aside Fund)	Current Law: Provides for funding for administration of the Coordinating Council from up to 10 percent of the Set Aside Fund and authorizes expenditure of up to \$60,000 to support a GIS system, as approved by the Council.	Recommendation: Codify to Section 13-1-1750 as amended. Commerce has funded administration of the Coordinating Council pursuant to this proviso for over 20 years and the funding should be provided for in permanent law. Section 13-1-1750 has been outdated from the time Commerce was created and the Coordinating Council became a division of Commerce in 1993. (See also Law Change 12.)	Presented and approved by agency's governing body: Coordinating Council approved recommended Law Changes 12 and 17 at its March, 5, 2020 meeting. Other entities potentially impacted: SC Department of Agriculture; Department of Employment & Workforce; SC Department of Parks & Tourism; State Board for Technical & Comprehensive Education; SC Ports Authority; SC Public Service Authority; SC Jobs Economic Development Authority; SC Department of Revenue; SC Department of Transportation; SC Research Authority <u>If the law is a regulation, where agency is in the process of finalizing it and providing it to the General Assembly:</u> Not applicable.
Current Law Wording		Proposed Revisions to Law Wording	
From the amount set aside in Section 12-28-2910, the council is authorized to use up to ten percent of such amount for actual operating expenses in support of administrative program costs and business recruitment and retention and up to \$60,000 to support the Geographic Information Systems (GIS) program, as approved by council. Any balance on June thirtieth of the prior fiscal year may be carried forward and expended for the same purposes in the current fiscal year.		SECTION 13-1-1750. Funding; technical advisory committees; data sources. Funds for technical, administrative, and clerical assistance and other expenses of the coordinating council must be provided by the member agencies. The coordinating council may establish technical advisory committees to assist in the development of a strategic plan for economic development. The coordinating council shall seek to utilize data available from the Department of Transportation, the University of South Carolina, Clemson University, and other state agencies and organizations and relevant to the economic growth and development of the State. <u>From the amount set aside in Section 12-28-2910, the council is authorized to use up to ten percent of such amount for actual operating expenses in support of administrative program costs and business recruitment and retention and up to \$60,000 to support the Geographic Information Systems (GIS) program, as approved by council. Any balance on June thirtieth of the prior fiscal year may be carried forward and expended for the same purposes in the current fiscal year.</u>	

Law Change #13

LAW CHANGE #13			
Law	Summary of Current Law(s) and Recommended Change(s)	Basis for Recommendation	Approval and Others Impacted
<p>SECTION 11-56-10. Short title. (Microenterprise Development Act)</p> <p>Editor's Note</p>	<p><u>Current Law:</u> Establishes a Clean Energy Manufacturing Market Development Advisory Commission.</p> <p><u>Recommendation:</u> Repeal/delete provision in Editor's Note.</p>	<p>The Clean Energy Industry Manufacturing Market Development Advisory Commission was dissolved automatically pursuant to the language in 2014 Act No. 171, Section 2(F) contemporaneous with submission of the Commission's final report on September 30, 2015, absent reauthorization by the General Assembly. Additionally, and also recognized in 2014 Act No. 171, Section 2(G), the Secretary of Commerce has authority pursuant to Section 13-1-40 to form advisory councils as necessary, including one related to clean energy.</p>	<p><u>Presented and approved by agency's governing body:</u> Review by Governor pending.</p> <p><u>Other entities potentially impacted:</u> None.</p> <p><u>If the law is a regulation, where agency is in the process of finalizing it and providing it to the General Assembly:</u> Not applicable.</p>
Current Law Wording			Proposed Revisions to Law Wording
<p>2014 Act No. 171, Section 2, provides as follows:</p> <p>"SECTION 2. (A) There is established a Clean Energy Industry Manufacturing Market Development Advisory Commission to assist in the development of clean energy technology, materials, and products manufactured in this State.</p> <p>"(B) The commission is composed of fourteen members. The Secretary of the South Carolina Department of Commerce, or the secretary's designee, and the Director of the State Energy Office, or the director's designee, shall serve on the commission and the Secretary of Commerce shall appoint one member representative from each of the following:</p> <p>"(1) advanced vehicle technology industry;</p> <p>"(2) alternative transportation fuels industry;</p> <p>"(3) battery manufacturing industry;</p> <p>"(4) biomass energy industry;</p> <p>"(5) energy efficiency industry;</p> <p>"(6) higher education research institution's incubation and business development department;</p> <p>"(7) hydroelectric industry;</p>			<p>Repeal/delete 2014 Act No. 171, Section 2 language in editor's note to Section 11-56-10.</p>

- "(8) hydrogen storage or fuel cell industry;
- "(9) solar manufacturing industry;
- "(10) S.C. Technical College System's clean energy workforce development department;
- "(11) utility industry; and
- "(12) wind components manufacturing industry.

"(C) Appointed members serve at the pleasure of their appointing authority and without compensation or expenses.

"(D) The commission must meet as soon as practicable after appointment and organize itself. The chairman must be designated by the Secretary of Commerce and the commission shall select its own vice chairman and adopt those procedures necessary for its operations. A majority of the members constitutes a quorum to do business. As necessary, the Secretary of Commerce may expend public funds and may solicit, receive, and expend private funds from any relevant sources and entities in order to carry out the commission's purposes. The Secretary of Commerce, on behalf of the commission, may utilize department staff or engage consultants as may be necessary and prudent to assist the commission in the performance of its duties and responsibilities; however, the Secretary of Commerce may not expend more than one hundred thousand dollars in the aggregate to engage consultants. Also, the Department of Commerce may seek the assistance of the staff of the State Energy Office, as necessary.

"(E) Not later than December 31, 2014, the commission shall provide to the Governor and the General Assembly an initial report which must include, to the extent possible, the following:

- "(1) a description and analysis of this State's existing clean energy manufacturing industry;
- "(2) an analysis of job development potential for clean energy manufacturing in this State, including the expected composition of the jobs as full or part time, and the potential wages for such jobs;
- "(3) an analysis of market potential in this State, in other states, or in foreign countries for technology, materials, and products manufactured by a clean energy industry from this State;
- "(4) recommendations for actions which may be taken to provide incentives for manufacturing or operation of clean energy technology, materials, and products from this State. These recommendations must contain an analysis of existing incentives, including, but not limited to, those incentives provided for in Sections 12-6-3377, 12-6-3588, 12-6-3600, and 12-6-3610, the effectiveness or lack thereof, and whether any incentives should be amended or repealed. If the commission recommends additional incentives, the commission must forward its recommendation to the Board of Economic Advisors to prepare a revenue impact statement;
- "(5) an analysis of incentives offered by neighboring and other states for the manufacturing or operation of clean energy technology, materials, and products;
- "(6) recommendations on categories of clean energy markets that should be developed in this State and benchmarks to increase clean energy manufacturing in this State; and
- "(7) recommendations for marketing and public education programs that should be implemented by economic development entities to provide information to the public and to business and industry on the benefits of investment in the clean energy manufacturing

industry in this State. Any such recommendations shall include a fiscal impact statement from the Office of State Budget.

