**Thursday, June 21, 2012**

**(Statewide Session)**

~~Indicates Matter Stricken~~

## Indicates New Matter

The Senate assembled at 11:00 A.M., the hour to which it stood adjourned, and was called to order by the PRESIDENT.

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

Paul’s powerful love poem concludes with the well-known verse:

“And now faith, hope, and love abide, these three, and the greatest of these is love.” (I Corinthians 13:13)

Bow in prayer with me, please:

O God, Your blessings shower upon us like rain on the pastures and woodlands of South Carolina, and they radiate on us like sunshine along the coast and on our lakes. We thank You for Your gifts, of course, Lord. And we ask You to continue bestowing Your care and Your guidance upon each Senator who serves You faithfully and well. Allow these leaders to feel themselves truly filled with faith, energized by hope, and embraced by Your love. Keep Your loving hands on those soldiers who suffered attacks in Afghanistan yesterday and their families. And may those very qualities guide them as they work for the benefit of every citizen of South Carolina. In Your loving name we pray, dear Lord.

Amen.

**Point of Quorum**

At 11:05 A.M., Senator KNOTTS made the point that a quorum was not present. It was ascertained that a quorum was not present.

**Call of the Senate**

Senator SETZLER moved that a Call of the Senate be made. The following Senators answered the Call:

Alexander Anderson Bright

Bryant Campbell Campsen

Cleary Coleman Courson

Cromer Davis Fair

Hayes Jackson Knotts

Land Leatherman Leventis

*Martin, Larry Martin, Shane* Massey

McGill Nicholson O'Dell

Peeler Ryberg Scott

Setzler Sheheen Shoopman

Williams

A quorum being present, the Senate resumed.

**Recorded Presence**

Senators ROSE, VERDIN, GROOMS, PINCKNEY, HUTTO, MALLOY, FORD, LOURIE and REESE recorded their presence subsequent to the Call of the Senate.

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

**Message from the House**

Columbia, S.C., June 21, 2012

Mr. President and Senators:

The House respectfully informs your Honorable Body that it has adopted the Report of the Committee of Conference on:

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

Very respectfully,

Speaker of the House

Received as information.

**H. 3066--REPORT OF THE**

**COMMITTEE OF CONFERENCE CARRIED OVER**

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

Senator LARRY MARTIN moved to take up the Report of the Committee of Conference.

**Point of Order**

Senator PEELER raised a Point of Order that the motion required unanimous consent.

The PRESIDENT overruled the Point of Order and stated that Reports of Committees of Conference may be taken up at any time.

Senator PEELER objected.

**Point of Order**

Senator LARRY MARTIN raised a Point of Order that the objection is out of order inasmuch as a Report of the Committee of Conference may be taken up at any time.

Senator PEELER spoke on the Point of Order.

The PRESIDENT sustained the Point of Order and stated under Rule 32D that Reports of Committees of Conference, Free Conference and *Sine Die* Resolutions may be taken up at any time and all had equal standing to be considered.

Senator LARRY MARTIN spoke on the Report of the Committee of Conference.

**Motion Adopted**

On motion of Senator BRYANT, with unanimous consent, Senators MASSEY, LOURIE, LEVENTIS and BRYANT were granted leave to attend a meeting on H. 3710 and were granted leave to vote from the balcony.

Senator LARRY MARTIN resumed speaking on the report.

**Motion Under Rule 15A Failed**

At 11:32 A.M., Senator MASSEY made a motion to dispense with the provision in Rule 15A requiring one hour of debate prior to making the motion for cloture.

**Objection**

Senator MASSEY asked unanimous consent to make a motion to withdraw the motion.

Senator FAIR objected.

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

**Ayes 20; Nays 22**

**AYES**

Alexander Bright Bryant

Campsen Courson Cromer

Davis Fair Gregory

Grooms Hayes *Martin, Larry*

*Martin, Shane* Massey Peeler

Rose Ryberg Sheheen

Shoopman Verdin

**Total--20**

**NAYS**

Anderson Campbell Cleary

Coleman Ford Hutto

Jackson Knotts Land

Leatherman Leventis Lourie

Malloy Matthews McGill

Nicholson O'Dell Pinckney

Reese Scott Setzler

Williams

**Total--22**

The motion to dispense with the provision in Rule 15A requiring one hour of debate prior to making the motion for cloture failed.

Senator LARRY MARTIN resumed explaining the report.

**Point of Order**

Senator SCOTT raised a Point of Order that one hour had elapsed under Rule 15A and it was time for opponents to speak on the report.

The PRESIDENT overruled the Point of Order and stated that Rule 15A had not been invoked.

Senator SCOTT asked unanimous consent to make a motion to be granted leave to speak on the report.

There was an objection.

Senator LARRY MARTIN resumed explaining the report.

**Motion Under Rule 15A Failed**

At 12:23 P.M., Senator MASSEY moved under the provisions of Rule 15A to vote on the entire matter of H. 3066 at 2:00 P.M.

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

**Ayes 21; Nays 23**

**AYES**

Alexander Bright Bryant

Campbell Campsen Cleary

Courson Cromer Davis

Fair Gregory Grooms

Hayes *Martin, Larry Martin, Shane*

Massey Peeler Rose

Ryberg Shoopman Verdin

**Total--21**

**NAYS**

Anderson Coleman Elliott

Ford Hutto Jackson

Knotts Land Leatherman

Leventis Lourie Malloy

Matthews McGill Nicholson

O'Dell Pinckney Rankin

Reese Scott Setzler

Sheheen Williams

**Total--23**

Having failed to receive the necessary vote, the motion under Rule 15A failed.

Senator LARRY MARTIN resumed speaking on the report.

**Objection**

With Senator LARRY MARTIN retaining the floor, Senator RYBERG asked unanimous consent to make a motion to take up the Report of the Committee of Free Conference on H. 4967 for immediate consideration.

Senator LARRY MARTIN objected.

Senator LARRY MARTIN resumed speaking on the report.

**Objection**

Senator JACKSON asked unanimous consent to make a motion to take up the Report of the Committee of Free Conference on H. 4967 for immediate consideration.

Senator LARRY MARTIN objected.

Senator LARRY MARTIN resumed speaking on the report.

**Point of Quorum**

At 1:41 P.M., Senator BRIGHT made the point that a quorum was not present. It was ascertained that a quorum was not present.

**Call of the Senate**

Senator LARRY MARTIN moved that a Call of the Senate be made. The following Senators answered the Call:

Alexander Anderson Bright

Bryant Campbell Cleary

Coleman Courson Cromer

Davis Elliott Fair

Gregory Grooms Hayes

Hutto Jackson Knotts

Land Leatherman Leventis

Lourie Malloy *Martin, Larry*

*Martin, Shane* Massey McGill

Nicholson O'Dell Peeler

Pinckney Reese Rose

Scott Setzler Sheheen

Shoopman Verdin Williams

A quorum being present, the Senate resumed.

Senator LARRY MARTIN resumed speaking on the report.

**RECESS**

At 1:45 P.M., with Senator LARRY MARTIN retaining the floor, on motion of Senator LAND, with unanimous consent, the Senate receded from business not to exceed ten minutes.

At 2:18 P.M., the Senate resumed.

Senator LARRY MARTIN resumed speaking on the report.

With Senator LARRY MARTIN retaining the floor, Senator HUTTO asked unanimous consent to make a motion to take up a Report of the Committee of Conference on H. 3790.

There was no objection.

**H. 3790--FREE CONFERENCE POWERS GRANTED**

**FREE CONFERENCE COMMITTEE APPOINTED**

**REPORT OF THE COMMITTEE**

**OF FREE CONFERENCE ADOPTED**

H. 3790 -- Rep. Sellers: A BILL TO CREATE THE BAMBERG COUNTY WATER AND SEWER AUTHORITY; TO PROVIDE FOR ITS DUTIES, RESPONSIBILITIES, AND POWERS; AND TO PROVIDE FOR THE APPOINTMENT AND TERMS OF THE AUTHORITY’S MEMBERS.

On motion of Senator HUTTO, with unanimous consent, the Report of the Committee of Conference was taken up for immediate consideration.

Senator HUTTO spoke on the report.

**H. 3790--Free Conference Powers Granted**

**Free Conference Committee Appointed**

H. 3790 -- Rep. Sellers: A BILL TO CREATE THE BAMBERG COUNTY WATER AND SEWER AUTHORITY; TO PROVIDE FOR ITS DUTIES, RESPONSIBILITIES, AND POWERS; AND TO PROVIDE FOR THE APPOINTMENT AND TERMS OF THE AUTHORITY’S MEMBERS.

Senator HUTTO asked that Free Conference Powers be granted.

The question then was granting of Free Conference Powers.

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

**Ayes 40; Nays 0; Present 2**

**AYES**

Alexander Anderson Bryant

Campbell Campsen Cleary

Coleman Courson Cromer

Davis Elliott Fair

Ford Gregory Grooms

Hayes Hutto Jackson

Knotts Land Leatherman

Leventis Malloy *Martin, Larry*

*Martin, Shane* Massey Matthews

McGill Nicholson O'Dell

Pinckney Reese Rose

Ryberg Scott Setzler

Sheheen Shoopman Verdin

Williams

**Total--40**

**NAYS**

**Total--0**

**PRESENT**

Bright Peeler

**Total--2**

Free Conference Powers were granted.

Whereupon, Senators HUTTO, MATTHEW and SHOOPMAN were appointed to the Committee of Free Conference on the part of the Senate and a message was sent to the House accordingly.

The question then was adoption of the Report of the Committee of Free Conference.

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

**Ayes 40; Nays 0; Present 2**

**AYES**

Alexander Anderson Bryant

Campbell Campsen Cleary

Coleman Courson Cromer

Davis Elliott Fair

Ford Gregory Grooms

Hayes Hutto Jackson

Knotts Land Leatherman

Leventis Malloy *Martin, Larry*

*Martin, Shane* Massey Matthews

McGill Nicholson O'Dell

Pinckney Reese Rose

Ryberg Scott Setzler

Sheheen Shoopman Verdin

Williams

**Total--40**

**NAYS**

**Total--0**

**PRESENT**

Bright Peeler

**Total--2**

On motion of Senator HUTTO the Report of the Committee of Free Conference to H. 3790 was adopted as follows:

**H. 3790--Free Conference Report**

The General Assembly, Columbia, S.C., June 21, 2012

The COMMITTEE OF CONFERENCE, to whom was referred:

H. 3790 ‑‑ Rep. Sellers: A BILL TO CREATE THE BAMBERG COUNTY WATER AND SEWER AUTHORITY; TO PROVIDE FOR ITS DUTIES, RESPONSIBILITIES, AND POWERS; AND TO PROVIDE FOR THE APPOINTMENT AND TERMS OF THE AUTHORITY’S MEMBERS.

Beg leave to report that they have duly and carefully considered the same and recommend:

That the same do pass with the following amendments:

Amend the bill, as and if amended, by striking all after the enacting words and inserting:

/ SECTION 1. There is created the Bamberg County Water and Sewer Authority, hereinafter referred to as the “authority”. Its service area shall include all of Bamberg County, excluding areas within incorporated municipalities. It must be the function of the authority to acquire supplies of fresh water, capable of being used for industrial and domestic purposes, and to distribute the water pursuant to this section for industrial and domestic use within its service area. The authority must be empowered to construct reservoirs, diversion dams, impounding dams, or dikes, canals, conduits, aqueducts, tunnels, water distribution facilities, water mains and water lines that it deems necessary, and to acquire the land, rights of way, easements, machinery, apparatus, and equipment that is necessary for that construction.

SECTION 2. The authority must be composed of eleven members who must be resident electors of Bamberg County, and who must be appointed by the Governor, six of whom must be appointed upon the recommendation of a majority of the members of the Bamberg County Council; one of whom must be appointed upon the recommendation of the mayor of Bamberg; one of whom must be appointed upon the recommendation of the mayor of Denmark; one of whom must be appointed upon the recommendation of the mayor of Olar; one of whom must be appointed upon the recommendation of the mayor of Govan; one of whom must be appointed upon the recommendation of the mayor of Ehrhardt. Of the members originally appointed upon the recommendation of the Bamberg County Council, two must be appointed for a term of two years, two for a term of four years, and two for a term of eight years. Of the members originally appointed upon the recommendation of the mayors of the various municipalities, all five members must be appointed for a term of six years. Upon the termination of the terms of the original members, their successors must be appointed by the Governor, in the same manner as provided for the original appointments, for terms of six years. A vacancy occurring by reason of death, resignation, or otherwise must be filled for the remainder of the unexpired term by appointment of the Governor in the same manner as provided for the original appointment. All members of the authority shall hold office until their successors are appointed and qualified.

SECTION 3. Members of the authority shall receive no compensation, but may be reimbursed for actual expenses incurred in connection with the business of the authority.

SECTION 4. The authority shall elect a chairman, vice chairman and a secretary. The terms of office of these officers must be for a period determined by the bylaws of the authority.

SECTION 5. The secretary of the authority periodically shall file in the office of the Clerk of Court for Bamberg County the appropriate certificates showing the personnel of the authority and the duration of the terms of its members.

SECTION 6. The authority shall not unduly compete with existing publicly operated water systems in the county or sell water within the corporate limits of the municipalities or areas now served by municipalities without the consent of the municipal officers of the municipalities. The authority shall not sell water anywhere other than Bamberg County that is defined as the service area of the authority.

SECTION 7. (A) The authority is fully empowered to acquire, construct, operate, maintain, improve, and extend facilities that would enable it to obtain fresh water in large volume, and to distribute and sell that water pursuant to Section 6 of this act, to persons, firms, corporations, municipal corporations, political divisions, and the United States government, or an agency of the United States government within its service area.

