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***LEGISLATIVE UPDATE***

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## House Floor Actions

## H. 5100 Fiscal Year 2024-2025 State Government Budget

## H. 5101 Capital Reserve Fund

The House of Representatives amended, approved, and sent the Senate H. 5100, the General Appropriation Bill, and approved and sent the Senate H. 5101, the joint resolution making appropriations from the Capital Reserve Fund, which together comprise the $13.2 billion **Fiscal Year 2024-2025 State Government Budget**. After $801 million is transferred to the Tax Relief Trust Fund that provides for the residential property tax caps, $12.3 billion in recurring revenue is available for appropriation. The budget’s $896 million in nonrecurring revenue includes $58 million in the Fiscal Year 2022-2023 Contingency Reserve Fund and $390 million in Capital Reserve Funds.

The budget affords $1.4 billion in direct tax relief.

In keeping with the “Comprehensive Tax Cut Act of 2022,” $99.8 million in recurring funds is used for the third year of the tax relief schedule, allowing the highest income tax bracket to be lowered from 6.4 percent to 6.3 percent.

The budget funds the enhancements to the state financial reserve accounts used to cope with revenue shortfalls as provided for in the amendments to the South Carolina Constitution that were approved by voters in the 2022 general election and ratified by the General Assembly.

$200 million in nonrecurring funds is allocated to accelerate the Department of Transportation’s schedule for repairing and replacing the state’s bridges.

$29 million in nonrecurring funds is provided for capital investments to improve the state’s commercial airports.

$41 million in recurring revenue is devoted to state employee pay raises with each full-time state employee who makes no more than $66,667 a year receiving a $1,000 increase in base pay and full-time employees making more than $66,667 a year receiving a 1.5 percent salary increase.

$108 million in recurring funds is included to cover the increased costs of operating the state's health insurance plan with no additional monthly premium costs.

The budget legislation continues to include the revised educational funding formula established in recent years that consolidates numerous budget lines into the single State Aid to Classrooms. The funding formula’s weightings continue to apply, including those that emphasize more funding for students in poverty and students with disabilities. After satisfying fundamental requirements, local school districts are afforded greater flexibility in spending State Aid to Classrooms. Districts are subject to accountability and transparency requirements for publishing their expenditures of federal, state, and local funds online.

An additional $230 million is provided for State Aid to Classrooms. The total appropriation for State Aid to Classrooms represents an average per pupil appropriation of $5,772.

The budget allows pay raises for all teachers under a revised salary schedule that includes increases at all levels but directs the largest increases towards the lowest paid teachers. The revised pay schedule allows the state’s minimum starting salary for teachers to increase from $42,500 to $47,500.

$2.7 million in recurring Education Improvement Act funds is provided to increase the amount that each teacher is afforded for purchasing classroom supplies from $350 to $400.

$40 million in Education Lottery Funds is appropriated for instructional materials.

$24 million is provided to cover increased expenses for SC Department of Education and First Steps full-day four-year-old kindergarten.

$6.9 million in recurring Education Improvement Act funds is allocated to the Child Early Reading and Developmental Education Program (CERDEP) and $17 million in these EIA funds for CERDEP at the SC Department of Education.

$3 million in recurring Education Improvement Act funds is provided for early literacy training.

$10 million in recurring Education Improvement Act funds is devoted to math resources and support.

$30 million in recurring funds is appropriated for the Education Scholarship Trust Fund.

$1 million in recurring Education Improvement Act funds is provided for the Jobs for America’s Graduates program.

$20 million in nonrecurring funds is provided for school safety upgrades. $5 million in nonrecurring funds is provided for school safety mapping to assist first responders.

$35 million in lottery funds is allocated for purchasing and leasing school buses.

The budget includes a provision that allows school bus drivers who have retired under the South Carolina Retirement System to return to employment with public school districts as school bus drivers without affecting the monthly retirement allowance that they are receiving from SCRS.

The State Department of Education Grants Committee is afforded $4.8 million in recurring Education Improvement Act funds.

The budget continues to include a higher education tuition mitigation initiative in which an additional $57.5 million in recurring funds is distributed among the state’s institutions of higher learning. In order to retain these appropriations, the institutions must comply with provisions for freezing in-state tuition and mandatory fees during the 2024-2025 academic year for all in-state undergraduate students at all public four-year and two-year University of South Carolina campuses.

Full funding is provided in Education Lottery funds for the LIFE, HOPE, and Palmetto Fellows higher education scholarship programs.

The Commission on Higher Education is afforded $80 million in lottery funds for need-based grants.