"(F) The commission shall issue a final report by September 30, 2015. The final report must include all the items required by subsection (E) and any revisions to the initial report. Following the submission of its final report, and unless authorized by a further or subsequent enactment, the commission is dissolved. The General Assembly may extend the date by which the commission must provide its reports.

"(G) The dissolution of the commission must not be construed so as to restrict the Secretary of Commerce from appointing an advisory council pursuant to Section 13-1-40 on matters similar to the jurisdiction of the Clean Energy Industry Manufacturing Market Development Advisory Commission."

Law Change #14

LAW CHANGE #14			
Law	Summary of Current Law(s) and Recommended Change(s)	Basis for Recommendation	Approval and Others Impacted
<p>SECTION 24-1-290. Employment of inmates through prison industries program; development of marketing plan; certification by Department of Commerce as to unfair competitive wage disadvantage; publication of notice.</p>	<p><u>Current Law:</u> Requires Corrections and Commerce to develop and maintain a marketing plan for prison industries program. Requires Commerce to certify that prison industries contracts do not create an unfair competitive wage disadvantage to the local economy.</p> <p><u>Recommendation:</u> Modify to eliminate Commerce involvement with prison industries program.</p>	<p>Commerce has no role in recruiting or marketing the types of companies that perform the services that the prison industries program provides. Commerce also cannot make the certification required by statute because Commerce does not have the data needed to do so. Having Commerce involved potentially and unnecessarily creates liability exposure for Commerce. The prison industries program has value, but Corrections can provide public notice and take note of objections, if any, without Commerce's involvement.</p>	<p><u>Presented and approved by agency's governing body:</u> Review by Governor pending.</p> <p><u>Other entities potentially impacted:</u> SC Department of Corrections.</p> <p><u>If the law is a regulation, where agency is in the process of finalizing it and providing it to the General Assembly:</u> Not applicable.</p>
Current Law Wording		Proposed Revisions to Law Wording	
<p>(A) The Department of Corrections, in conjunction with the Department of Commerce, shall develop and maintain a marketing plan to attract private sector service businesses for the employment of inmates through the prison industries program.</p> <p>(B) Prior to entering into new contracts and renewals of existing contracts with private sector service entities that want to hire inmates through the prison industries program, the Department of Corrections must provide public notice of its intention to establish or continue a prison-based industry at a particular facility and receive certification by the Department of Commerce that an unfair competitive wage disadvantage to the local economy is not created by each new contract for prison labor.</p> <p>(1) The public notice required in this subsection must be forwarded to a newspaper of general circulation in the county where the prison-based industry is or will be located, with a request that it be published at least once a week for two</p>		<p>(A) The Department of Corrections, in conjunction with the Department of Commerce, shall develop and maintain a marketing plan to attract private sector service businesses for the employment of inmates through the prison industries program.</p> <p>(B) Prior to entering into new contracts and renewals of existing contracts with private sector service entities that want to hire inmates through the prison industries program, the Department of Corrections must provide public notice of its intention to establish or continue a prison-based industry at a particular facility and receive certification by the Department of Commerce that an unfair competitive wage disadvantage to the local economy is not created by each new contract for prison labor.</p> <p>(1) The public notice required in this subsection must be forwarded to a newspaper of general circulation in the county where the prison-based industry is or will be located, with a request that it be published at least once</p>	

consecutive weeks. The notice must include a description of the work to be performed, the intent to contract for inmate labor, and provide that objections to the proposed hiring of prison labor may be filed with the Department of Commerce within thirty days of the last date that the notice appears.

(a) The Department of Commerce must maintain a copy of any objections filed for a period of three years from the date that the objections were received.

(b) Advertising costs associated with the publication of notice must be borne by the entity seeking to contract for prison labor.

(2) The certification required by this subsection must be based upon objections to the establishment of a prison-industry program provided for in item (1).

(C) No contract may be negotiated or executed prior to forty days after the last date that the notice required by subsection (A) appears. New contracts and renewals of existing contracts between private sector entities and the Department of Corrections must be negotiated in accordance with procedures established jointly by the Department of Commerce and the Department of Corrections. The procedures must be drafted to ensure fairness and consistency in establishing contracts with private sector entities seeking to establish or continue prison-based operations whenever the wage to be paid is less than the federally established minimum wage.

(D) The marketing plan and the procedures for negotiating new contracts and contract renewals must be submitted to and approved by the Department of Administration prior to implementation. The Department of Corrections shall annually submit an audit report of the program to the Senate Corrections and Penology Committee and the House Medical, Military, Public and Municipal Affairs Committee. The provisions of the section may not be construed to apply to traditional prison industries as authorized in Section 24-3-320.

HISTORY: 2007 Act No. 68, Section 1, eff August 1, 2007.

a week for two consecutive weeks. The notice must include a description of the work to be performed, the intent to contract for inmate labor, and provide that objections to the proposed hiring of prison labor may be filed with the Department of Commerce within thirty days of the last date that the notice appears.

(a) The Department of ~~Commerce~~ Corrections must maintain a copy of any objections filed for a period of three years from the date that the objections were received.

(b) Advertising costs associated with the publication of notice must be borne by the entity seeking to contract for prison labor.

(2) The certification required by this subsection must be based upon objections to the establishment of a prison-industry program provided for in item (1).

(C) No contract may be negotiated or executed prior to forty days after the last date that the notice required by subsection (A) appears. New contracts and renewals of existing contracts between private sector entities and the Department of Corrections must be negotiated in accordance with procedures established ~~jointly~~ by the ~~Department of Commerce and the~~ Department of Corrections. The procedures must be drafted to ensure fairness and consistency in establishing contracts with private sector entities seeking to establish or continue prison-based operations whenever the wage to be paid is less than the federally established minimum wage.

(D) The marketing plan and the procedures for negotiating new contracts and contract renewals must be submitted to and approved by the Department of Administration prior to implementation. The Department of Corrections shall annually submit an audit report of the program to the Senate Corrections and Penology Committee and the House Medical, Military, Public and Municipal Affairs Committee. The provisions of the section may not be construed to apply to traditional prison industries as authorized in Section 24-3-320.