(B) The authority, acting through its governing body, has the power to:

(1) have perpetual succession;

(2) sue and be sued;

(3) adopt, use and alter a corporate seal;

(4) define a quorum for meetings;

(5) maintain a principal office;

(6) make bylaws for the management and regulation of its affairs;

(7) build, construct, maintain and operate ditches, tunnels, culverts, flumes, conduits, mains, pipes, dikes, dams and reservoirs;

(8) build, construct, maintain and operate distribution systems for the distribution of water for domestic or industrial use;

(9) acquire and operate any type of machinery, appliances or appurtenances, necessary or useful in constructing, operating and maintaining the system;

(10) contract for or otherwise acquire a supply of water and sell water for industrial or domestic use;

(11) prescribe rates and regulations under which such water shall be sold for industrial and domestic use;

(12) enter into contracts of long duration for the sale of water with persons, private corporations, municipal corporations or public bodies or agencies;

(13) prescribe the regulations necessary to protect from pollution all water in its pipes, tanks, reservoirs, distribution systems, or elsewhere within its system. Prior to the adoption of a regulation, the authority shall hold a public meeting for the consideration of the regulation, and shall advertise in a newspaper of general circulation in the authority the time and place of the meeting, the general nature, and the scope of the regulation to be considered for adoption. The notice must be published on two occasions prior to the meeting, and at least ten days before the meeting;

(14) make contracts and execute all instruments necessary for carrying on of the business of the authority, including contracts and franchise agreements with nonprofit corporations to provide water and sewerage service for periods up to forty years;

(15) acquire, purchase, hold, use, lease, mortgage, sell, transfer and dispose of property, real, personal or mixed, or any interest in the property;

(16) make use of county and state highway rights of way in which to lay pipes and lines in a manner and under conditions that appropriate officials shall approve;

(17) make use of all the streets and public ways of an incorporated municipality for the purpose of laying pipes and lines, subject to the limitations of Section 15, Article VIII, of the Constitution of this State;

(18) alter and change county and state highways wherever necessary to construct the system under the conditions that the appropriate officials in charge of the highways shall approve;

(19) exercise the power of eminent domain for a corporate function. The power of eminent domain may be exercised pursuant to Sections 28‑5‑10 through 28‑5‑390 and 57‑5‑310 through 57‑5‑590. The provisions of this item shall not apply to public utilities and railroads which have the power of eminent domain;

(20) appoint officers, agents, and employees to prescribe the duties of, to fix their compensation, and to determine the amount of their bondedness;

(21) make contracts for construction and other services; however these contracts must be based on competitive bidding and must be awarded to the lowest responsible bidder;

(22) borrow money, make and issue negotiable bonds, notes, and other evidences of indebtedness, payable from the revenues derived from the operation of its system. The sums borrowed may be those needed to pay all costs incident to the construction and establishment of the system, and any extensions, additions, and improvements to the system, including engineering costs, legal costs, construction costs; the sum needed to pay interest during the period prior to which the system or any extension, addition or improvement to, must be fully in operation; such sum as is needed to supply working capital to place the system in operation; and all other expenses that the authority may incur in establishing, extending or enlarging the system. Neither the full faith and credit of the State of South Carolina, nor the county, must be pledged for the payment of the principal and interest of the obligations, and there must be on the face of each obligation a statement, plainly worded, to that effect. Neither the members of the authority, nor a person signing the obligations, must be personally liable. To the end that a convenient procedure for borrowing money may be prescribed, the authority must be fully empowered to avail itself of all powers granted by Chapters 17 and 21 of Title 6, as now or hereafter constituted, it being the intent of this provision that further amendments and modifications of the code provisions must be deemed to amend and revise correspondingly the powers granted by this paragraph. In exercising the power conferred upon the authority by the code provisions, the authority may make or omit all pledges and covenants authorized by any provision of it, and may confer upon the holders of its securities all rights and liens authorized by law.

Notwithstanding contrary provisions in the code, the authority may:

(a) disregard a provision requiring that bonds have serial maturities, and issue bonds in such form and with such maturities as the authority shall determine;

(b) provide that its bonds, notes or other evidence of indebtedness be payable, both as to principal and interest, from the net revenues derived from the operation of its system, as such net revenues may be defined by the authority;

(c) covenant and agree that upon it being adjudged in default as to the payment of any installment of principal or interest upon any obligation issued by it, or in default as to the performance of any covenant or undertaking made by it, in such event the principal of all obligations of such issue may be declared forthwith due and payable, notwithstanding that any of them may not have then matured;

(d) confer upon a corporation trustee the power to make disposition of the proceeds from all borrowings and of all revenues derived from the operation of the system, in accordance with the resolution adopted by the authority as an incident to the issuance of any notes, bonds or other types of securities;

(e) dispose of bonds, notes or other evidence of indebtedness at public or private sale, and upon such terms and conditions as it shall approve;

(f) make provision for the redemption of any obligations issued by it prior to their stated maturity, with or without premium, and on such terms and conditions as the authority shall approve;

(g) covenant and agree that any cushion fund established to further secure the payment of the principal and interest of any obligation shall be in a fixed amount;

(h) covenant and agree that no free service will be furnished to any person, municipal corporation, or any subdivision or division of the State;

(i) prescribe the procedure, if any, by which the terms of the contract with the holders of its obligations may be amended, the number of obligations whose holders must consent thereto, and the manner in which such consent shall be given;

(j) prescribe the events of default and the terms and conditions upon which all or any obligations shall become or may be declared due before maturity and the terms and conditions upon which such declarations and their consequences may be waived;

(23) extend its system or systems beyond the defined limits of the authority, within or without the county, but contiguous to the authority, to provide services to those living outside the authority and outside any incorporated municipality when, in the discretion of the board, it is feasible and practicable so to do, in which case any person or agency receiving such service shall be subject to the same rules, regulations and requirements concerning services being received from the authority as persons residing within the authority. The board may, in its discretion, establish rates and charges higher than those within the authority for the extension of its system and the provision of services beyond the limits of the authority.

SECTION 8. The rates charged for services furnished by the authority must not be subject to supervision or regulation by a state bureau, board, commission, or agency of the State.

SECTION 9. All property of the authority must be exempt from ad valorem taxes levied by the State, county, or a municipality, division, subdivision, or agency of the State.

SECTION 10. The authority’s fiscal year shall coincide with the fiscal year of the State. Immediately following the end of the fiscal year on June thirtieth, a certified public accountant appointed by the authority shall complete an audit of the authority. The audit report must be incorporated into an annual report of the authority, and must be filed in the office of the Clerk of Court for Bamberg County and with the Secretary of State.

SECTION 11. It is unlawful for a person to wilfully injure, destroy, hurt, damage, tamper with, or impair the facilities of the authority, or any machinery, apparatus, or equipment of the authority. It is unlawful to pollute the water in any part of the authorities service area, or to obtain water from it except in accordance with the regulations promulgated by the authority. A person committing such an offense must be deemed guilty of a misdemeanor and upon conviction must be fined not less than ten dollars nor more than one hundred dollars, or must be liable to pay all damages suffered by the authority.

SECTION 12. All revenues derived by the authority from the operation of its facilities, which may not be required to discharge covenants made by it in issuing bonds, notes, or other obligations authorized by this act, must be disposed of by the authority from time to time for purposes germane to the functions of the authority, or in a manner the General Assembly may direct.

SECTION 13. All municipalities, public bodies, public agencies operating water district systems in and adjacent to Bamberg County must be fully empowered to enter into contracts to buy water from the authority. These contracts shall extend over a period of time and shall contain terms and conditions mutually agreeable to the authority and to the contracting municipality, public body, or public agency. No municipality or other agency operating a water system shall extend its present facilities beyond the corporate limits of a municipality or current service area without prior written approval of the authority.

SECTION 14. This act takes effect upon approval by the Governor. /

Amend title to conform.

/s/Sen. C. Bradley Hutto /s/Rep. Bakari T. Sellers

/s/Sen. John Wesley Matthews, Jr. /s/Rep. Lonnie Hosey

/s/Sen. Phillip W. Shoopman /s/Rep. James H. Merrill

On Part of the Senate. On Part of the House.

, and a message was sent to the House accordingly.

**Message from the House**

Columbia, S.C., June 21, 2012

Mr. President and Senators:

The House respectfully informs your Honorable Body that it has requested and was granted Free Conference Powers and has appointed Reps. Sellers, Hosey and Merrill to the Committee of Free Conference on the part of the House on:

H. 3790 -- Rep. Sellers: A BILL TO CREATE THE BAMBERG COUNTY WATER AND SEWER AUTHORITY; TO PROVIDE FOR ITS DUTIES, RESPONSIBILITIES, AND POWERS; AND TO PROVIDE FOR THE APPOINTMENT AND TERMS OF THE AUTHORITY’S MEMBERS.

Very respectfully,

Speaker of the House

Received as information.

**Message from the House**

Columbia, S.C., June 21, 2012

Mr. President and Senators:

The House respectfully informs your Honorable Body that it has adopted the Report of the Committee of Free Conference on:

H. 3790 -- Rep. Sellers: A BILL TO CREATE THE BAMBERG COUNTY WATER AND SEWER AUTHORITY; TO PROVIDE FOR ITS DUTIES, RESPONSIBILITIES, AND POWERS; AND TO PROVIDE FOR THE APPOINTMENT AND TERMS OF THE AUTHORITY’S MEMBERS.

Very respectfully,

Speaker of the House

Received as information.

**Message from the House**

Columbia, S.C., June 21, 2012

Mr. President and Senators:

The House respectfully informs your Honorable Body that the Report of the Committee of Free Conference having been adopted by both Houses, and this Bill having been read three times in each House, it was ordered that the title thereof be changed to that of an Act and that it be enrolled for Ratification:

H. 3790 -- Rep. Sellers: A BILL TO CREATE THE BAMBERG COUNTY WATER AND SEWER AUTHORITY; TO PROVIDE FOR ITS DUTIES, RESPONSIBILITIES, AND POWERS; AND TO PROVIDE FOR THE APPOINTMENT AND TERMS OF THE AUTHORITY’S MEMBERS.

Very respectfully,

Speaker of the House

Received as information.

**Message from the House**

Columbia, S.C., June 21, 2012

Mr. President and Senators:

The House respectfully informs your Honorable Body that it has requested and was granted Free Conference Powers and has appointed Reps. Bannister, McCoy and Stavrinakis to the Committee of Free Conference on the part of the House on:

S. 45 -- Senators McConnell, Campsen and Ford: A BILL TO AMEND CHAPTER 15, TITLE 17 OF THE SOUTH CAROLINA CODE OF LAWS, 1976, BY ADDING SECTION 17‑15‑55, SO AS TO PROVIDE THAT THE CIRCUIT COURT SHALL CONSIDER MOTIONS REGARDING RECONSIDERATION OF BOND FOR GENERAL SESSIONS OFFENSES SET BY A SUMMARY COURT JUDGE; TO PROVIDE THAT FURTHER DEFENSE MOTIONS TO RECONSIDER BOND MAY BE HEARD BY THE CIRCUIT COURT ONLY UPON THE DEFENDANT’S PRIMA FACIE SHOWING OF A MATERIAL CHANGE IN CIRCUMSTANCE; TO PROVIDE THAT MOTIONS BY THE STATE TO REVOKE OR MODIFY A DEFENDANT’S BOND MUST BE MADE IN WRITING, STATE WITH PARTICULARITY THE GROUNDS FOR REVOCATION OR MODIFICATION, AND SET FORTH THE RELIEF OR ORDER SOUGHT; AND TO PROVIDE THAT, IF THE STATE’S MOTION TO REVOKE OR MODIFY BOND INCLUDES A PRIMA FACIE SHOWING OF IMMINENT DANGER TO THE COMMUNITY, OR IMMINENT DANGER TO THE DEFENDANT, OR FLIGHT BY THE DEFENDANT, THE CHIEF JUDGE OR PRESIDING JUDGE SHALL CONDUCT OR ORDER AN EMERGENCY HEARING WITHIN FORTY‑EIGHT HOURS.

Very respectfully,

Speaker of the House

Received as information.

**Message from the House**

Columbia, S.C., June 21, 2012

Mr. President and Senators:

The House respectfully informs your Honorable Body that it has adopted the Report of the Committee of Free Conference on:

S. 45 -- Senators McConnell, Campsen and Ford: A BILL TO AMEND CHAPTER 15, TITLE 17 OF THE SOUTH CAROLINA CODE OF LAWS, 1976, BY ADDING SECTION 17‑15‑55, SO AS TO PROVIDE THAT THE CIRCUIT COURT SHALL CONSIDER MOTIONS REGARDING RECONSIDERATION OF BOND FOR GENERAL SESSIONS OFFENSES SET BY A SUMMARY COURT JUDGE; TO PROVIDE THAT FURTHER DEFENSE MOTIONS TO RECONSIDER BOND MAY BE HEARD BY THE CIRCUIT COURT ONLY UPON THE DEFENDANT’S PRIMA FACIE SHOWING OF A MATERIAL CHANGE IN CIRCUMSTANCE; TO PROVIDE THAT MOTIONS BY THE STATE TO REVOKE OR MODIFY A DEFENDANT’S BOND MUST BE MADE IN WRITING, STATE WITH PARTICULARITY THE GROUNDS FOR REVOCATION OR MODIFICATION, AND SET FORTH THE RELIEF OR ORDER SOUGHT; AND TO PROVIDE THAT, IF THE STATE’S MOTION TO REVOKE OR MODIFY BOND INCLUDES A PRIMA FACIE SHOWING OF IMMINENT DANGER TO THE COMMUNITY, OR IMMINENT DANGER TO THE DEFENDANT, OR FLIGHT BY THE DEFENDANT, THE CHIEF JUDGE OR PRESIDING JUDGE SHALL CONDUCT OR ORDER AN EMERGENCY HEARING WITHIN FORTY‑EIGHT HOURS.