The Higher Education Tuition Grant Commission is allocated $20 million in lottery funds.

$51 million in lottery funds is provided through CHE and the Board of Technical and Comprehensive Education for tuition assistance.

The Board of Technical and Comprehensive Education is afforded $78.7 million in lottery funds for SC Workforce Industry Needs scholarships that help provide full tuition at technical colleges for SC WINS recipients seeking degrees in industry sectors with critical workforce needs.

$5 million in lottery funds is allocated to the Ready SC Program which provides worker training at the state’s technical colleges that is customized to the needs of new and expanding business and industry.

$10 million in lottery funds is provided to the Commission on Higher Education for its Nursing Initiative.

$50 million from the Capital Reserve Fund is provided to the Department of Commerce for SC Nexus for Advanced Resilient Energy.

$10 million in nonrecurring funds is provided for the Deal Closing Fund that the Department of Commerce uses to recruit new business to the state and encourage expansions in investments.

The Department of Parks, Recreation and Tourism receives $11.5 million in nonrecurring funds for destination specific tourism marketing grants, $1 million in nonrecurring funds for statewide marketing, $1.1 million in nonrecurring funds for SC Association of Tourism Regions promotions, $10 million in nonrecurring funds for film incentives, $5 million in nonrecurring funds for its Sports Marketing Program, $250,000 in nonrecurring funds for the Undiscovered SC Grant Program.

The Department of Archives and History receives $2 million in nonrecurring funds for the commemoration of the 250th anniversary of the American Revolution in South Carolina.

The Conservation Bank is provided $13 million in nonrecurring funds for conservation grant funding.

The Department of Environmental Services is afforded $3.1 million in recurring funds for workforce retention and credentialing, $2.5 million in nonrecurring funds for the clean-up of uncontrolled hazardous waste sites, and $2.8 million in nonrecurring funds for the implementation of State Water and River Basin Planning.

The budget includes funding for healthcare campus relocation in keeping with restructuring initiatives that consolidate the state’s public health agencies.

The Department of Health and Human Services receives $36 million in recurring funds for Medicaid program maintenance of effort, $50.6 million in recurring funds for Medicaid medical provider rate adjustments, and $18.5 million in recurring funds for Medicaid behavioral health provider rate adjustments.

The Department of Social Services is afforded $1 million in nonrecurring funds for its Family Resource Center.

The Attorney General’s Office is afforded $1.5 million in recurring funds for its Statewide Violent Crimes Prosecution Task Force and $1 million in nonrecurring funds for grants for residential and emergency housing for minor victims of human trafficking.

The budget includes a provision that allows earnings limitations not to apply when a retiree in the South Carolina Police Officers Retirement System returns to covered employment in a critical needs law enforcement position as determined by the Law Enforcement Training Council.

The Department of Corrections is afforded $4.5 million from the Capital Reserve Fund for deferred maintenance and capital projects.

$30 million is provided from the Capital Reserve Fund for the Disaster Relief and Resilience Reserve Fund.

A provision is included in the budget that establishes within the Department of Environmental Services a Dam Repair Assistance Fund used for issuing grants that can cover up to 75 percent of the total cost to correct deficiencies in high and significant hazard dams regulated under the Dams and Reservoir Safety Act.

The Department of Administration is appropriated $1 in nonrecurring funds for first responder communications modernization and $1 million in recurring funds and $4 million in nonrecurring funds for cybersecurity and asset protection systems.

A budget provision establishes the South Carolina University Cyber Leadership Council to position the state as a national leader in cyber readiness through education, research, and community engagement.

The Adjutant General receives $3.3 million in nonrecurring funds for armory revitalization.

The Department of Veterans’ Affairs receives $1 million in nonrecurring funds for the Veteran Trust Fund, and $2 million in recurring funds and $8 million in nonrecurring funds for the Military Enhancement Plan Fund, and $1.3 million in nonrecurring funds for the M.J. “Dolly” Cooper State Veterans’ Cemetery.

Veteran homes are afforded $25.5 million in recurring funds for inherent costs and $49 million from the Capital Reserve Fund for capital improvements.

$5 million in nonrecurring funds is provided for information technology system modernization at the Department of Motor Vehicles.

The Election Commission is afforded $8 million in nonrecurring funds for election operations.

The State Ports Authority is provided $55 million from the Capital Reserve Fund for North Charleston Economic Development Land Acquisition.

$13.9 million in recurring funds is included for full funding of the Local Government Fund that is consistent with the revised approach for sending revenue to political subdivisions established in Act 84 of 2019.