Law Change #15

LAW CHANGE #15			
Law	Summary of Current Law(s) and Recommended Change(s)	Basis for Recommendation	Approval and Others Impacted
<p>SECTION 31-1-30. General duties of Secretary of Commerce with respect to housing.</p> <p>SECTION 31-1-110. Incorporation of limited dividend housing corporations.</p> <p>SECTION 31-1-120. Purposes of limited dividend housing corporations.</p> <p>SECTION 31-1-140. Declaration required in articles.</p> <p>SECTION 31-1-150. Income debentures.</p> <p>SECTION 31-1-160. Consideration for issuance of stocks, bonds, and income debentures.</p> <p>SECTION 31-1-170. Limited return on stock.</p> <p>SECTION 31-1-180. Limitations on actions by companies.</p> <p>SECTION 31-1-190. Conveyances, leases, or subleases in violation of Section 31-1-180 shall be void.</p> <p>SECTION 31-1-200. Regulation of limited dividend housing companies.</p> <p>SECTION 31-1-210. Investigation of limited dividend housing companies.</p> <p>SECTION 31-1-220. Fees.</p> <p>SECTION 31-1-230. Provisions of general corporation law applicable.</p> <p>SECTION 31-3-20. Definitions.</p> <p>SECTION 31-3-340. Commissioners.</p> <p>SECTION 31-3-370. Removal of commissioners.</p> <p>SECTION 31-3-390. Territorial jurisdiction.</p> <p>SECTION 31-3-750. Territorial jurisdiction.</p>	<p><u>Current Law:</u> Section 31-1-40 establishes duties of Secretary of Commerce with regard to housing.</p> <p>Sections 31-1-110 thru 31-1-230 establishes statutory framework for limited dividend housing corporations.</p> <p>Sections 31-3-20, 31-3-340, 31-3-370, 31-3-390, and 31-3-750 require local housing commissioner appointments and removals to be filed in the office of the Secretary of Commerce and give the Secretary discretion to extend territorial jurisdiction of local housing authorities.</p> <p><u>Recommendation:</u> Concept recommendation. Repeal/remove participation of Secretary of Commerce in housing-related matters and either move statutory duties and authorization to the SC State Housing Finance and Development Authority (“SC Housing”) or repeal to the extent obsolete. (See Law Change 8.)</p>	<p>Many of these statutory provisions are likely obsolete or more appropriately should be handled by SC Housing, which came into existence in 1971, well after enactment of these provisions. The statutes have not been amended for decades. Regardless of the ultimate disposition of these statutes, the Secretary of Commerce should not have oversight over housing related matters. (See Law Change 8.)</p> <p>SC Housing and the SC State Library have provided information and background to Commerce, which is included in the Proposed Revisions to Law Wording below. Commerce takes no position on the disposition of these statutes other than that any housing-related responsibilities do not appropriately reside with the Secretary of Commerce.</p>	<p><u>Presented and approved by agency’s governing body:</u> Review by Governor pending.</p> <p><u>Other entities potentially impacted:</u> South Carolina State Housing Finance and Development Authority (SC Housing)</p> <p><u>If the law is a regulation, where agency is in the process of finalizing it and providing it to the General Assembly:</u> Not applicable.</p>

Current Law Wording	Proposed Revisions to Law Wording
<p>SECTION 31-1-30. General duties of Secretary of Commerce with respect to housing.</p> <p>The Secretary of Commerce, hereafter in this chapter sometimes called the director, may:</p> <p>(1) study housing conditions and needs throughout the State to determine in what areas congested and unsanitary housing conditions constitute a menace to the health, safety, morals, welfare and reasonable comfort of the citizens of the State;</p> <p>(2) prepare programs for correcting such conditions;</p> <p>(3) collect and distribute information relating to housing;</p> <p>(4) investigate all matters affecting the cost of construction or production of dwellings;</p> <p>(5) study means of lowering rents of dwellings by securing economy in the construction and arrangement of buildings;</p> <p>(6) recommend and approve the areas within which or adjacent to which the construction of housing projects by limited dividend housing companies may be undertaken; and</p> <p>(7) cooperate with local housing officials and planning commissions or similar bodies in cities and other localities in the development of projects they at any time may have under consideration.</p> <p>HISTORY: 1962 Code Section 36-3; 1952 Code Section 36-3; 1942 Code Section 5271-10; 1933 (38) 176; 1945 (44) 156; 1954 (48) 1745; 1993 Act No. 181, Section 1994 Act No. 361, Section 8.</p>	<p><u>SC HOUSING PROVIDED BACKGROUND</u></p> <ul style="list-style-type: none"> • Section 31-13-300 permits SC Housing to make determinations concerning availability of decent, safe and sanitary housing. • Section 31-13-180 permits SC Housing to provide technical, consultative and project assistance services, which furthers the ability to make determinations of housing needs as well as creating programs that address such needs. • SC Housing does not have the authority to “investigate all matters affecting the cost of construction or production of dwellings”. • SC Housing is limited to programs that support its beneficiary class (moderate to low income), which limits its statutory powers.

SECTION 31-1-110. Incorporation of limited dividend housing corporations.

Any number of natural persons, not less than three, a majority of whom are citizens of the United States, may become a limited dividend housing corporation by subscribing, acknowledging and filing in the office of the Secretary of State articles of incorporation, hereinafter called "articles," setting forth the information required by Chapter 7 of Title 33; except as herein modified or changed.

HISTORY: 1962 Code Section 36-11; 1952 Code Section 36-11; 1942 Code Section 5271-18; 1933 (38) 176.

SECTION 31-1-120. Purposes of limited dividend housing corporations.

The purposes for which a limited dividend housing corporation is to be formed shall be as follows: To acquire, construct, maintain and operate housing projects when authorized by and subject to the supervision of the director.

HISTORY: 1962 Code Section 36-12; 1952 Code Section 36-12; 1942 Code Section 5271-18; 1933 (38) 176; 1993 Act No. 181, Section 491.

SECTION 31-1-130. Par value shares.

The shares of which the capital of a limited dividend housing corporation shall consist shall have a par value.

HISTORY: 1962 Code Section 36-13; 1952 Code Section 36-13; 1942 Code Section 5271-18; 1933 (38) 176.

SECTION 31-1-140. Declaration required in articles.

The articles of a limited dividend housing corporation shall contain a declaration (a) that the corporation has been organized to serve a public purpose and that it shall remain at all times subject to the supervision and control of the director or of other appropriate state authority, (b) that all real estate acquired by it and all structures erected by it shall be deemed to be acquired for the purpose of promoting the

SC HOUSING PROVIDED BACKGROUND

- SC Housing has never come across a “limited dividend housing corporation” and speculates that this article may be obsolete.