Very respectfully,

Speaker of the House

Received as information.

**Objection**

With Senator LARRY MARTIN retaining the floor, Senator FAIR asked unanimous consent to make a motion to take up the veto on H. 4886.

Senator SHANE MARTIN objected.

Senator LARRY MARTIN spoke on the Report of the Committee of Conference on H. 3066.

With Senator LARRY MARTIN retaining the floor, Senator FAIR asked unanimous consent to make a motion to take up the vetoes on H. 4886 and H. 5315.

There was no objection.

**VETO OVERRIDDEN**

(R239, H4886) -- Rep. Willis: A JOINT RESOLUTION TO PROVIDE THAT THE SCHOOL DAY MISSED ON FEBRUARY 17, 2012, BY THE STUDENTS OF FOUNTAIN INN ELEMENTARY SCHOOL OF GREENVILLE COUNTY SCHOOL DISTRICT, WHEN THE SCHOOL WAS CLOSED DUE TO BAT INFESTATION, IS EXEMPT FROM THE REQUIREMENT THAT FULL SCHOOL DAYS MISSED TO SNOW, EXTREME WEATHER, OR OTHER DISRUPTIONS BE MADE UP.

The veto of the Governor was taken up for immediate consideration.

The question was the motion to reconsider the vote whereby the veto was sustained on June 19, 2012.

The motion to reconsider was adopted.

The question was put, “Shall the Act become law, the veto of the Governor to the contrary notwithstanding?”

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

**Ayes 32; Nays 11**

**AYES**

Alexander Anderson Campbell

Campsen Coleman Elliott

Fair Ford Grooms

Hayes Hutto Jackson

Knotts Land Leatherman

Leventis Lourie Malloy

*Martin, Larry Martin, Shane* Matthews

McGill Nicholson O'Dell

Pinckney Reese Scott

Setzler Sheheen Shoopman

Verdin Williams

**Total--32**

**NAYS**

Bright Bryant Cleary

Courson Cromer Davis

Gregory Massey Peeler

Rose Ryberg

**Total--11**

The necessary two-thirds vote having been received, the veto of the Governor was overridden, and a message was sent to the House accordingly.

**Message from the House**

Columbia, S.C., June 19, 2012

Mr. President and Senators:

The House respectfully informs your Honorable Body that it has overridden the veto by the Governor on R.246, H. 5315 by a vote of 101 to 4:

(R246, H5315) -- Reps. Stavrinakis, Whipper and R.L. Brown: A JOINT RESOLUTION TO PROVIDE THAT THE SCHOOL DAYS MISSED DURING THE PERIOD OF JANUARY 3, 2012, THROUGH JANUARY 4, 2012, BY THE STUDENTS OF STALL HIGH SCHOOL IN CHARLESTON COUNTY WHEN THE SCHOOL WAS CLOSED DUE TO A GAS LEAK ARE EXEMPT FROM THE MAKE‑UP REQUIREMENT THAT FULL SCHOOL DAYS MISSED DUE TO SNOW, EXTREME WEATHER, OR OTHER DISRUPTIONS BE MADE UP.

Very respectfully,

Speaker of the House

Received as information.

**VETO OVERRIDDEN**

(R246, H5315) -- Reps. Stavrinakis, Whipper and R.L. Brown: A JOINT RESOLUTION TO PROVIDE THAT THE SCHOOL DAYS MISSED DURING THE PERIOD OF JANUARY 3, 2012, THROUGH JANUARY 4, 2012, BY THE STUDENTS OF STALL HIGH SCHOOL IN CHARLESTON COUNTY WHEN THE SCHOOL WAS CLOSED DUE TO A GAS LEAK ARE EXEMPT FROM THE MAKE‑UP REQUIREMENT THAT FULL SCHOOL DAYS MISSED DUE TO SNOW, EXTREME WEATHER, OR OTHER DISRUPTIONS BE MADE UP.

The veto of the Governor was taken up for immediate consideration.

Senator FAIR moved that the veto of the Governor be overridden.

The question was put, “Shall the Act become law, the veto of the Governor to the contrary notwithstanding?”

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

**Ayes 32; Nays 11**

**AYES**

Alexander Anderson Campbell

Campsen Coleman Elliott

Fair Ford Grooms

Hayes Hutto Jackson

Knotts Land Leatherman

Leventis Lourie Malloy

*Martin, Larry Martin, Shane* Matthews

McGill Nicholson O'Dell

Pinckney Reese Scott

Setzler Sheheen Shoopman

Verdin Williams

**Total--32**

**NAYS**

Bright Bryant Cleary

Courson Cromer Davis

Gregory Massey Peeler

Rose Ryberg

**Total--11**

The necessary two-thirds vote having been received, the veto of the Governor was overridden, and a message was sent to the House accordingly.

Senator LARRY MARTIN resumed explaining the Report of the Committee of Conference on H. 3066.

Senator KNOTTS, Chairman of the Committee on Rules, polled the committee and moved under Rule 14 to carry over the Report of the Committee of Conference on H. 3066.

**Poll of the Rules Committee**

**Polled 16; Ayes 9; Nays 7; Not Voting 0**

**AYES**

Knotts Reese Land

Hutto Matthews Malloy

Leatherman Elliott Nicholson

**Total--9**

**NAYS**

*Martin, Larry* Cromer Massey

Davis *Martin, Shane* Shoopman

Gregory

**Total--7**

Received as information.

**Point of Order**

Senator LARRY MARTIN raised a Point of Order that the motion was out of order inasmuch as the Rules provide that no motions can be made if a Bill has not been in the status of Interrupted Debate for less than 24 hours.

Senator KNOTTS spoke on the Point of Order.

Senator JACKSON spoke on the Point of Order.

Senator MALLOY spoke on the Point of Order.

The PRESIDENT overruled the Point of Order.

The question then was the motion to carry over consideration of H. 3066.

**Objection**

With Senator LARRY MARTIN retaining the floor, Senator MASSEY asked unanimous consent to make a motion to have the motion to carry over withdrawn and proceed to a consideration of H. 4967 for fifteen minutes.

Senator JACKSON objected.

**Objection**

With Senator LARRY MARTIN retaining the floor, Senator MASSEY asked unanimous consent to make a motion to have the motion to carry over withdrawn and proceed to a consideration of H. 4967 for fifteen minutes, at which time a vote would be taken on the Report of Free Conference and the Senate would return to consideration of H. 3066.

Senator JACKSON objected.

A roll call vote was ordered.

**RECESS**

At 3:15 P.M., with Senator LARRY MARTIN retaining the floor, on motion of Senator SETZLER, with unanimous consent, the Senate receded from business not to exceed 5 minutes.

At 3:22 P.M., the Senate resumed.

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

**Ayes 22; Nays 21**

**AYES**

Anderson Cleary Coleman

Elliott Ford Hutto

Jackson Knotts Land

Leatherman Leventis Lourie

Malloy Matthews McGill

Nicholson O'Dell Pinckney

Reese Scott Setzler

Williams

**Total--22**

**NAYS**

Alexander Bright Bryant

Campbell Campsen Courson

Cromer Davis Fair

Gregory Grooms Hayes

*Martin, Larry Martin, Shane* Massey

Peeler Rose Ryberg

Sheheen Shoopman Verdin

**Total--21**

The motion to carry over consideration of H. 3066 was adopted.

The Report of the Committee of Conference on H. 3066 was carried over.

**Message from the House**

Columbia, S.C., June 20, 2012

Mr. President and Senators:

The House respectfully informs your Honorable Body that it has requested and was granted Free Conference Powers and has appointed Reps. Bingham, Merrill and Cobb-Hunter to the Committee of Free Conference on the part of the House on:

H. 4967 -- Ways and Means Committee: A BILL TO AMEND TITLE 9 OF THE 1976 CODE RELATING TO STATE RETIREMENT SYSTEMS, TO REVISE THE MANNER IN WHICH RETIREMENT BENEFITS FOR MEMBERS ARE COMPUTED, TO INCREASE PAYROLL DEDUCTIONS FOR MEMBERS, TO REPEAL INCREASES IN RETIREMENT ALLOWANCES BASED ON THE CONSUMER PRICE INDEX, TO PHASE OUT THE TEACHER AND EMPLOYEE RETENTION INCENTIVE, TO PROVIDE FOR “CLASS THREE” MEMBERSHIP FOR NEW MEMBERS, AND TO INCLUDE OTHER CHANGES TO STATE RETIREMENT SYSTEMS. *(ABBREVIATED TITLE)*

Very respectfully,

Speaker of the House

Received as information.

**H. 4967--ADDITIONAL FREE CONFERENCE**

**POWERS REQUESTED AND GRANTED**

H. 4967 -- Ways and Means Committee: A BILL TO AMEND TITLE 9 OF THE 1976 CODE RELATING TO STATE RETIREMENT SYSTEMS, TO REVISE THE MANNER IN WHICH RETIREMENT BENEFITS FOR MEMBERS ARE COMPUTED, TO INCREASE PAYROLL DEDUCTIONS FOR MEMBERS, TO REPEAL INCREASES IN RETIREMENT ALLOWANCES BASED ON THE CONSUMER PRICE INDEX, TO PHASE OUT THE TEACHER AND EMPLOYEE RETENTION INCENTIVE, TO PROVIDE FOR “CLASS THREE” MEMBERSHIP FOR NEW MEMBERS, AND TO INCLUDE OTHER CHANGES TO STATE RETIREMENT SYSTEMS. *(ABBREVIATED TITLE)*

Senator RYBERG asked unanimous consent to be granted additional Free Conference Powers.

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

**Ayes 43; Nays 0**

**AYES**

Alexander Anderson Bright

Bryant Campbell Campsen

Cleary Coleman Courson

Cromer Davis Elliott

Fair Ford Gregory

Grooms Hayes Hutto

Jackson Knotts Land

Leatherman Leventis Lourie

Malloy *Martin, Larry Martin, Shane*

Massey Matthews McGill

Nicholson O'Dell Peeler

Pinckney Reese Rose

Ryberg Scott Setzler

Sheheen Shoopman Verdin

Williams

**Total--43**

**NAYS**

**Total--0**

The requested additional Free Conference Powers were granted.

The question then was adoption of the Report of the Committee of Free Conference.

**H. 4967--REPORT OF THE COMMITTEE**

**OF FREE CONFERENCE ADOPTED**

H. 4967 -- Ways and Means Committee: A BILL TO AMEND TITLE 9 OF THE 1976 CODE RELATING TO STATE RETIREMENT SYSTEMS, TO REVISE THE MANNER IN WHICH RETIREMENT BENEFITS FOR MEMBERS ARE COMPUTED, TO INCREASE PAYROLL DEDUCTIONS FOR MEMBERS, TO REPEAL INCREASES IN RETIREMENT ALLOWANCES BASED ON THE CONSUMER PRICE INDEX, TO PHASE OUT THE TEACHER AND EMPLOYEE RETENTION INCENTIVE, TO PROVIDE FOR “CLASS THREE” MEMBERSHIP FOR NEW MEMBERS, AND TO INCLUDE OTHER CHANGES TO STATE RETIREMENT SYSTEMS. *(ABBREVIATED TITLE)*

On motion of Senator RYBERG, with unanimous consent, the Report of the Committee of Free Conference was taken up for immediate consideration.

Senator RYBERG spoke on the report.

The question then was adoption of the Report of the Committee of Free Conference.