$1.1 million in recurring funds is provided to increase state aid to county libraries.

A budget provision devotes PalmettoPride-Litter Control Program funds to the priority list of litter control projects identified by the South Carolina Department of Transportation.

## H. 4817 Alternative Nicotine Product Sold through a Vending Machine

The House gave third reading and sent to the Senate **H. 4817**, a bill outlining that it is unlawful to sell an **alternative nicotine product or tobacco product through a vending machine unless the machine is located in an establishment that is only open to those aged 18 or older.** In addition, the vending machine must be under continuous control by the owner or licensee of the premises or his employee and is not accessible to the public when the establishment is closed. This bill also prohibits the sale of an alternative nicotine productto a person who does not present proof of age.

**Introductions**

**Education and Public Works**

## [H. 5261](https://www.scstatehouse.gov/billsearch.php?billnumbers=5261&session=125&summary=B) Birthdate of the State of South Carolina Rep. Pace

H. 5261 would designate the 26th day of March of each year as the birthdate of the state of South Carolina.

**Judiciary**

## H. 5263 Illegally Allowing Dangerous Animal Interactions Rep. Rose

This bill would prohibit, in addition to all other existing state laws, anyone allowing any member of the public to come into direct physical contact with dangerous wild animals.

These animals would include bears, elephants, and other nonhuman primates.

This physical contact would include being close to these nonhuman primates without permanent barriers, or without sufficient vertical heights designed to prevent physical shared space, between the public and these animals. Law enforcement officers, game wardens, veterinarians, dangerous animal owners, owners or employees of facilities where these animals live, and others who are around these animals along with their owners would be exempt from the punishment provisions contained in this bill.

Violators would face fines of up to one thousand dollars or being jailed for up to thirty days for first offenses, and up to five thousand dollar fines or up to ninety days in jail for a second offense.

## H. 5265 Adoptees Requesting Biological Parent Information Rep. Hiott

Under this proposal, an adoption agency could provide adoptees’ biological parents’ information after the adoptee turns 18 or is older. Before that release could be done; however, an adoptee would have to furnish the adoption agency with a certificate from our South Carolina Department of Public Health’s Bureau of Vital Statistics --or from any other state’s office of vital records--that the biological parent has died.

**H. 5264 Homestead Property Tax Exemption Rep. Burns**

This bill revises provisions for the homestead property tax exemption allowed for persons who are over the age of sixty‑five years, disabled, or legally blind, so as to set the exemption amount as the greater of the first fifty thousand dollars or the first thirty-three percent of the fair market value of the homestead.

**Labor, Commerce, and Industry**

## H. 5262 Increased Tax Credit for Property and Casualty Insurance Excess Premiums Rep. Bailey

This bill revises individual income tax provisions to raise the maximum amount of the tax credit allowed for excess premium paid for property and casualty insurance for a tax year from $1,250 to $1,900.

**Ways and Means**

## H. 5264 Homestead Property Tax Exemption Rep. Burns

This bill revises provisions for the homestead property tax exemption allowed for persons who are over the age of 65 years, disabled, or legally blind, so as to set the exemption amount as the greater of the first $50,000 or the first 33 percent of the fair market value of the homestead.

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**Note to the reader regarding these Legislative Summaries**

**Sources**

The versions of bills and acts that these summaries are based on can be found in the House and Senate Journals of the 125th Session (First and Second Sessions, 2023-2024) and other webpage resources: (<https://www.scstatehouse.gov>).

**Citation Style (Chicago Manual of Style) for Students/Researchers**

South Carolina General Assembly, South Carolina House of Representatives, *Legislative Update*, 2024. <https://www.scstatehouse.gov/hupdate.php>

**Online Resources**

These summaries are on the South Carolina General Assembly homepage (<http://www.scstatehouse.gov>). Go to “Publications” and then “*Legislative Updates*” (<https://www.scstatehouse.gov/publications.php>). This lists all the *Legislative Updates*.

1. a Word document showing that week’s bill activity.
2. a Webpage (the Bill Summary Index) with hypertext links to the bills (by bill number, date, and the different stages in the legislative process).
3. the end of session summaries (with index).

**Style**

The House Research Office uses the 17th edition of the Chicago Manual of Style (with in-house style modifications, esp. regarding numbers/numerals).

NOTE: In the Word file *within* the Table of Contents, you can go directly to the act or bill summary by pointing the cursor at the line, pressing the Ctrl key + left click the mouse.]

**Use**

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Friday, March 15, 2024