STATE LIBRARY PROVIDED BACKGROUND

- Limited dividend housing corporations first appear in London in the 1840’s, and were a method of providing affordable housing using private investment. They were used throughout Europe and spread to the United States. New York passed the first [Limited Dividend Housing Companies Act in 1926](#). Several other states, including South Carolina, followed with similar laws in the early 1930’s. In some states, they are still used today.
- Regarding the housing mandates - previous versions of the SC Code include:
- HISTORY: 1962 Code Section 36-3; 1952 Code Section 36-3; 1942 Code Section 5271-10; 1933 (38) 176; 1945 (44) 156; 1954 (48) 1745; 1993 Act No. 181, Section 1994 Act No. 361, Section 8.
- 1933 (38) 176 – this refers to SC Act 143 of 1933 (page 176, Vol. 38), which enacted the State Housing Law and established a State Board of Housing. Among other duties, the State Board of Housing regulated limited dividend housing corporations. There is no mention in the Act of any relationship to the Department of Commerce or previous versions of the department.
- 1942 Code Section 5271-10 – this section codified SC Act 143.

public health and safety and subject to the provisions of the State Housing Law and (c) that the stockholders of the corporation shall be deemed, when they subscribe to and receive the stock thereof, to have agreed that they shall at no time receive or accept from the company, in repayment of their investment in its stock, any sums in excess of the par value of the stock, together with cumulative dividends at the rate of six percent per annum and that any surplus in excess of such amount if the company shall be dissolved, shall revert to the State.

HISTORY: 1962 Code Section 36-14; 1952 Code Section 36-14; 1942 Code Section 5271-18; 1933 (38) 176; 1993 Act No. 181, Section 492.

SECTION 31-1-150. Income debentures.

The articles of a limited dividend housing corporation may authorize the issuance of income debenture certificates bearing no greater interest than six percent per annum. After the incorporation of a limited dividend housing corporation, the directors thereof may, with the consent of two thirds of the holders of any preferred stock that may be issued and outstanding, offer to the stockholders of the company the privilege of exchanging their preferred and common stock in such quantities and at such times as may be approved by the director for such income debenture certificates, whose value shall not exceed the par value of the stock exchanged therefor.

HISTORY: 1962 Code Section 36-15; 1952 Code Section 36-15; 1942 Code Section 5271-21; 1933 (38) 176; 1993 Act No. 181, Section 493

SECTION 31-1-160. Consideration for issuance of stocks, bonds, and income debentures.

No limited dividend housing company incorporated under this chapter shall issue stock, bonds or income debentures, except for money, services or property actually received for the use and lawful purposes of the corporation. No stock, bonds or income debentures shall be issued for property or services except upon a valuation approved by the director and such valuation shall be used in computing actual or estimated cost.

- 1945 (44) 156 – This refers to SC Act 122 of 1945 (page 156, Vol. 44), which established the Department of Research, Planning, and Development (the Research, Planning, and Development Act of 1945), a predecessor of today’s Department of Commerce. In Section 10 of the Act, the State Board of Housing was abolished and its duties and powers transferred to the new Department of Research, Planning, and Development.

COMMERCE PROVIDED BACKGROUND

- Duties of the former State Board of Housing were assumed by the Director of the Division of State Development as part of 1993 State Restructuring in Section 13-1-350.
- Commerce recommends that the Secretary of Commerce be removed from any responsibility for housing-related matters. (See Law Change 8.)

The director may permit stock or income debentures to be issued for working capital to be used in connection with such project to any amount not exceeding three percent of the estimated total cost or three percent of the actual cost, if actual cost should exceed estimated cost, of a project.

HISTORY: 1962 Code Section 36-16; 1952 Code Section 36-16; 1942 Code Section 5271-20; 1933 (38) 176; 1993 Act No. 181, Section 494.

SECTION 31-1-170. Limited return on stock.

No stockholder in any corporation formed hereunder shall receive any dividend in any one year in excess of six per cent per annum except that when in any preceding year dividends in the amount prescribed in the articles of incorporation shall not have been paid on the stock the stockholders may be paid such deficiency without interest out of any surplus earned in any succeeding year.

HISTORY: 1962 Code Section 36-17; 1952 Code Section 36-17; 1942 Code Section 5271-19; 1933 (38) 176.

SECTION 31-1-180. Limitations on actions by companies.

No limited dividend housing company incorporated under this chapter shall:

- (1) acquire any real property or interest therein unless it shall first have obtained from the Secretary of Commerce a certificate that such acquisition is necessary or convenient for the public purpose defined in Section 31-1-140;
- (2) sell, transfer, assign or lease any real property without first having obtained the consent of the Secretary of Commerce, except that leases conforming to the regulations and rules of the Department of Commerce and for actual occupancy by the lessees may be made without the consent of the Secretary of Commerce;
- (3) pay interest returns on its mortgage indebtedness and its income debenture certificates at a higher rate than six percent per annum;

(4) issue its stock, debentures and bonds covering any project undertaken by it in an amount greater in the aggregate than the total actual final cost of such project, including the lands, improvements, charges for financing and supervision approved by the Secretary of Commerce and interest and other carrying charges during construction and an allowance for working capital to be approved by the Secretary of Commerce but not exceeding three percent of the estimated cost or of the total actual final cost if the final cost of the project shall be greater than the estimated cost;

(5) mortgage any real property without first having obtained the consent of the Secretary of Commerce;

(6) issue any securities or evidences of indebtedness without first having obtained the approval of the Secretary of Commerce and the approval of the Director of the Department of Insurance, or his designee;

(7) use any building erected or acquired by it for other than housing purposes, except that when permitted by law the story of the building above the cellar or basement and the space below such story may be used for stores, commercial, cooperative or community purposes and when permitted by law the roof may be used for cooperative or community purposes;

(8) charge or accept any rental fee or other charge for housing accommodations in any building constructed, acquired, operated or managed by it in excess of the prices prescribed by the Secretary of Commerce;

(9) enter into contracts for the construction of housing projects or for the payments of salaries to officers or employees except subject to the inspection and revision of the Secretary of Commerce and under such regulations as the Department of Commerce from time to time may prescribe;

(10) voluntarily dissolve without first having obtained the consent of the Secretary of Commerce; or

(11) make any guaranty without the approval of the Secretary of Commerce.

HISTORY: 1962 Code Section 36-18; 1952 Code Section 36-18; 1942 Code Section 5271-22; 1933 (38) 176; 1993 Act No. 181, Section 495; 1993 Act No. 181, Section 496; 1994 Act No. 361, Section 9.