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

**Ayes 43; Nays 0**

**AYES**

Alexander Anderson Bright

Bryant Campbell Campsen

Cleary Coleman Courson

Cromer Davis Elliott

Fair Ford Gregory

Grooms Hayes Hutto

Jackson Knotts Land

Leatherman Leventis Lourie

Malloy *Martin, Larry Martin, Shane*

Massey Matthews McGill

Nicholson O'Dell Peeler

Pinckney Reese Rose

Ryberg Scott Setzler

Sheheen Shoopman Verdin

Williams

**Total--43**

**NAYS**

**Total--0**

On motion of Senator RYBERG, the Report of the Committee of Free Conference, as amended, to H. 4967 was adopted as follows:

**H. 4967--Free Conference Report**

The General Assembly, Columbia, S.C., June 21, 2012

The COMMITTEE OF FREE CONFERENCE, to whom was referred:

H. 4967 ‑‑ Ways and Means Committee: A BILL TO AMEND SECTION 9‑1‑10, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO DEFINITIONS UNDER THE SOUTH CAROLINA RETIREMENT SYSTEM (SCRS), SO AS TO PROVIDE FOR “CLASS THREE” MEMBERS OF SCRS WITH “CLASS THREE” MEMBERS MEANING AN EMPLOYEE MEMBER OF SCRS WITH AN EFFECTIVE DATE OF MEMBERSHIP AFTER JUNE 30, 2012; TO AMEND SECTIONS 9‑1‑10 FURTHER AND 9‑1‑1550, RELATING TO RETIREMENT BENEFITS UNDER THE SCRS, SO AS TO REVISE THE MANNER IN WHICH RETIREMENT BENEFITS FOR SCRS MEMBERS ARE COMPUTED AFTER JUNE 30, 2012, AND TO PROVIDE FOR AN ALTERNATE CALCULATION OF BENEFITS FOR SCRS MEMBERS AS OF JUNE 30, 2012, WHICH APPLIES IF THE MEMBER’S BENEFIT CALCULATED ON RETIREMENT AFTER JUNE 30, 2012, WOULD RESULT IN A LESSER AMOUNT; BY ADDING SECTION 9‑1‑1815 SO AS TO PROVIDE FOR THE MANNER IN WHICH RETIRED SCRS MEMBERS AND THEIR SURVIVING ANNUITANTS MAY RECEIVE INCREASED ALLOWANCES AND THE METHOD OF CALCULATING THAT INCREASE; AND TO REPEAL SECTION 9‑1‑1810 RELATING TO INCREASES IN SCRS RETIREMENT ALLOWANCES BASED ON THE CONSUMER PRICE INDEX; TO AMEND SECTION 9‑1‑1020, AS AMENDED, RELATING TO DEDUCTIONS FROM THE COMPENSATION OF MEMBERS OF SCRS TO FUND BENEFITS, THE TAX TREATMENT THEREOF, AND OTHER RELATED PROVISIONS, SO AS TO INCREASE ON JULY 1, 2012, THE REQUIRED DEDUCTIONS OF CLASS ONE SCRS MEMBERS TO SIX PERCENT OF EARNABLE COMPENSATION FROM FIVE AND ONE‑HALF PERCENT AND THE REQUIRED DEDUCTIONS OF SCRS CLASS TWO AND CLASS THREE MEMBERS TO SEVEN PERCENT OF EARNABLE COMPENSATION FROM SIX AND ONE‑HALF PERCENT AND TO INCREASE SUCH CONTRIBUTIONS BY AN ADDITIONAL ONE HALF OF ONE PERCENT EFFECTIVE JULY 1, 2013, AND MAKE CONFORMING CHANGES; TO AMEND SECTION 9‑1‑1080, RELATING TO EMPLOYER CONTRIBUTIONS FOR SCRS, SO AS TO PROVIDE FOR A MINIMUM EMPLOYER CONTRIBUTION RATE OF TEN AND SIX‑TENTHS PERCENT OF EARNABLE COMPENSATION WHILE AN ACCRUED LIABILITY CONTRIBUTION IS REQUIRED; TO AMEND SECTION 9‑1‑1140, AS AMENDED, RELATING TO THE PURCHASE OF ADDITIONAL SERVICE CREDIT UNDER SCRS, SO AS TO PROVIDE THAT THE REQUIRED COST IS THE GREATER OF AN ACTUARIALLY NEUTRAL PAYMENT BASED ON THE SCRS MEMBER’S CURRENT AGE AND CREDITABLE SERVICE OR A SET PERCENTAGE OF SALARY AND TO ELIMINATE THE ADDITION OF UNUSED SICK LEAVE IN THE CALCULATION OF CREDITABLE SERVICE AFTER JUNE 30, 2012; TO AMEND SECTION 9‑1‑1510, AS AMENDED, RELATING TO THE REQUIREMENTS FOR A SCRS RETIREMENT ALLOWANCE, SO AS TO PROVIDE THAT A SCRS CLASS THREE MEMBER MUST HAVE AT LEAST THIRTY YEARS OF CREDITABLE SERVICE TO BE ELIGIBLE TO RETIRE AT ANY AGE WITHOUT A BENEFIT REDUCTION; TO AMEND SECTION 9‑1‑1515, AS AMENDED, RELATING TO THE REQUIREMENTS FOR EARLY RETIREMENT IN SCRS, SO AS TO CONFORM THE REQUIREMENTS OF THAT SECTION AS IT APPLIES FOR SCRS CLASS THREE MEMBERS; TO AMEND SECTION 9‑1‑1660, AS AMENDED, RELATING TO THE REQUIREMENTS FOR A NOMINEE OF A DECEASED ACTIVE SCRS MEMBER TO RECEIVE A RETIREMENT ALLOWANCE, SO AS TO CONFORM THE REQUIREMENTS OF THAT SECTION AS IT APPLIES FOR SCRS CLASS THREE MEMBERS; TO AMEND SECTION 9‑1‑2210, AS AMENDED, RELATING TO THE TEACHER AND EMPLOYEE RETENTION INCENTIVE (TERI) PROGRAM, SO AS TO CLOSE THE PROGRAM FOR SCRS CLASS THREE MEMBERS AND TO CONFORM THE CALCULATION OF RETIREMENT BENEFITS FOR TERI PARTICIPANTS; TO AMEND SECTION 9‑9‑60, AS AMENDED, RELATING TO RETIREMENT AND RETIREMENT ALLOWANCES FOR MEMBERS OF THE RETIREMENT SYSTEM FOR MEMBERS OF THE GENERAL ASSEMBLY OF THE STATE OF SOUTH CAROLINA (GARS), SO AS PROSPECTIVELY TO ELIMINATE PROVISIONS ALLOWING MEMBERS OF THE GENERAL ASSEMBLY WHO MEET CERTAIN AGE OR CREDITED SERVICE REQUIREMENTS OR WITH AGE AND CREDITED SERVICE REQUIREMENTS TO RECEIVE A GARS RETIREMENT BENEFIT WHILE CONTINUING TO SERVE IN THE GENERAL ASSEMBLY; TO AMEND SECTIONS 9‑11‑10 AND 9‑11‑60, BOTH AS AMENDED, RELATING TO DEFINITIONS AND ELIGIBILITY FOR RETIREMENT UNDER THE SOUTH CAROLINA POLICE OFFICERS RETIREMENT SYSTEM (SCPORS), SO AS TO REVISE THE MANNER IN WHICH RETIREMENT BENEFITS FOR SCPORS MEMBERS RETIRING AFTER JUNE 30, 2012, ARE COMPUTED AND TO PROVIDE FOR AN ALTERNATE CALCULATION OF BENEFITS FOR SCPORS MEMBERS AS OF JUNE 30, 2012, WHICH APPLIES IF THE SCPORS MEMBER’S BENEFIT CALCULATED ON RETIREMENT AFTER JUNE 30, 2012, WOULD RESULT IN A LESSER AMOUNT; BY ADDING SECTION 9‑11‑312 SO AS TO PROVIDE FOR THE MANNER IN WHICH SCPORS RETIRED MEMBERS AND THEIR SURVIVING ANNUITANTS MAY RECEIVE INCREASED ALLOWANCES AND THE METHOD OF CALCULATING THAT INCREASE; AND TO REPEAL SECTION 9‑11‑310 RELATING TO COST OF LIVING ADJUSTMENTS UNDER SCPORS BASED ON THE CONSUMER PRICE INDEX; TO AMEND SECTION 9‑11‑50, AS AMENDED, RELATING TO THE PURCHASE OF ADDITIONAL SERVICE CREDIT UNDER SCPORS, SO AS TO PROVIDE THAT THE REQUIRED COST MUST BE THE GREATER OF AN ACTUARIALLY NEUTRAL PAYMENT BASED ON THE MEMBERS CURRENT AGE AND CREDITABLE SERVICE OR A SET PERCENTAGE OF SALARY AND TO ELIMINATE THE ADDITION OF UNUSED SICK LEAVE IN THE CALCULATION OF CREDITABLE SERVICE AFTER JUNE 30, 2012; TO AMEND SECTION 9‑11‑210, AS AMENDED, RELATING TO DEDUCTIONS FROM THE COMPENSATION OF MEMBERS OF SCPORS TO FUND BENEFITS, THE TAX TREATMENT THEREOF, AND OTHER RELATED PROVISIONS, SO AS TO INCREASE ON JULY 1, 2012, THE REQUIRED DEDUCTIONS OF SCPORS CLASS TWO MEMBERS TO SEVEN PERCENT OF EARNABLE COMPENSATION FROM SIX AND ONE‑HALF PERCENT AND TO INCREASE SUCH CONTRIBUTIONS BY AN ADDITIONAL ONE HALF OF ONE PERCENT EFFECTIVE JULY 1, 2013; TO AMEND SECTION 9‑11‑220, AS AMENDED, RELATING TO EMPLOYER CONTRIBUTIONS FOR SCPORS, SO AS TO PROVIDE FOR A MINIMUM EMPLOYER CONTRIBUTION RATE OF TWELVE AND THREE TENTHS PERCENT OF EARNABLE COMPENSATION WHILE AN ACCRUED LIABILITY CONTRIBUTION IS REQUIRED; BY ADDING SECTION 9‑16‑335 SO AS TO PROVIDE THAT THE ASSUMED ANNUAL RATE OF RETURN ON THE INVESTMENTS OF THE RETIREMENT SYSTEM MUST BE ESTABLISHED BY THE GENERAL ASSEMBLY AND EFFECTIVE JULY 1, 2012, THE ASSUMED ANNUAL RATE OF RETURN ON RETIREMENT SYSTEM INVESTMENTS IS SEVEN AND ONE‑HALF PERCENT; AND TO AMEND SECTIONS 9‑1‑1135, 9‑8‑185, 9‑9‑175, AND 9‑11‑265, RELATING TO INTEREST ON MEMBER’S CONTRIBUTIONS IN SCRS, GARS, THE RETIREMENT SYSTEM FOR JUDGES AND SOLICITORS, AND SCPORS, SO AS TO PROVIDE THAT INTEREST IS NOT PAID ON INACTIVE ACCOUNTS, AND TO DEFINE “INACTIVE ACCOUNT”.

Beg leave to report that they have duly and carefully considered the same and recommend:

That the same do pass with the following amendments:

Amend the bill, as and if amended, by striking all after the enacting words and inserting:

/ SECTION 1. (A) The General Assembly finds that the five retirement systems administered by the South Carolina Retirement System are of great value to the State of South Carolina. The citizens of the State benefit by attracting a quality workforce that delivers services through the various governmental entities at the state level, the school district level and the local government level. Public employers participating in the systems benefit by offering retirement programs that attract and retain employees. Public employees participating in the systems benefit as working members of public retirement systems that provide for stable retirement income.

(B) The General Assembly further finds that the financial stability and long‑term viability of the various systems are threatened by the following factors:

‑The funding ratio of South Carolina Retirement System has eroded over the past ten years and is currently in the lowest third of the state and local government defined benefit plans in the United States (126 plans as of July 1, 2011).

‑Unanticipated negative returns during the recession of 2008‑2009 and aggressive investment assumptions which have not materialized.

‑Demographic and economic actuarial assumptions which were overly optimistic.

‑Increases to member benefits and increased cost‑of‑living increases (COLAs) for retirees which were never funded.

Over a year‑long period of study by both Senate and House subcommittees, members of the General Assembly received testimony from active employees, system retirees, actuarial consultants, other experts, and the general public about the system and its long‑term viability. These hearings made clear that system stability and certainty of benefits to annuitants are paramount and that all parties must share the costs of assuring the financial sustainability of the system over the long term.

(C) The General Assembly further finds that addressing the threats to the long‑term sustainability of the system requires shared sacrifice by employers, employees, and system retirees. Thus, employers and employees must pay more to fund the system, and system retirees must understand that future prospective benefit adjustment and other post‑retirement prospective benefit adjustments are not inevitable.

(D) The General Assembly further finds that, taken as a whole, the changes made by this act constitute the most reliable and efficient means of addressing the long‑term sustainability issues of the system. The changes made by this act are intended to satisfy the principle of intergenerational equity, that is, pension costs should be allocated among employees, employers and taxpayers on an equitable basis over time and not perpetually pushed into the future or immediately imposed on current taxpayers. In addition, the changes made by this act are intended to recognize and provide for a reasonable margin for adverse experience.

Part I

South Carolina Retirement System

SECTION 2. A. Article 13, Chapter 1, Title 9 of the 1976 Code is amended by adding:

“Section 9‑1‑1815. Effective beginning July 1, 2012, and annually thereafter, the retirement allowance received by retirees and their surviving annuitants inclusive of supplemental allowances payable pursuant to the provisions of Sections 9‑1‑1910, 9‑1‑1920, and 9‑1‑1930, must be increased by the lesser of one percent or five hundred dollars. Only those retirees and their surviving annuitants in receipt of an allowance on July first preceding the effective date of the increase are eligible to receive the increase. Any increase in allowance granted pursuant to this section must be included in the determination of any subsequent increase.”

B. Article 9, Chapter 1, Title 9 of the 1976 Code is amended by adding:

“Section 9‑1‑1085. (A) As provided in Sections 9‑1‑1020 and 9‑1‑1050, the employer and employee contribution rates for the system beginning in Fiscal Year 2012‑2013, expressed as a percentage of earnable compensation, are as follows:

Fiscal Year Employer Contribution Employee

Contribution

2012‑2013 10.60 7.00

2013‑2014 10.60 7.50

2014‑2015 and after 10.90 8.00

The employer contribution rate set out in this schedule includes contributions for participation in the incidental death benefit plan provided in Sections 9‑1‑1770 and 9‑1‑1775. The employer contribution rate for employers that do not participate in the incidental death benefit plan must be adjusted accordingly.

(B) After June 30, 2015, the board may increase the percentage rate in employer and employee contributions for the system on the basis of the actuarial valuation, but any such increase may not result in a differential between the employee and employer contribution rate for the system that exceeds 2.9 percent of earnable compensation. An increase in the contribution rate adopted by the board pursuant to this section may not provide for an increase in an amount of more than one‑half of one percent of earnable compensation in any one year.

(C) If the scheduled employer and employee contributions provided in subsection (A), or the rates last adopted by the board pursuant to subsection (B), are insufficient to maintain a thirty year amortization schedule for the unfunded liabilities of the system, then the board shall increase the contribution rate as provided in subsection (A) or as last adopted by the board in equal percentage amounts for employer and employee contributions as necessary to maintain an amortization schedule of no more than thirty years. Such adjustments may be made without regard to the annual limit increase of one‑half percent of earnable compensation provided pursuant to subsection (B), but the differential in the employer and employee contribution rates provided in subsection (A) or subsection (B), as applicable, of this section must be maintained at the rate provided in the schedule for the applicable fiscal year.

(D)(1) After June 30, 2015, if the most recent annual actuarial valuation of the system shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than ninety percent, then the board, effective on the following July first, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than ninety percent. Any decrease in contribution rates must maintain the 2.9 percent differential between employer and employee contribution rates provided pursuant to subsection (B) of this section.

(2) If contribution rates are decreased pursuant to item (1) of this subsection and the most recent annual actuarial valuation of the system shows a funded ratio of less than ninety percent, then effective on the following July first, and annually thereafter as necessary, the board shall increase the then current contribution rates as provided pursuant to subsection (B) of this section until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than ninety percent.

SECTION 3. A. 1. Section 9‑1‑10 of the 1976 Code, as last amended by Act 353 of 2008, is further amended by adding a new item after item (18) to read:

“(18A) ‘Class Three member’ means an employee member of the system with an effective date of membership after June 30, 2012.”

2. Section 9‑1‑10 of the 1976 Code, as last amended by Act 353 of 2008, is further amended by adding a new item after item (28) to read:

“(28A) ‘Rule of ninety’ is a requirement that the total of the member’s age and the member’s creditable service equals at least ninety years.”

B. Section 9‑1‑10(4) of the 1976 Code, as last amended by Act 387 of 2000, is further amended to read:

“(4)(a) ‘Average final compensation’ with respect to Class One and Class Two ~~those~~ members retiring on or after July 1, 1986, means the average annual earnable compensation of a member during the twelve consecutive quarters of his creditable service on which regular contributions as a member were made to the system producing the highest such average; a quarter means a period January through March, April through June, July through September, or October through December. An amount up to and including forty‑five days’ termination pay for unused annual leave at retirement may be added to the average final compensation. Average final compensation for an elected official may be calculated as the average annual earnable compensation for the thirty‑six consecutive months before the expiration of the elected official’s term of office.

(b) ‘Average final compensation’ with respect to Class Three members means the average annual earnable compensation of a member during the twenty consecutive quarters of the member’s creditable service on which regular contributions as a member were made to the system producing the highest such average; a quarter means a period January through March, April through June, July through September, or October through December. Termination pay for unused annual leave at retirement may not be added to the average final compensation.”

C. Section 9‑1‑10(8) of the 1976 Code, as last amended by Act 387 of 2000, is further amended to read:

“(8)(a) ‘Earnable compensation’ means the full rate of the compensation that would be payable to a member if the member worked the member’s full normal working time; when compensation includes maintenance, fees, and other things of value the board shall fix the value of that part of the compensation not paid in money directly by the employer.

(b) For work performed by a member after December 31, 2012, earnable compensation does not include any overtime pay not mandated by the employer.”

SECTION 4. Section 9‑1‑1020 of the 1976 Code, as last amended by Act 311 of 2008, is further amended to read:

“Section 9‑1‑1020. The employee annuity savings fund shall be the account in which shall be recorded the contributions deducted from the earnable compensation of members to provide for their employee annuities. Each employer shall cause to be deducted from the compensation of each member on each and every payroll of such employer for each and every payroll period four percent of his earnable compensation. With respect to each member who is eligible for coverage under the Social Security Act in accordance with the agreement entered into during 1955 in accordance with the provisions of Chapter 7 of this Title; however, such deduction shall, commencing with the first day of the period of service with respect to which such agreement is effective, be at the rate of three percent of the part of his earnable compensation not in excess of four thousand eight hundred dollars, plus five percent of the part of his earnable compensation in excess of four thousand eight hundred dollars. In the case of any member so eligible and receiving compensation from two or more employers, such deductions may be adjusted under such rules as the board may establish so as to be as nearly equivalent as practicable to the deductions which would have been made had the member received all of such compensation from one employer. In determining the amount earnable by a member in a payroll period, the board may consider the rate of annual earnable compensation of such member on the first day of the payroll period as continuing throughout such payroll period and it may omit deduction from earnable compensation for any period less than a full payroll period if a teacher or employee was not a member on the first day of the payroll period.

Each employer shall certify to the board on each and every payroll or in such other manner as the board may prescribe the amounts to be deducted and such amounts shall be deducted and, when deducted, shall be credited to said employee annuity savings fund, to the individual accounts of the members from whose compensation the deductions were made.

The rates of the deductions, without regard to a member’s coverage under the Social Security Act, must be the percentage of earnable compensation as provided ~~in the following schedule:~~ pursuant to Section 9‑1‑1085.

~~Class One~~  ~~Class Two~~

~~Before July 1, 2005~~ ~~5~~ ~~6~~

~~July 1, 2005 through June 30, 2006~~ ~~5.25~~ ~~6.25~~

~~After June 30, 2006~~ ~~5.50~~ ~~6.50’~~

Each department and political subdivision shall pick up the employee contributions required by this section for all compensation paid on or after July 1, 1982, and the contributions so picked up shall be treated as employer contributions in determining federal tax treatment under the United States Internal Revenue Code. For this purpose, each department and political subdivision is deemed to have taken formal action on or before January 1, 2009, to provide that the contributions on behalf of its employees, although designated as employer contributions, shall be paid by the employer in lieu of employee contributions. The department and political subdivision shall pay these employee contributions from the same source of funds which is used in paying earnings to the employee. The department and political subdivision may pick up these contributions by a reduction in the cash salary of the employee.

The employee, however, must not be given the option of choosing to receive the contributed amount of the pick ups directly instead of having them paid by the employer to the retirement system. Employee contributions picked up shall be treated for all purposes of this section in the same manner and to the extent as employee contributions made ~~prior to~~ before the date picked up.

Payments for unused sick leave, single special payments at retirement, bonus and incentive‑type payments, or any other payments not considered a part of the regular salary base are not compensation for which contributions are deductible. Not including Class Three employees, contributions are deductible on up to and including forty‑five days’ termination pay for unused annual leave. If a member has received termination pay for unused annual leave on more than one occasion, contributions are deductible on up to and including forty‑five days’ termination pay for unused annual leave for each termination payment for unused annual leave received by the member. However, only an amount up to and including forty‑five days’ pay for unused annual leave from the member’s last termination payment shall be included in a member’s average final compensation calculation for other than Class Three employees.”

SECTION 5. Section 9‑1‑1050 of the 1976 Code is amended to read:

“Section 9‑1‑1050. The employer annuity accumulation fund shall be the account:

(1) in which shall be recorded the reserves on all employee annuities in force and against which shall be charged all employee annuities and all benefits in lieu of employee annuities;

(2) in which must be recorded all reserves for the payment of all employer annuities and other benefits payable from contributions made by employers and against which is charged all employer annuities and other benefits on account of members with prior service credit; and

(3) in which shall be recorded the reserves on all employer annuities granted to members not entitled to prior service credit and against which such employer annuities and benefits in lieu thereof shall be charged.

There shall be paid to the system and credited to the employer annuity accumulation fund contributions by the employers in an amount equal to a certain percentage of the earnable compensation of each member employed by each employer to be known as the ‘normal contribution’ and an additional amount equal to a percentage of such earnable compensation to be known as the ‘accrued liability contribution’. The rate percent of such contributions shall be fixed on the basis of the liabilities of the system as shown by actuarial valuation but may not be less than those required pursuant to Section 9‑1‑1085.”

SECTION 6. Section 9‑1‑1080 of the 1976 Code is amended to read:

“Section 9‑1‑1080. The total amount payable in each year by each employer for credit to the employer annuity accumulation fund shall not be less than the sum of the rate per cent known as the normal contribution rate and the accrued liability contribution rate of the total earnable compensation of all members during the preceding year. ~~Subject to the provisions of Section 9‑1‑1070, the amount of each annual accrued liability contribution shall be at least three per cent greater than the preceding annual accrued liability payment, and~~ The aggregate payment by employers shall be sufficient, when combined with the amount in the fund, to provide the employer annuities and other benefits payable out of the fund during the year then current.”

SECTION 7. A. Section 9‑1‑1140 of the 1976 Code, as last amended by Act 311 of 2008, is further amended to read:

“Section 9‑1‑1140. (A) An active member may establish service credit for any period of paid public service by making ~~a~~ an actuarially neutral payment to the system ~~to be~~ as determined by the actuary for the board based on the member’s current age and service credit, but not less than sixteen percent of the member’s current salary or career highest fiscal year salary, whichever is greater, for each year of credit purchased. A member’s career highest fiscal year salary shall include the member’s salary while participating in the State Optional Retirement Program, the Optional Retirement Program for Teachers and School Administrators, or the Optional Retirement Program for Publicly Supported Four‑Year and Postgraduate Institutions of Higher Education if the member has purchased service rendered under any of these programs pursuant to subsection (F) of this section. Periods of less than a year must be prorated. A member may not establish credit for a period of public service for which the member also may receive a retirement benefit from another defined benefit retirement plan. A member may not establish service credit for public service to the extent such service purchase would violate Section 415 or any other provision of the Internal Revenue Code.

(B) An active member may establish service credit for any period of paid educational service by making ~~a~~ an actuarially neutral payment to the system determined by the actuary for the board based on the member’s current age and service credit, but not less than sixteen percent of the member’s current salary or career highest fiscal year salary, whichever is greater, for each year of credit purchased. A member’s career highest fiscal year salary shall include the member’s salary while participating in the State Optional Retirement Program, the Optional Retirement Program for Teachers and School Administrators, or the Optional Retirement Program for Publicly Supported Four‑Year and Postgraduate Institutions of Higher Education if the member has purchased service rendered under any of these programs pursuant to subsection (F) of this section. Periods of less than a year must be prorated. A member may not establish credit for a period of educational service for which the member also may receive a retirement benefit from another defined benefit retirement plan. A member may not establish service credit for educational service to the extent such service purchase would violate Section 415 or any other provision of the Internal Revenue Code.

(C) An active member may establish up to six years of service credit for any period of military service, if the member was discharged or separated from military service under conditions other than dishonorable, by making ~~a~~ an actuarially neutral payment to the system to be determined by the actuary for the board based on the member’s current age and service credit, but not less than sixteen percent of the member’s current salary or career highest fiscal year salary, whichever is greater, for each year of credit purchased. A member’s career highest fiscal year salary shall include the member’s salary while participating in the State Optional Retirement Program, the Optional Retirement Program for Teachers and School Administrators, or the Optional Retirement Program for Publicly Supported Four‑Year and Postgraduate Institutions of Higher Education if the member has purchased service rendered under any of these programs pursuant to subsection (F) of this section. Periods of less than a year must be prorated.

(D) An active member on an approved leave of absence from an employer that participates in the system who returns to covered employment within four years may purchase service credit for the period of the approved leave, but may not purchase more than two years of service credit for each separate leave period, by making ~~a~~ an actuarially neutral payment to the system to be determined by the actuary for the board based on the member’s current age and service credit, but not less than sixteen percent of the member’s current salary or career highest fiscal year salary, whichever is greater, for each year of credit purchased. A member’s career highest fiscal year salary shall include the member’s salary while participating in the State Optional Retirement Program, the Optional Retirement Program for Teachers and School Administrators, or the Optional Retirement Program for Publicly Supported Four‑Year and Postgraduate Institutions of Higher Education if the member has purchased service rendered under any of these programs pursuant to subsection (F) of this section. Periods of less than a year must be prorated.

(E) An active member who has five or more years of earned service credit may establish up to five years of nonqualified service by making ~~a~~ an actuarially neutral payment to the system to be determined by the actuary for the board based on the member’s current age and service credit, but not less than thirty‑five percent of the member’s current salary or career highest fiscal year salary, whichever is greater, for each year of credit purchased. A member’s career highest fiscal year salary shall include the member’s salary while participating in the State Optional Retirement Program, the Optional Retirement Program for Teachers and School Administrators, or the Optional Retirement Program for Publicly Supported Four‑Year and Postgraduate Institutions of Higher Education if the member has purchased service rendered under any of these programs pursuant to subsection (F) of this section. Periods of less than a year must be prorated.

(F) An active member may establish service credit for any period of service in which the member participated in the State Optional Retirement Program, the Optional Retirement Program for Teachers and School Administrators, or the Optional Retirement Program for Publicly Supported Four‑Year and Postgraduate Institutions of Higher Education, by making ~~a~~ an actuarially neutral payment to the system to be determined by the actuary for the board based on the member’s current age and service credit, but not less than sixteen percent of the member’s current salary or career highest fiscal year salary, whichever is greater, for each year of credit purchased. A member’s career highest fiscal year salary shall include the member’s salary while participating in the system or in the State Optional Retirement Program, the Optional Retirement Program for Teachers and School Administrators, or the Optional Retirement Program for Publicly Supported Four‑Year and Postgraduate Institutions of Higher Education. Periods of less than a year must be prorated. A member may not establish credit for a period of service for which the member also may receive a retirement benefit from another defined benefit retirement plan. A member may not establish service credit under this subsection to the extent such service purchase would violate Section 415 or any other provision of the Internal Revenue Code. Service purchased under this subsection is ‘earned service’ and counts toward the required five or more years of earned service necessary for benefit eligibility. Compensation earned for periods purchased under this subsection while participating in the State Optional Retirement Program, the Optional Retirement Program for Teachers and School Administrators, or the Optional Retirement Program for Publicly Supported Four‑Year and Postgraduate Institutions of Higher Education ~~shall~~ must be treated as earnable compensation and ~~shall~~ must be used in calculating a member’s average final compensation. A member purchasing service under this subsection who has funds invested in a TIAA Traditional account under a TIAA‑CREF Retirement Annuity contract ~~shall be~~ is eligible to make a plan to plan transfer in accordance with the terms of that contract.