SECTION 31-1-190. Conveyances, leases, or subleases in violation of Section 31-1-180 shall be void.

Any conveyance, encumbrance, lease or sublease made in violation of the provisions of Section 31-1-180 and any transfer or assignment thereof shall be void.

HISTORY: 1962 Code Section 36-19; 1952 Code Section 36-19; 1942 Code Section 5271-22; 1933 (38) 176

SECTION 31-1-200. Regulation of limited dividend housing companies.

In pursuance of its power to supervise and regulate the operations of limited dividend housing companies incorporated under this chapter the Secretary of Commerce may:

- (1) order any such corporation to make, at its expense, such repairs and improvements as will preserve or promote the health and safety of the occupants of buildings and structures owned or operated by such corporations;
- (2) order all such corporations to do such acts as may be necessary to comply with the provisions of the law, the rules and regulations adopted by the Department of Commerce or the terms of any project approved by the Secretary of Commerce or to refrain from doing any acts in violation thereof;
- (3) examine all such corporations and keep informed as to their general condition, their capitalization and the manner in which their property is constructed, leased, operated or managed;
- (4) either through its members or agents duly authorized by it, enter in or upon and

inspect the property, equipment, buildings, plants, offices, apparatus and devices of any such corporation, examine all books, contracts, records, documents and papers of any such corporation and by subpoena duces tecum compel the production thereof;

(5) in its discretion prescribe uniform methods and forms of keeping accounts, records and books to be observed by such corporations and prescribe by order accounts in which particular outlays and receipts shall be entered, charged or credited;

(6) require every such corporation to file with the Secretary of Commerce an annual report setting forth such information as the Secretary of Commerce may require, verified by the oath of the president and general manager or receiver, if any, thereof or by the person required to file such report, such report to be in the form, cover the period and be filed at the time prescribed by the Secretary of Commerce;

(7) require specific answers to questions upon which the Secretary of Commerce may desire information and require such corporation to file periodic reports in the form covering the period and at the time prescribed by the Secretary of Commerce; and

(8) from time to time make, amend and repeal rules and regulations for carrying into effect the provisions of this chapter.

HISTORY: 1962 Code Section 36-20; 1952 Code Section 36-20; 1942 Code Section 5271-12; 1933 (38) 176; 1993 Act No. 181, Section 497; 1994 Act No. 361, Section 9.

SECTION 31-1-210. Investigation of limited dividend housing companies.

The director may investigate the affairs of limited dividend housing companies incorporated under this chapter and the dealings, transactions or relationships of such companies with other persons. Any of the investigations provided for in this chapter may be conducted by the director or by a committee to be appointed by the director. Each member of the committee may administer oaths, take affidavits and make personal inspections of all places to which their duties relate. The committee

may subpoena and require the attendance of witnesses and the production of books and papers relating to the investigations and inquiries authorized in this chapter, examine them in relation to any matter it has power to investigate and issue commissions for the examination of witnesses who are out of the State or unable to attend before the committee or excused from attendance.

HISTORY: 1962 Code Section 36-21; 1952 Code Section 36-21; 1942 Code Section 5271-9; 1933 (38) 176; 1993 Act No. 181, Section 498.

SECTION 31-1-220. Fees.

The Secretary of Commerce may charge and collect from a limited dividend housing corporation, incorporated under this chapter, reasonable fees in accordance with the rates to be established by the rules of the Department of Commerce:

- (1) for the examination of plans and specifications and the supervision of construction, an amount not to exceed one half of one percent of the cost of the project;
- (2) for the holding of a public hearing upon application of a housing corporation, an amount sufficient to meet the reasonable cost of advertising the notice thereof and of the transcript of testimony taken thereat; and
- (3) for any examination or investigation made upon application of a housing corporation and for any act done by the Department of Commerce, or any of its employees, in performance of their duties under this chapter, an amount reasonably calculated to meet the expenses of the department incurred in connection therewith. In no event shall any part of the expenses of the department incurred under the provisions of this chapter ever be paid out of the State Treasurer. The Secretary of Commerce may authorize a housing corporation to include such fees as part of the cost of a project or as part of the charges specified in Section 31-1-620 pursuant to rules to be established by the Department of Commerce.

HISTORY: 1962 Code Section 36-22; 1952 Code Section 36-22; 1942 Code Section 5271-29; 1933 (38) 176; 1993 Act No. 181, Section 499; 1994 Act No. 361, Section 9.

SECTION 31-1-230. Provisions of general corporation law applicable.

The provisions of the general corporation law shall apply to limited dividend housing corporations, except when such provisions are in conflict with the provisions of this chapter.

HISTORY: 1962 Code Section 36-23; 1952 Code Section 36-23; 1942 Code Section 5271-18; 1933 (38) 176.

SECTION 31-3-10. Short title.

This chapter and Chapter 11 may be known as the "Housing Authorities Law."

HISTORY: 1962 Code Section 36-101; 1952 Code Section 36-101; 1942 Code Section 5271-31; 1934 (38) 1368.

SECTION 31-3-20. Definitions.

The following terms, wherever used or referred to in this chapter and Chapter 11 shall have the following respective meanings, unless in any case a different meaning clearly appears from the context:

- (1) The term "director" shall mean the Secretary of Commerce;
- (2) "Authority" or "housing authority" shall mean a corporate body organized in accordance with the provisions of this chapter and Chapter 11 for the purpose, with the powers and subject to the restrictions hereinafter set forth;
- (3) "Mayor" shall mean the chief executive of the municipality, whether the official designation of his office be mayor, city manager or some other title;
- (4) "Municipality" shall mean any city, town or other municipality in the State;
- (5) "City" shall mean any incorporated municipality in the State and "the city" shall mean the particular city or town for which a particular housing authority is created;

(6) "Council" shall mean the chief legislative body of the municipality;

(7) "Commissioner" shall mean one of the members of an authority appointed in accordance with the provisions of this article;

(8) "Government" shall include the State and Federal governments and any subdivision, agency or instrumentality, corporate or otherwise of either of them;

(9) The "State" shall mean the State of South Carolina;

(10) "Project" shall include all lands, buildings and improvements acquired, owned, leased, managed or operated by a housing authority and all buildings and improvements constructed, reconstructed or repaired by a housing authority, designed to provide housing accommodations or stores, offices and community facilities appurtenant thereto, whether or not acquired or constructed at one time and the term may also be applied to the planning of buildings and improvements, the acquisition of property, the demolition of existing structures, the clearing of land, the construction, reconstruction and repair of improvements and all other work in connection therewith;