(G) An active member who previously withdrew contributions from the system may reestablish the service credited to the member at the time of the withdrawal of contributions by repaying the amount of the contributions previously withdrawn, plus regular interest from the date of the withdrawal to the date of repayment to the system.

(H) An active member establishing retirement credit pursuant to this chapter may establish that credit by means of payroll deducted installment payments. Interest must be paid on the unpaid balance of the amount due at the rate of the prime rate plus two percent a year.

(I) An employer, at its discretion, may pay to the system all or a portion of the cost for an employee’s purchase of service credit under this chapter. Any amounts paid by the employer under this subsection for all purposes must be treated as employer contributions.

(J) Service credit purchased under this section is not ‘earned service’ and does not count toward the required five or more years of earned service necessary for benefit eligibility except:

(1) earned service previously withdrawn and reestablished;

(2) service rendered while participating in the State Optional Retirement Program, the Optional Retirement Program for Teachers and School Administrators, or the Optional Retirement Program for Publicly Supported Four‑Year and Postgraduate Institutions of Higher Education that has been purchased pursuant to subsection (F); or

(3) service earned as a participant in the system, the South Carolina Police Officers Retirement System, the Retirement System for Members of the General Assembly, or the Retirement System for Judges and Solicitors that is transferred to or purchased in the system.

(K) A member may purchase each type of service under this section once each fiscal year.

(L) The board shall promulgate regulations and prescribe rules and policies, as necessary, to implement the service purchase provisions of this chapter.

(M) At retirement, after March 31, 1991, a Class One or Class Two member shall receive credit for not more than ninety days of his unused sick leave from the member’s last employer at no cost to the member. The leave must be credited at a rate where twenty days of unused sick leave equals one month of service. This additional service credit may not be used to qualify for retirement.

(N) An employee drawing workers’ compensation who is on a leave of absence for a limited period may voluntarily contribute on his contractual salary, to be matched by the employer.”

B. Upon approval of this act by the Governor, this section takes effect January 2, 2013.

SECTION 8. Section 9‑1‑1510 of the 1976 Code, as last amended by Act 1 of 2001, is further amended to read:

“Section 9‑1‑1510. (A) A Class One or Class Two member may retire upon written application to the system setting forth at what time, no more than ninety days before nor more than six months after the execution and filing of the application, the member desires to be retired, if the member at the time specified for the member’s service retirement has:

(1) five or more years of earned service;

(2) attained the age of sixty years or has twenty‑eight or more years of creditable service; and

(3) separated from service.

(B) A Class Three member may retire upon written application to the system setting forth at what time, no more than ninety days before nor more than six months after the execution and filing of the application, the member desires to be retired, if the member at the time specified for the member’s service retirement has:

(1) eight or more years of earned service;

(2) attained the age of sixty years or satisfied the rule of ninety requirement; and

(3) separated from service.

(C) A member who is an elected official whose annual compensation is less than the earnings limitation pursuant to Section 9‑1‑1790 and who is otherwise eligible for service retirement may retire for purposes of this section without a break in service.”

SECTION 9. Section 9‑1‑1515(A) of the 1976 Code, as last amended by Act 1 of 2001, is further amended to read:

“(A) In addition to other types of retirement provided by this chapter, a Class One or Class Two member may elect early retirement if the member:

(1) has five or more years of earned service;

(2) has attained the age of fifty‑five years;

(3) has at least twenty‑five years of creditable service; and

(4) has separated from service.

A member electing early retirement shall apply in the manner provided in Section 9‑1‑1510.”

SECTION 10. A. Section 9‑1‑1540 of the 1976 Code, as lasted amended by Act 162 of 2010, is further amended to read:

“Section 9‑1‑1540. (A) Upon the application of a member in service or of ~~his~~ the member’s employer that is received by the system before January 1, 2014, a member in service on or after July 1, 1970, who has ~~had five or more years of~~ the earned service required pursuant to Section 9‑1‑1510 for the member’s class, or a contributing member who is disabled as a result of an injury arising out of and in the course of the performance of ~~his~~ the member’s duties regardless of length of membership on or after July 1, 1985, may be retired by the board not less than thirty days and not more than nine months next following the date of filing the application on a disability retirement allowance if the system, after a medical examination of the member, certifies that the member is mentally or physically incapacitated for the further performance of duty, that the incapacity is likely to be permanent, and that the member should be retired. For purposes of this section, a member is considered to be in service on the date the application is filed if the member is not retired and the last day the member was employed by a covered employer in the system occurred not more than ninety days prior to the date of filing.

The South Carolina Retirement System may contract with the Department of Vocational Rehabilitation to evaluate the medical evidence submitted with the disability application relative to the job being performed and make recommendations to the medical board. The system may approve a disability retirement subject to the member participating in vocational rehabilitation with the Department of Vocational Rehabilitation. Upon determination by the department that a member retired on disability is able to reenter the job market and work is available, the retirement system may adjust the benefit paid by the system in accordance with Sections 9‑1‑1580, 9‑1‑1590, 9‑9‑60, and 9‑11‑90.

(B)(1) Upon the application of a member in service or of the member’s employer received by the system after December 31, 2013, a member in service who has the earned service required for the member’s class pursuant to Section 9‑1‑1510, or who is disabled as a result of an injury arising out of and in the course of the performance of the member’s duties regardless of length of membership, may be retired by the board if the member is determined to be disabled pursuant to subsection (B)(2) of this section. For purposes of this section, a member is considered to be in service on the date the application is filed if the last day the member was employed by a covered employer in the system occurred not more than ninety days before the date of filing and, if the member has retired on a service retirement allowance, the member’s date of retirement occurred not more than ninety days before the date of filing.

(2) A member whose application for disability retirement benefits was received by the system after December 31, 2013, is considered disabled if the member qualifies for the payment of Social Security disability benefits and is eligible for benefits pursuant to this section upon proof of the disability, provided that the date of disability established by the Social Security Administration falls within one year after the last day the member was employed by a covered employer in the system. The member shall submit to the retirement system the Social Security Award Notice certifying the date of entitlement for disability benefits as issued by the Social Security Administration. Upon final approval by the system, disability benefits become effective on the date of entitlement as established by the Social Security Administration or the day after the member’s last day on the payroll of a covered employer, whichever is later.”

B. Section 9‑1‑1560 of the 1976 Code, as last amended by Act 166 of 1993, is further amended to read:

“Section 9‑1‑1560. (A) Except as provided in subsection (E) of this section, upon retirement for disability on or after July 1, 1976, a Class One member shall receive a service retirement allowance if he has attained the age of sixty‑five years. Otherwise he shall receive a disability retirement allowance which shall be computed as follows:

(1) Such allowance shall be equal to the service retirement allowance which would have been payable had he continued in service to age sixty‑five based on the average final compensation, minus the actuarial equivalent of the contribution the member would have made during such continued service, with an interest rate of four percent per annum.

(2) Notwithstanding the foregoing provisions, any Class One member whose creditable service commenced prior to July 1, 1976, shall receive not less than the benefit which would have been provided by the provisions of this section in effect immediately prior to July 1, 1976.

(B) Except as provided in subsection (E) of this section, upon retirement for disability on or after May 19, 1973, a Class Two member shall receive a service retirement allowance if he has attained the age of sixty‑five years. Otherwise he shall receive a disability retirement allowance which shall be computed as follows:

(1) Such allowance shall be equal to the service retirement allowance which would have been payable had he continued in service to age sixty‑five based on the average final compensation, minus the actuarial equivalent of the contribution the member would have made during such continued service, with an interest rate of four percent per annum.

(2) Notwithstanding the foregoing provisions, any Class Two member whose creditable service commenced prior to July 1, 1964, shall receive not less than the benefit provided by subsection (A) of this section.

(C) Except as provided in subsection (E) of this section, employees retired on disability subsequent to July 1, 1982, must have their benefits recalculated in accordance with the provisions of item (1) of subsection (A) and item (2) of subsection (B). (D) Notwithstanding any other provision of this section, upon retirement for disability after October 15, 1992, at any age, a member must receive a disability retirement allowance equal to at least fifteen percent of his average final compensation.

(E)(1) Upon retirement for disability based on an application for disability benefits received by the system after December 31, 2013, a Class One member shall receive a disability retirement allowance equal to one and forty‑five hundredths percent of his average final compensation multiplied by the number of years of his creditable service as of the date of retirement, without reduction because of commencement before the normal retirement date.

(2) Upon retirement for disability based on an application for disability benefits received by the system after December 31, 2013, a Class Two or Class Three member shall receive a disability retirement allowance equal to one and eighty‑two hundredths percent of his average final compensation, multiplied by the number of years of his creditable service as of the date of retirement, without reduction because of commencement before the normal retirement date.”

C. Section 9‑1‑1570 of the 1976 Code is amended to read:

“Section 9‑1‑1570. (A) Once each year during the first five years following the retirement of a member on a disability retirement allowance and once in every three‑year period thereafter the board may, and upon his application, require any disability beneficiary who has not yet attained the age of sixty‑five years to undergo a medical examination to be made at the place of residence of the beneficiary or other place mutually agreed upon by a physician designated by the board. ~~Should~~ If any disability beneficiary who has not yet attained the age of sixty‑five years ~~refuse~~ refuses to submit to at least one medical examination in any such year by a physician designated by the board ~~his~~ the member’s disability retirement allowance may be discontinued until ~~his~~ the member’s withdrawal of refusal and ~~should his~~ if the member’s refusal ~~continue~~ continues for one year, all ~~his~~ the member’s rights in and to ~~his~~ the member’s disability retirement allowance may be revoked by the board.

(B) A member who is retired on a disability retirement allowance based upon an application received by the system after December 31, 2013, and who has not yet attained the age of sixty‑five years annually shall provide proof to the system that the member remains qualified for the receipt of Social Security disability benefits within thirty days of the anniversary of his retirement date. A member’s disability retirement allowance ceases upon a determination by the Social Security Administration that the member is no longer entitled to Social Security disability benefits for any reason. If any disability beneficiary who has not yet attained the age of sixty‑five years refuses to provide proof of disability required by the board, the member’s disability retirement allowance must be discontinued until the member provides such proof. If a member’s refusal to provide proof that the member remains qualified for Social Security disability benefits continues for one year, all of the member’s rights in and to the member’s disability retirement allowance pursuant to Section 9‑1‑1540 may be revoked by the board.”

SECTION 11. Section 9‑1‑1550 of the 1976 Code, as last amended by Act 1 of 2001, is further amended by adding a new subsection at the end to read:

“(C) Upon retirement from service after June 30, 2012, a Class Three member shall receive a service retirement allowance computed as follows:

(1) If the member’s service retirement date occurs on or after his sixty‑fifth birthday or if the member has satisfied the rule of ninety requirement, the allowance must be equal to one and eighty‑two hundredths percent of the member’s average final compensation, multiplied by the number of years of the member’s creditable service.

(2) If the member’s service retirement date occurs before his sixty‑fifth birthday and before he satisfies the rule of ninety requirement the member’s service retirement allowance is computed as in item (1) of this subsection but is reduced by five‑twelfths of one percent thereof for each month, prorated for periods less than a month, by which his retirement date precedes the first day of the month coincident with or next following his sixty‑fifth birthday.”

SECTION 12. The first undesignated paragraph of Section 9‑1‑1650 of the 1976 Code, as last amended by Act 387 of 2000, is further amended to read:

“If a member ceases to be a teacher or employee except by death or retirement, the member must be paid within six months after the member’s demand for payment, but not less than ninety days after ceasing to be a teacher or employee, the sum of the member’s contributions and the accumulated regular interest on the contributions. If the member has five or more years of earned service or eight or more years of such service for a Class Three member, and before the time the member’s membership would otherwise terminate, elects to leave these contributions in the system, the member, unless these contributions are paid to him as provided by this section before the attainment of age sixty, remains a member of the system and is entitled to receive a deferred retirement allowance beginning at age sixty computed as a service retirement allowance in accordance with Section 9‑1‑1550(A) or (B) for Class One and Class Two members and Section 9‑1‑1550(C) for Class Three members. The employee annuity must be the actuarial equivalent at age sixty of the member’s contributions with the interest credits on the contributions, if any, as allowed by the board. If a member dies before retirement, the amount of the member’s accumulated contributions must be paid to the member’s estate or to the person the member nominated by written designation, duly acknowledged and filed with the board.”

SECTION 13. Section 9‑1‑1660(A) of the 1976 Code, as last amended by Act 387 of 2000, is further amended to read:

“(A) The person nominated by a member to receive the full amount of the member’s accumulated contributions if the member dies before retirement may, if the member:

(1) has five or more years of earned service or eight or more years of such service for a Class Three member;

(2) dies while in service; and

(3) has either attained the age of sixty years or has accumulated fifteen years or more of creditable service, elect to receive in lieu of the accumulated contributions an allowance for life in the same amount as if the deceased member had retired at the time of the member’s death and had named the person as beneficiary under an election of Option B of Section 9‑1‑1620(A).

For purposes of the benefit calculation, a member ~~under age sixty with less than twenty‑eight years’ credit~~ who is not yet eligible for service retirement is assumed to be sixty years of age.”