(11) "Community facilities" shall include lands, buildings and equipment for recreation or social assembly, for educational, health or welfare activities and other necessary utilities primarily for the use and benefit of the occupants of housing accommodations to be constructed and operated hereunder;

(12) The term "bonds" shall include bonds, notes, debentures or other written evidences of indebtedness carrying either the general credit of the authority or payable solely out of pledged revenues;

(13) The term "mortgage" shall include mortgages, deeds of trusts or other instruments creating a lien or security interest;

(14) The term "real property" shall include lands, lands under water, structures and any and all easements, franchises and incorporeal hereditaments and every estate

and right therein, legal and equitable, including terms for years and liens by way of judgment, mortgage or otherwise;

(15) "Persons of low income" means those individuals who are members of households whose gross income falls below seventy-five percent of the "median gross income" of all households in South Carolina as determined on the basis of the latest available statistics furnished to the Authority by the Revenue and Fiscal Affairs Office. Gross income means income derived from any source whatsoever. An allowance for each member of the family equal to an amount for personal exemptions as defined by the South Carolina Income Tax Law, Section 12-7-310, must be deducted from gross income in order to qualify a person or family as a member of the "beneficiary class"; and

(16) "Obligee of the authority" or "obligee" shall include any bondholder, trustee for any bondholders, lessor demising to an authority property used in connection with a project, any assignee of such lessor's interest or any part thereof or the Federal Government when it is a party to any contract with an authority.

(17) "Persons of moderate to low income" means those individuals who are members of households whose gross income falls between seventy-five percent and one hundred fifty percent of the "median gross income" of all households in South Carolina as determined on the basis of the latest available statistics furnished to the Authority by the Revenue and Fiscal Affairs Office. Gross income means income derived from any source whatsoever. An allowance for each member of the family equal to an amount for personal exemptions as defined by the South Carolina Income Tax Law, Section 12-7-310, must be deducted from gross income in order to qualify a person or family as a member of the "beneficiary class".

HISTORY: 1962 Code Section 36-102; 1952 Code Section 36-102; 1942 Code Sections 5271-31, 5271-32; 1934 (38) 1368; 1937 (40) 431; 1942 (42) 1742; 1945 (44) 156; 1954 (48) 1745; 1969 (56) 200; 1970 (56) 2288, 2402; 1986 Act No. 369, Sections 2, 3; 1993 Act No. 181, Section 503; 1994 Act No. 361, Section 8.

Code Commissioner's Note

At the direction of the Code Commissioner, references in this section to the offices of the former State Budget and Control Board, Office of the Governor, or other agencies, were changed to reflect the transfer of them to the Department of Administration or other entities, pursuant to the directive of the South Carolina Restructuring Act, 2014 Act No. 121, Section 5(D)(1).

Pursuant to the directive to the Code Commissioner in 2018 Act No. 246, Section 10, "Revenue and Fiscal Affairs Office" was substituted for all references to "Office of Research and Statistics of the Revenue and Fiscal Affairs Office".

Editor's Note

Section 12-7-310, referred to in items (15) and (17) of this section, which provided for exemptions from the State Income Tax, was repealed by 1985 Act No. 101, Section 22, effective May 21, 1985, for tax years after December 31, 1984.

SECTION 31-3-340. Commissioners.

When the council of a municipality adopts a resolution as provided in this chapter, the council shall appoint not less than five nor more than seven persons as commissioners of the authority created for the municipality. At least one of the commissioners appointed shall be a person who is directly assisted by the public housing authority. However, there shall be no requirement to appoint such a person if the authority (1) operates less than three hundred public housing units, (2) provides reasonable notice to the resident advisory board, if applicable, of the opportunity for at least one person who is directly assisted by the authority to serve as a commissioner, and (3) within a reasonable time after receipt of the notice by the resident advisory board, has not been notified of the intention of any such person to serve. The mayor shall appoint the person directly assisted by the authority unless the authority's rules require that the person be elected by other persons who are directly assisted by the authority.

The commissioners, other than the commissioner who is directly assisted by the authority, shall serve for terms of one, two, three, four, and five years, respectively, from the date of their appointment, but thereafter commissioners, other than the

commissioner who is directly assisted by the authority, shall be appointed as aforesaid for a term of office of five years except that all vacancies shall be filled for the unexpired term. The commissioner who is directly assisted by the authority must remain as an assisted resident in order to continue service on the board of commissioners.

No commissioner who is also a person directly assisted by the public housing authority shall be qualified to vote on matters affecting his official conduct or matters affecting his own individual tenancy, as distinguished from matters affecting tenants in general. No more than one-third of the members of any housing authority commission shall be tenants of the authority or recipients of housing assistance through any program operated by the authority. No commissioner of an authority may be an officer or employee of the municipality for which the authority is created. A commissioner shall hold office until his successor has been appointed and has qualified. A certificate of the appointment or reappointment of any commissioner must be filed in the office of the clerk of the circuit court of the county in which the municipality is located, in the office of the Secretary of State, and in the office of the Secretary of Commerce, and the certificate is conclusive evidence of the due and proper appointment of the commissioner.

HISTORY: 1962 Code Section 36-114; 1952 Code Section 36-114; 1942 Code Section 5271-34; 1934 (38) 1368; 1937 (40) 431; 1938 (40) 1909; 1993 Act No. 181, Section 504; 1994 Act No. 360, Section 1; 1994 Act No. 361, Section 8; 1999 Act No. 50, Section 1.

SECTION 31-3-370. Removal of commissioners.

(A) For inefficiency, neglect of duty, or misconduct in office a commissioner of an authority may be removed by the council, but a commissioner may be removed only after he has been given a copy of the charges at least ten days before the hearing on it and had an opportunity to be heard in person or by counsel. In the event of the removal of any commissioner, a record of the proceedings, together with the charges and findings on it, must be filed in the office of the clerk of the circuit court of the county in which the municipality is located, in the office of the Secretary of State, and in the office of the Secretary of Commerce.

COMMERCE PROVIDED BACKGROUND

- Commerce acknowledges receipt and maintains a file of certificates of appointments.

- Commerce acknowledges receipt and maintains a file of records of proceedings related to removal of commissioners, if and when any are received.

(B) The commissioner who is directly assisted by the authority must remain as an assisted resident in order to continue service on the board of commissioners. In the event that the commissioner who is directly assisted by the authority vacates the public housing unit or is evicted from the public housing unit, the mayor must automatically remove the commissioner from the board of commissioners with no opportunity to be heard or to contest the removal.

HISTORY: 1962 Code Section 36-118; 1952 Code Section 36-118; 1942 Code Section 5271-34; 1934 (38) 1368; 1937 (40) 431; 1938 (40) 1909; 1993 Act No. 181, Section 505; 1994 Act No. 360, Section 2; 1994 Act No. 361, Section 8; 1999 Act No. 50, Section 2.