SECTION 14. A. Section 9‑1‑1790(A) of the 1976 Code, as last amended by Act 153 of 2005, is further amended to read:

“(A)(1) A retired member of the system who has been retired for at least ~~fifteen~~ thirty consecutive calendar days may be hired and return to employment covered by this system or any other system provided in this title and earn up to ten thousand dollars without affecting the monthly retirement allowance ~~he~~ the member is receiving from the system. If the retired member continues in service after earning ten thousand dollars in a calendar year, the member’s allowance must be discontinued during his period of service in the remainder of the calendar year. If the employment continues for at least forty‑eight consecutive months, the provisions of Section 9‑1‑1590 apply. If a retired member of the system returns to employment covered by this system or any other system provided in this title sooner than ~~fifteen~~ thirty days after retirement, the member’s retirement allowance is suspended while the member remains employed by the participating employer. If an employer fails to notify the system of the engagement of a retired member to perform services, the employer shall reimburse the system for all benefits wrongly paid to the retired member.

(2) The earnings limitation imposed pursuant to this item does not apply if the member meets at least one of the following qualifications:

(a) the member retired before January 2, 2013;

(b) the member has attained the age of sixty‑two years at retirement; or

(c) compensation received by the retired member from the covered employer is for service in a public office filled by the appointment of the Governor and with confirmation by the Senate, by appointment or election by the General Assembly, or by election of the qualified electors of the applicable jurisdiction.”

B. Upon approval of this act by the Governor, this section takes effect January 2, 2013.

SECTION 15. Section 9‑1‑2210 of the 1976 Code, as last amended by Act 112 of 2007, is further amended by adding a new subsection at the end to read:

“(J) Notwithstanding any other provision of this section, a member who begins participation after June 30, 2012, shall end his participation no later than the fifth anniversary of the date the member commenced participation in the program, or June 30, 2018, whichever is earlier. A member’s participation may not continue after June 30, 2018, under any circumstance.”

SECTION 16. Section 9‑1‑1810 of the 1976 Code is repealed. Section 9‑1‑2210 of the 1976 Code is repealed effective July 1, 2018, for all purposes except the distribution of program accounts existing on that date.

Part II

Retirement System for Members of the General Assembly

of the State of South Carolina

SECTION 17. Chapter 9, Title 9 of the 1976 Code is amended by adding:

“Section 9‑9‑5.(A) Notwithstanding any other provision of law, the Retirement System for Members of the General Assembly of the State of South Carolina (GARS) established pursuant to this chapter is closed to nonmembers and persons who otherwise would have been required or eligible to become members of GARS, instead shall join the South Carolina Retirement System or the State Optional Retirement Program in the manner provided by law.

(B) For purposes of this section, a ‘nonmember’ is an individual first elected to serve in the General Assembly at or after the general election of 2012.

(C) Nothing in this section may be construed to alter or otherwise diminish the rights of persons who are active contributing members or special contributing members of the Retirement System for Members of the General Assembly of the State of South Carolina or who are retired members of that system or who are beneficiaries of deceased members of that system.”

SECTION 18. Section 9‑9‑120(2) of the 1976 Code is amended to read:

“(2) Each member of the System shall contribute ~~ten~~ eleven percent of earnable compensation in each calendar year, up to twenty‑two years of credited service, commencing with the calendar year ~~1976~~ 2013. Such contributions shall be made through payroll deductions in the case of members of the General Assembly or through direct remittance by contributing special members as set forth in Item (2)(ii) of Section 9‑9‑ 40. The twenty‑two year limitation provided for in this item shall not apply to any member of the General Assembly during periods of active service.”

Part III

South Carolina Police Officers Retirement System

SECTION 19. A. Article 1, Chapter 11, Title 9 of the 1976 Code is amended by adding:

“Section 9‑11‑312. Effective July 1, 2012, and annually thereafter, the retirement allowance received by retirees and their surviving annuitants pursuant to the provisions of this chapter, inclusive of Section 9‑11‑140 must be increased by the lesser of one percent or five hundred dollars. Only those retirees and their surviving annuitants in receipt of an allowance on July first preceding the effective date of the increase are eligible to receive the increase. Any increase in allowance granted pursuant to this section must be included in the determination of any subsequent increase.”

B. Article 1, Chapter 11, Title 9 of the 1976 Code is amended by adding:

“Section 9‑11‑225. (A) As provided in Sections 9‑11‑210 and 9‑11‑220, the employer and employee contribution rates for the system beginning in Fiscal Year 2012‑2013, expressed as a percentage of earnable compensation, are as follows:

Fiscal Year Employer Contribution Employee

Contribution

2012‑2013 12.30 7.00

2013‑201 4 12.50 7.50

2014‑2015 and after 13.00 8.00

The employer contribution rate set out in this schedule includes contributions for participation in the incidental death benefit plan provided in Sections 9‑11‑120 and 9‑11‑125 and for participation in the accidental death benefit program provided in Section 9‑11‑140. The employer contribution rate for employers that do not participate in these programs must be adjusted accordingly.

(B) After June 30, 2015, the board may increase the percentage rate in employer and employee contributions for the system on the basis of the actuarial valuation, but any such increase may not result in a differential between the employee and employer contribution rate for that system that exceeds 5.00 percent of earnable compensation. An increase in the contribution rate adopted by the board pursuant to this section may not provide for an increase in an amount of more than one‑half of one percent of earnable compensation in any one year.

(C) If the scheduled employer and employee contributions provided in subsection (A), or the rates last adopted by the board pursuant to subsection (B), are insufficient to maintain a thirty year amortization schedule for the unfunded liabilities of the system, then the board shall increase the contribution rate as provided in subsection (A) or as last adopted by the board in equal percentage amounts for employer and employee contributions as necessary to maintain an amortization schedule of no more than thirty years. Such adjustments may be made without regard to the annual limit increase of one‑half percent of earnable compensation provided pursuant to subsection (B), but the differential in the employer and employee contribution rates provided in subsection (A) or subsection (B), as applicable, of this section must be maintained at the rate provided in the schedule for the applicable fiscal year.

(D)(1) After June 30, 2015, if the most recent annual actuarial valuation of the system shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than ninety percent, then the board, effective on the following July first, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than ninety percent. Any decrease in contribution rates must maintain the 5.0 percent differential between employer and employee contribution rates provided pursuant to subsection (B) of this section.

(2) If contribution rates are decreased pursuant to item (1) of this subsection and the most recent annual actuarial valuation of the system shows a funded ratio of less than ninety percent, then effective on the following July first, and annually thereafter as necessary, the board shall increase the then current contribution rates as provided pursuant to subsection (B) of this section until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than ninety percent.

SECTION 20. A. Section 9‑11‑10(7) of the 1976 Code, as last amended by Act 387 of 2000, is further amended to read:

“(7)(a) ‘Average final compensation’ after July 1, 1986, for Class One and Class Two members means the average annual compensation of a member during the twelve consecutive quarters of the member’s creditable service on which regular contributions as a member were made to the system producing the highest average; a quarter means a period January through March, April through June, July through September, or October through December. An amount up to and including forty‑five days’ termination pay for unused annual leave at retirement may be added to the average final compensation. Average final compensation for an elected official may be calculated as the average annual earnable compensation for the thirty‑six consecutive months ~~prior to~~ before the expiration of his term of office.

(b) ‘Average final compensation’ for Class Three members means the average annual earnable compensation of a member during the twenty consecutive quarters of the member’s creditable service on which regular contributions as a member were made to the system producing the highest such average; a quarter means a period January through March, April through June, July through September, or October through December. Termination pay for unused annual leave at retirement may not be added to the average final compensation.”

B. Section 9‑11‑10 of the 1976 Code, as last amended by Act 153 of 2005, is further amended by adding a new item after item (11) to read:

“(11A) ‘Class Three member’ means an employee member of the system with an effective date of membership after June 30, 2012.”

SECTION 21. A. Section 9‑11‑50 of the 1976 Code, as last amended by Act 311 of 2008, is further amended to read:

“Section 9‑11‑50 (A) An active member may establish service credit for any period of paid public service by making ~~a~~ an actuarially neutral payment to the system to be determined by the actuary for the board, based on the member’s current age and service credit, ~~board,~~ but not less than sixteen percent of the member’s current salary or career highest fiscal year salary, whichever is greater, for each year of credit purchased. Periods of less than a year must be prorated. A member may not establish credit for a period of public service for which the member also may receive a retirement benefit from another defined benefit retirement plan. A member may not establish service credit for public service to the extent such service purchase would violate Section 415 or any other provision of the Internal Revenue Code.

(B) An active member may establish service credit for any period of paid educational service by making ~~a~~ an actuarially neutral payment to the system to be determined by the actuary for the board, based on the member’s current age and service credit, ~~board,~~ but not less than sixteen percent of the member’s current salary or career highest fiscal year salary, whichever is greater, for each year of credit purchased. Periods of less than a year must be prorated. A member may not establish credit for a period of educational service for which the member also may receive a retirement benefit from another defined benefit retirement plan. A member may not establish service credit for educational service to the extent such service purchase would violate Section 415 or any other provision of the Internal Revenue Code.

(C) An active member may establish up to six years of service credit for any period of military service, if the member was discharged or separated from military service under conditions other than dishonorable, by making ~~a~~ an actuarially neutral payment to the system to be determined by the actuary for the board, based on the member’s current age and service credit, ~~board,~~ but not less than sixteen percent of the member’s current salary or career highest fiscal year salary, whichever is greater, for each year of credit purchased. Periods of less than a year must be prorated.

(D) An active member on an approved leave of absence from an employer that participates in the system who returns to covered employment within four years may purchase service credit for the period of the approved leave, but may not purchase more than two years of service credit for each separate leave period, by making ~~a~~ an actuarially neutral payment to the system to be determined by the actuary for the board, based on the member’s current age and service credit, ~~board,~~ but not less than sixteen percent of the member’s current salary or career highest fiscal year salary, whichever is greater, for each year of credit purchased. Periods of less than a year must be prorated.

(E) An active member who has five or more years of earned service credit may establish up to five years of nonqualified service by making ~~a~~ an actuarially neutral payment to the system to be determined by the actuary for the board, based on the member’s current age and service credit ~~board,~~ but not less than thirty‑five percent of the member’s current salary or career highest fiscal year salary, whichever is greater, for each year of credit purchased. Periods of less than a year must be prorated.

(F) An active member may establish service credit for any period of service in which the member participated in the State Optional Retirement Program, the Optional Retirement Program for Teachers and School Administrators, or the Optional Retirement Program for Publicly Supported Four‑Year and Postgraduate Institutions of Higher Education, by making ~~a~~ an actuarially neutral payment to the system to be determined by the actuary for the board, based on the member’s current age and service credit, ~~board,~~ but not less than sixteen percent of the member’s current salary or career highest fiscal year salary, whichever is greater, for each year of credit purchased. Periods of less than a year must be prorated. A member may not establish credit for a period of service for which the member also may receive a retirement benefit from another defined benefit retirement plan. A member may not establish service credit under this subsection to the extent such service purchase would violate Section 415 or any other provision of the Internal Revenue Code. Service purchased under this subsection is ‘earned service’ and counts toward the required five or more years of earned service necessary for benefit eligibility. Compensation earned while participating in the State Optional Retirement Program, the Optional Retirement Program for Teachers and School Administrators, or the Optional Retirement Program for Publicly Supported Four‑Year and Postgraduate Institutions of Higher Education is not earnable compensation under the system and shall not be used in calculating a member’s average final compensation. A member purchasing service under this subsection who has funds invested in a TIAA Traditional account under a TIAA‑CREF Retirement Annuity contract shall be eligible to make a plan to plan transfer in accordance with the terms of that contract.

(G) An active member who previously withdrew contributions from the system may reestablish the service credited to the member at the time of the withdrawal of contributions by repaying the amount of the contributions previously withdrawn, plus regular interest from the date of the withdrawal to the date of repayment to the system.

(H) An active member establishing retirement credit pursuant to this chapter may establish that credit by means of payroll deducted installment payments. Interest must be paid on the unpaid balance of the amount due at the rate of the prime rate plus two percent a year.

(I) An employer, at its discretion, may pay to the system all or a portion of the cost for an employee’s purchase of service credit under this chapter. Amounts paid by the employer under this subsection for all purposes must be treated as employer contributions.

(J) Service credit purchased under this section is not ‘earned service’ and does not count toward the required five or more years of earned service necessary for benefit eligibility except:

(1) earned service previously withdrawn and reestablished;

(2) service rendered while participating in the State Optional Retirement Program, the Optional Retirement Program for Teachers and School Administrators, or the Optional Retirement Program for Publicly Supported Four‑Year and Postgraduate Institutions of Higher Education that has been purchased pursuant to subsection (F); or

(3) service earned as a participant in the system, the South Carolina Retirement System, the Retirement System for Members of the General Assembly, or the Retirement System for Judges and Solicitors that is transferred to or purchased in the system.

(K) A member may purchase each type of service under this section once each fiscal year.

(L) At retirement, after March 31, 1991, a Class One or Class Two member shall receive credit for not more than ninety days of his unused sick leave from the member’s last employer at no cost to the member. The leave must be credited at a rate where twenty days of unused sick leave equals one month of service. This additional service credit may not be used to qualify for retirement.

(M) The board shall promulgate regulations and prescribe rules and policies, as necessary, to implement the service purchase provisions of this chapter.

(N) An employee drawing workers’ compensation who is on a leave of absence for a limited period may voluntarily contribute on his contractual salary, to be matched by the employer.”

B. Upon approval of this act by the Governor, this section takes effect January 2, 2013.

SECTION 22. Section 9‑11‑60 of the 1976 Code, as last amended by Act 387 of 2001, is further amended to read:

“Section 9‑11‑60.(1) A member may retire upon written application to the system setting forth at what time, no more than ninety days before nor more than six months after the execution and filing of the application, the member desires to be retired, if the member at the time specified for the member’s service retirement has:

(a) five or more years of earned service or eight or more years of such service for a Class Three member;

(b) attained the age of fifty‑five years or has twenty‑five or more years of credited service, or twenty‑seven or more years of such service for a Class Three member; and

(c) separated from service.