SECTION 31-3-390. Territorial jurisdiction.

The territorial jurisdiction of each authority, except as otherwise specially provided, shall be coterminous with the boundaries of the city creating the authority unless this territory is extended by the director. The director may extend the territorial jurisdiction of any housing authority over territory contiguous to that of the housing authority if such extension does not conflict with any other housing authority.

HISTORY: 1962 Code Section 36-120; 1952 Code Section 36-120; 1942 Code Section 5271-37; 1934 (38) 1368; 1993 Act No. 181, Section 506.

SECTION 31-3-750. Territorial jurisdiction.

The territorial jurisdiction of a housing authority of a county shall be coterminous with the boundaries of the county in which such authority is situated but shall not include that portion of the county within the territorial jurisdiction of any housing authority of a city. But notwithstanding the provisions of this section the director may extend the territorial jurisdiction of a housing authority of a city over territory contiguous thereto, including territory included within the territorial jurisdiction of the housing authority of a county, and such extension of the territorial jurisdiction of a housing authority of a city and limitation of the territorial jurisdiction of the housing authority of the county affected thereby shall not be deemed to conflict with the housing authority of the county within the meaning of Section 31-3-390

- The Secretary of Commerce has never sought to extend the territorial jurisdiction of a municipal housing authority.

- The Secretary of Commerce has never sought to extend the territorial jurisdiction of a municipal housing authority.

unless a housing project shall have been constructed or acquired or the director shall determine that such a project is about to be constructed or acquired by the housing authority of such county within the territory proposed to be included within the territorial jurisdiction of the housing authority of the city.

HISTORY: 1962 Code Section 36-185; 1952 Code Section 36-185; 1942 Code Section 5271-54; 1934 (38) 1368; 1935 (39) 500; 1937 (40) 267; 1993 Act No. 181, Section 507.

Law Change #19

LAW CHANGE #19			
Law	Summary of Current Law(s) and Recommended Change(s)	Basis for Recommendation	Approval and Others Impacted
SECTION 11-37-200. Water Resources Coordinating Council established.	<p><u>Current Law:</u> Establishes Water Resources Coordinating Council and makes Secretary of Commerce a member.</p> <p><u>Recommendation:</u> Repeal.</p>	Water Resources Coordinating Council is defunct. See Rural Infrastructure Authority Law Change #4.	<p><u>Presented and approved by agency's governing body:</u> Review by Governor pending.</p> <p><u>Other entities potentially impacted:</u> None.</p> <p><u>If the law is a regulation, where agency is in the process of finalizing it and providing it to the General Assembly:</u> Not applicable.</p>
Current Law Wording			Proposed Revisions to Law Wording
<p>SECTION 11-37-200. Water Resources Coordinating Council established.</p> <p>(A) There is established by this section the Water Resources Coordinating Council which shall establish the priorities for all sewer, wastewater treatment, and water supply facility projects addressed in this chapter, except as otherwise established by Section 48-6-40. The council shall consist of a representative of the Governor, the Director of the Department of Health and Environmental Control, the Director of the South Carolina Department of Natural Resources, the Director of the Rural Infrastructure Authority, the Secretary of Commerce, the Chairman of the Jobs Economic Development Authority, and the Chairman of the Joint Bond Review Committee. These representatives may designate a person to serve in their place on the council, and the Governor shall appoint the chairman from among the membership of the council for a one-year term. The council shall establish criteria for the review of applications for projects. Not less often than annually, the council shall determine its priorities for projects. The council after evaluating applications shall notify the authority of the priority projects. The South Carolina Jobs Economic Development Authority shall provide the staff to receive, research, investigate, and process applications for projects made to the coordinating council and assist in the formulating of priorities. Upon notification by the council, the authority shall proceed under the provisions of this chapter. The authority may consider applications for projects based upon the existence of a documented emergency consistent with regulations that may be promulgated by the authority. In determining which local governments are to receive grants, the local governments shall provide not less than a fifty percent match for any project. The authority may provide financing for the local matching funds on terms and conditions determined by the authority.</p>			Repeal entire statute.

Law Change #20

LAW CHANGE #20			
Law	Summary of Current Law(s) and Recommended Change(s)	Basis for Recommendation	Approval and Others Impacted
<p>SECTION 38-75-470. Appointment of advisory committee; duties; membership.</p>	<p><u>Current Law:</u> Establishes membership of Advisory Committee to the Director and the South Carolina Building Codes Council, Loss Mitigation Grant Program, and South Carolina Comprehensive Hurricane Damage Mitigation Program, including a representative of Commerce.</p> <p><u>Recommendation:</u> Delete requirement that committee have a Commerce representative.</p>	<p>Commerce’s membership on this committee likely originated from obsolete Commerce duties related to housing. Commerce designates a construction company executive to serve as Commerce’s designee.</p>	<p><u>Presented and approved by agency’s governing body:</u> Review by Governor pending.</p> <p><u>Other entities potentially impacted:</u> SC Department of Insurance Labor Licensing and Regulation SC Building Codes Council</p> <p><u>If the law is a regulation, where agency is in the process of finalizing it and providing it to the General Assembly:</u> Not applicable.</p>
Current Law Wording		Proposed Revisions to Law Wording	
<p>(A) The Director of Insurance shall appoint an advisory committee to the director to study issues associated with the development of strategies for reducing loss of life and to address the mitigation of property losses due to hurricane, earthquake, flood, and fire. The advisory committee also shall consider the associated costs to individual property owners. The advisory committee is composed of:</p> <p>(1) the director or his designee;</p> <p>(2) the Chairman of the Building Codes Council or his designee;</p> <p>(3) a representative from Clemson University involved with wind engineering;</p>		<p>(A) The Director of Insurance shall appoint an advisory committee to the director to study issues associated with the development of strategies for reducing loss of life and to address the mitigation of property losses due to hurricane, earthquake, flood, and fire. The advisory committee also shall consider the associated costs to individual property owners. The advisory committee is composed of:</p> <p>(1) the director or his designee;</p> <p>(2) the Chairman of the Building Codes Council or his designee;</p> <p>(3) a representative from Clemson University involved with wind engineering;</p> <p>(4) a representative from an academic institution involved with the study of</p>	

(4) a representative from an academic institution involved with the study of earthquakes;

(5) a representative from an insurer writing property insurance in South Carolina;

(6) a representative from the Department of Commerce;

(7) a representative from the South Carolina's Municipal Association;

(8) a representative from the South Carolina Association of Counties;

(9) a representative from the Homebuilders Association;

(10) a representative from the Manufactured Housing Institute of South Carolina;

(11) a representative from the State Fire Marshal's office;

(12) a representative from the South Carolina Emergency Management Division;

(13) a representative from the State Flood Mitigation Program;

(14) two at-large members appointed by the director;

(15) two at-large members appointed by the Governor;

(16) a general contractor;

(17) a representative from the South Carolina Association of Realtors; and

(18) a structural engineer.

earthquakes;

(5) a representative from an insurer writing property insurance in South Carolina;

~~(6) a representative from the Department of Commerce;~~

(7) a representative from the South Carolina's Municipal Association;

(8) a representative from the South Carolina Association of Counties;

(9) a representative from the Homebuilders Association;

(10) a representative from the Manufactured Housing Institute of South Carolina;

(11) a representative from the State Fire Marshal's office;

(12) a representative from the South Carolina Emergency Management Division;

(13) a representative from the State Flood Mitigation Program;

(14) two at-large members appointed by the director;

(15) two at-large members appointed by the Governor;

(16) a general contractor;

(17) a representative from the South Carolina Association of Realtors; and

(18) a structural engineer.

(B) Members shall serve for terms of two years and shall receive no per diem, mileage, or subsistence. Vacancies must be filled in the same manner as the original appointment.

(C) Within thirty days after its appointment, the advisory committee shall meet at the call of the Director of Insurance. The advisory committee shall elect from its members a chairman and a secretary and shall adopt rules not inconsistent with this chapter. Meetings may be called by the chairman on his own initiative and must be called at the request of three or more members of the advisory committee. All members must be notified by the chairman of the time and place of the meeting at least seven days in advance of the meeting. All meetings must be open to the public. At least two-thirds vote of those members in attendance at the meeting shall constitute an official decision of the advisory committee. Implementation of this program and continued existence of this program is subject to the availability of funding through legislative appropriations or alternative funding sources.

HISTORY: 1997 Act No. 123, Section 5; 2000 Act No. 312, Section 20; 2002 Act No. 190, Section 6, eff March 12, 2002; 2007 Act No. 78, Section 11, eff June 11, 2007, applicable to taxable years beginning after December 31, 2006; 2017 Act No. 28 (S.315), Section 1, eff May 10, 2017.

Effect of Amendment

2017 Act No. 28, Section 1, in (A), deleted "and the South Carolina Building Codes Council" following "to the director", substituted "to address the mitigation of" for "mitigating", inserted "flood," after "earthquake,", and substituted "associated costs" for "costs associated with these strategies".

Law Change #21

LAW CHANGE #21			
Law	Summary of Current Law(s) and Recommended Change(s)	Basis for Recommendation	Approval and Others Impacted
<p>SECTION 15-9-390. Service on nonresident operators of aircraft.</p>	<p><u>Current Law:</u> Provides for service of process on nonresident operators of aircraft and requires service on Secretary of Commerce as agent of nonresident operator.</p> <p><u>Recommendation:</u> Modify. Remove Secretary of Commerce and replace with Aeronautics Commission.</p>	<p>Commerce was substituted for Commission during 1993 Restructuring when Aeronautics was made a division of Commerce.</p> <p>Aeronautics Commission has been reconstituted.</p>	<p><u>Presented and approved by agency's governing body:</u> Review by Governor pending.</p> <p><u>Other entities potentially impacted:</u> Aeronautics Commission</p> <p><u>If the law is a regulation, where agency is in the process of finalizing it and providing it to the General Assembly:</u> Not applicable.</p>
<p>Service of process upon the Secretary of Commerce, as agent of the nonresident operator of any aircraft which has set down in South Carolina, shall be made by leaving a copy thereof, with a fee of four dollars, in the hands of the Secretary of Commerce or his office and such service shall be sufficient service upon the nonresident if notice of the service and a copy of the process are forthwith sent by certified mail by the plaintiff or the Secretary of Commerce or his designee to the defendant and the defendant's return receipt and the plaintiff's affidavit of compliance herewith are appended to the summons or other process and filed with the summons, complaint and other papers in the cause. The Secretary of Commerce or his designee shall keep a record of all processes which shall show the day and hour of service upon him. When the certified return receipt shall be returned to the Secretary of Commerce or his designee, he shall deliver it to the plaintiff on request and keep a record showing the date of its receipt by him and its delivery to the plaintiff.</p> <p>HISTORY: 1962 Code Section 10-431.2; 1971 (57) 132; 1993 Act No. 181, Section 268; 1994 Act No. 361, Sections 8, 9.</p>	<p>Service of process upon the Secretary of Commerce <u>Aeronautics Commission</u>, as agent of the nonresident operator of any aircraft which has set down in South Carolina, shall be made by leaving a copy thereof, with a fee of four dollars, in the hands of the Secretary of Commerce <u>Aeronautics Commissioner</u> or his office and such service shall be sufficient service upon the nonresident if notice of the service and a copy of the process are forthwith sent by certified mail by the plaintiff or the Secretary of Commerce <u>Aeronautics Commissioner</u> or his designee to the defendant and the defendant's return receipt and the plaintiff's affidavit of compliance herewith are appended to the summons or other process and filed with the summons, complaint and other papers in the cause. The Secretary of Commerce <u>Aeronautics Commissioner</u> or his designee shall keep a record of all processes which shall show the day and hour of service upon him. When the certified return receipt shall be returned to the Secretary of Commerce or his designee, he shall deliver it to the plaintiff on request and keep a record showing the date of its receipt by him and its delivery to the plaintiff.</p> <p>HISTORY: 1962 Code Section 10-431.2; 1971 (57) 132; 1993 Act No. 181, Section 268; 1994 Act No. 361, Sections 8, 9.</p>		

COMMITTEE CONTACT INFORMATION AND UPCOMING MEETINGS

Legislative Oversight Committee



South Carolina House of Representatives

Committee Mission

Determine if agency laws and programs are being implemented and carried out in accordance with the intent of the General Assembly and whether they should be continued, curtailed or eliminated. Inform the public about state agencies.

Website: <https://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee.php>

Phone Number: 803-212-6810

Email Address: HCommLegOv@schouse.gov

Location: Blatt Building, Room 228

UPCOMING MEETINGS

**Economic Development,
Transportation, and
Natural Resources
Subcommittee**

TBD

END NOTES

¹ Visual Summary Figure 2 is compiled from information in the Department of Commerce study materials available online under “Citizens’ Interest,” under “House Legislative Oversight Committee Postings and Reports,” and then under “Commerce, Department of”

<http://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee/AgencyPHPFiles/Commerce.php> (accessed February 25, 2021).