(2) Upon service retirement on or after July 1, 1989, the member shall receive a service retirement allowance which is equal to the sum of (a), (b), and (c) below:

(a) a monthly retirement allowance equal to ten dollars and ninety‑seven cents multiplied by the number of years of his Class One service;

(b) a monthly retirement allowance equal to one‑twelfth of two and fourteen hundredths percent of his average final compensation multiplied by the number of years of his Class Two or Class Three service;

(c) an additional monthly retirement allowance which is the actuarial equivalent of the member’s accumulated additional contributions.

The sum of the retirement allowances computed under (a) and (b) above may not be less than the allowance which would have been provided under (a) if all of the member’s credited service were Class One service. For a police officer who became a member before July 1, 1974, and who was a participant in the Supplemental Allowance Program, the portion of his service retirement allowance not provided by his accumulated contributions may not be less than it would have been if the provisions of the System in effect on June 30, 1974, had continued in effect until his date of retirement.

~~(3)~~ ~~Reserved.~~”

SECTION 23. Section 9‑11‑120(F) of the 1976 Code, as last amended by Act 176 of 2010, is further amended to read:

“(F) Upon the death of a retired member on or after July 1, 2000, there must be paid to the designated beneficiary or beneficiaries, if living at the time of the retired member’s death, otherwise to the retired member’s estate, a benefit of two thousand dollars if the retired member had ten years of creditable service but less than twenty years, four thousand dollars if the retired member had twenty years of creditable service but less than twenty‑five or less than twenty‑seven for a Class Three member, and six thousand dollars if the retired member had at least twenty‑five years of creditable service or at least twenty‑seven years of such service for a Class Three member, at the time of retirement, if the retired member’s most recent employer ~~prior to~~ before retirement is covered by the preretirement death benefit program.”

SECTION 24. Section 9‑11‑80 of the 1976 Code, as last amended by Act 162 of 2010, is further amended to read:

“Section 9‑11‑80.(1) On the application of a member in service or the member’s employer, a member who has ~~five or more completed~~ the years of earned service required for the member’s class pursuant to Section 9‑11‑60(1) or any contributing member who is disabled as a result of an injury arising out of and in the course of the performance of the member’s duties regardless of length of membership, may be retired by the retirement board not less than thirty days and not more than nine months next following the date of filing the application on a disability retirement allowance if the system, after a medical examination of the member, certifies that the member is mentally or physically incapacitated for the further performance of duty, that the incapacity is likely to be permanent, and that the member should be retired. For purposes of this section, a member is considered to be in service on the date the application is filed if the member is not retired and the last day the member was employed by a covered employer in the system occurred not more than ninety days ~~prior to~~ before the date of filing.

The South Carolina Retirement System may contract with the Department of Vocational Rehabilitation to evaluate the medical evidence submitted with the disability application relative to the job being performed and make recommendations to the system. The system may approve a disability retirement subject to the member participating in vocational rehabilitation with the Department of Vocational Rehabilitation. Upon determination by the department that a member retired on disability is able to reenter the job market and work is available, the retirement system may adjust the benefit paid by the system in accordance with Sections 9‑1‑1580, 9‑1‑1590, 9‑9‑60, and 9‑11‑90.

(2)(A) Upon disability retirement based upon an application received by the system before January 1, 2014, the member shall receive a disability retirement allowance which shall be equal to a service retirement allowance computed on the basis of his average final compensation, his years of credited service and his accumulated additional contributions at the date of his disability retirement; provided, however, that, at disability retirement, his disability retirement allowance shall be determined on the basis of the number of years of credited service the member would have completed had he remained in service until attaining age fifty‑five and on the basis of the average final compensation. For the purpose of calculating the disability retirement allowance, the additional credited service so determined shall be either Class One service or Class Two service depending upon the classification of the member at time of retirement.

(B) Upon disability retirement based upon an application received by the system after December 31, 2013, the member shall receive a disability retirement allowance which is equal to a service retirement allowance computed on the basis of the member’s average final compensation, the member’s years of credited service, and the member’s accumulated additional contributions at the date of the member’s disability retirement. However, at disability retirement, the member’s disability retirement allowance must be determined on the basis of the member’s average final compensation at retirement and on the basis of the number of years of credited service the member would have completed had the member remained in service until attaining age fifty‑five or until attaining twenty‑five years of credited service, whichever is less. For the purpose of calculating the disability retirement allowance, the additional credited service so determined must be either Class One service or Class Two service depending upon the classification of the member at time of retirement.

(3)(A) Once each year during the first five years following the retirement of a member on a disability retirement allowance, and once in every three‑year period thereafter, the Board may require any disability beneficiary who has not yet attained the age of fifty‑five years to undergo a medical examination, such examination to be made at the place of residence of the beneficiary or other place mutually agreed upon, by the system. ~~Should any~~ If a disability beneficiary who has not yet attained the age of fifty‑five years ~~refuse~~ refuses to submit to any such medical examination, ~~his~~ the member’s retirement allowance may be discontinued until ~~his~~ the member’s withdrawal of such refusal, and ~~should his~~ if the refusal ~~continue~~ continues for one year, all ~~his~~ the member’s rights in and to ~~his~~ the member’s retirement allowance may be revoked, but upon revocation any unexpended portion of ~~his~~ the member’s accumulated contributions to date of retirement shall be returned to ~~him~~ the member.

(B) To continue to receive a disability retirement allowance, a member who is retired on a disability retirement allowance based upon an application received by the system after December 31, 2013, and who has not yet attained the age of fifty‑five years shall provide proof to the system that the member is qualified for the receipt of Social Security disability benefits. This proof must be submitted to the system within thirty days of the third anniversary of the member’s disability retirement date and within thirty days of each anniversary thereafter. A member’s disability retirement allowance ceases upon a determination by the Social Security Administration that the member is no longer entitled to Social Security disability benefits for any reason. If any disability beneficiary who has not yet attained the age of fifty‑five years refuses to provide proof of disability required by the board, his disability retirement allowance must be discontinued until the member provides such proof. If a member’s refusal to provide proof that the member remains qualified for Social Security disability benefits continues for one year, all of the member’s rights in and to the member’s disability retirement allowance pursuant to this section may be revoked by the board.

(4) If the system certifies that the member’s disability has been removed and that ~~he~~ the member has regained ~~his~~ earning capacity, ~~his~~ the member’s disability retirement allowance may be discontinued, or if the disability has been partly removed and ~~his~~ the member’s earning capacity regained in part, the disability retirement allowance may be reduced proportionately as provided pursuant to Section 9‑1‑1580. The determination of the board as to any disputed question, after due consideration accorded to the member, is conclusive. ~~Should~~ If the retirement allowance of any member retired for disability ~~be~~ is discontinued or reduced, and ~~should he~~ if the member again ~~suffer~~ suffers disability within five years of the date of ~~his~~ the member’s recovery and again ~~lose his~~ loses earning capacity, ~~he shall be~~ the member is entitled to apply to the board for a restoration of ~~his~~ the original retirement allowance, and the board may restore all or part of ~~his~~ the member’s original retirement allowance. At the expiration of the five‑year period, if the retirement allowance has not been restored, all rights in and to the member’s disability retirement allowance are revoked. The member then is entitled to a deferred early retirement allowance as provided in Section 9‑11‑70 based upon ~~his~~ the member’s average final compensation and credited service at ~~his~~ the member’s date of disability retirement.

(5) After age fifty‑five, a disability retiree is subject to the same earnings limitation as a service retiree.

(6) Notwithstanding any other provision of this section, upon retirement for disability after October 15, 1992, at any age, a member must receive a disability retirement allowance equal to at least fifteen percent of his average final compensation.”

SECTION 25. A. Section 9‑11‑90(4)(a) of the 1976 Code, as last amended by Act 356 of 2002, is further amended to read:

“(a)(i) Notwithstanding the provisions of subsections (1) and (2) of this section, a retired member of the system who has been retired for at least ~~fifteen~~ thirty consecutive calendar days may be hired and return to employment covered by this system or any system provided in this title and may earn up to ten thousand dollars without affecting the monthly retirement allowance ~~he~~ the member is receiving from this system. If the retired member continues in service after having earned ten thousand dollars in a calendar year, the member’s retirement allowance must be discontinued during the member’s period of service in the remainder of the calendar year. If the employment continues for at least forty‑eight consecutive months, the provisions of Section 9‑11‑90(3) apply. If a retired member of the system returns to employment covered by the South Carolina Police Officers Retirement System or any other system provided in this title sooner than ~~fifteen~~ thirty consecutive calendar days after retirement, the member’s retirement allowance is suspended while the member remains employed by a participating employer of any of these systems. If an employer fails to notify the system of the engagement of a retired member to perform services, the employer shall reimburse the system for all benefits wrongly paid to the retired member.

(ii) The earnings limitation imposed pursuant to this item does not apply if the member meets at least one of the following qualifications:

(A) the member retired before January 2, 2013;

(B) the member has attained the age of fifty‑seven years at retirement; or

(C) compensation received by the retired member from the covered employer is for service in a public office filled by the appointment of the Governor and with confirmation by the Senate, by appointment or election by the General Assembly, or by election of the qualified electors of the applicable jurisdiction.”

B. Upon approval of this act by the Governor, this section takes effect January 2, 2013.

SECTION 26. Section 9‑11‑130(1) of the 1976 Code, as last amended by Act 387 of 2000, is further amended to read:

“(1) The person nominated by a member pursuant to Section 9‑11‑110 to receive a lump sum amount if the member dies before retirement may, if the member:

(a) has five or more years of earned service or eight or more years of such service for a Class Three member;

(b) dies in service; and

(c) has either attained age fifty‑five or has accumulated fifteen years of creditable service, elect to receive in lieu of the lump sum amount otherwise payable under Section 9‑11‑110(1)(a) an allowance for life in the same amount as if the deceased member had retired at the time of his death and had named the person as beneficiary under an election of Option B ~~under~~ pursuant to Section 9‑11‑150(A).

For purposes of the benefit calculation, a member ~~under age fifty with less than twenty‑five years’ credit~~ who is not yet eligible for service retirement is assumed to be ~~fifty~~ fifty‑five years of age.”

SECTION 27. Subsections (1) and (12) of Section 9‑11‑210 of the 1976 Code, as last amended by Act 424 of 1988 and Act 14 of 2005, respectively, are further amended to read:

“(1) Each Class One member shall contribute to the system twenty‑one dollars a month during his service after becoming a member. Each Class Two and Class Three member shall contribute to the system ~~six and one‑half percent of his compensation~~ a percentage of the member’s earnable compensation as provided pursuant to Section 9‑11‑225.

(12) Payments for unused sick leave, single special payments at retirement, bonus and incentive‑type payments, or any other payments not considered a part of the regular salary base are not compensation for which contributions are deductible. This item does not apply to bonus payments paid to certain categories of employees annually during their work careers. Bonus or special payments applied only during the ‘Average Final Compensation’ period are excluded as compensation. Not including Class Three members, contributions are deductible on up to and including forty‑five days’ termination pay for unused annual leave. If a member has received termination pay for unused annual leave on more than one occasion, contributions are deductible on up to and including forty‑five days’ termination pay for unused annual leave for each termination payment for unused annual leave received by the member. However, only an amount up to and including forty‑five days’ pay for unused annual leave from the member’s last termination payment shall be included in a member’s average final compensation calculation for members eligible to have unused annual leave included in that calculation.”

SECTION 28. Section 9‑11‑220(1) of the 1976 Code is amended to read:

“(1) Commencing as of July 1, 1974, each employer shall contribute to the system seven and one‑half percent of the compensation of Class One members in its employ and ~~ten percent of compensation of Class Two members in its employ. Such rates of contribution shall be subject to adjustment from time to time on the basis of the annual actuarial valuations of the System~~ a percentage of compensation for all other members in its employ as provided pursuant to Section 9‑11‑225.”

SECTION 29. Sections 9‑11‑70, 9‑11‑75, and 9‑11‑310 of the 1976 Code are repealed.

Part IV

Subpart 1

South Carolina Public Employee Benefit Authority

SECTION 30. A. Title 9 of the 1976 Code is amended by adding:

“CHAPTER 4

South Carolina Public Employee Benefit Authority

Article 1

General Provisions

Section 9‑4‑10. (A) Effective July 1, 2012, there is created the South Carolina Public Employee Benefit Authority. The governing body of the authority is a board of directors consisting of eleven members. The functions of the authority must be performed, exercised, and discharged under the supervision and direction of the board of directors.

(B)(1) The board is composed of:

(a) three nonrepresentative members appointed by the Governor;

(b) two members appointed by the President Pro Tempore of the Senate, one a nonrepresentative member and one a representative member who is either an active or retired member of SCPORS;

(c) two members appointed by the Chairman of the Senate Finance Committee, one a nonrepresentative member and one a representative member who is a retired member of SCRS;

(d) two members appointed by the Speaker of the House of Representatives, one a nonrepresentative member and one a representative member who must be a state employee who is an active contributing member of SCRS;

(e) two members appointed by the Chairman of the House Ways and Means Committee, one a nonrepresentative member and one a representative member who is an active contributing member of SCRS employed by a public school district.

(2) For purposes of the appointments provided by this section, a nonrepresentative member may not belong those classes of employees and retirees from whom representative members must be appointed.

(C)(1) A nonrepresentative member may not be appointed to the board unless the person possesses at least one of the following qualifications:

(a) at least twelve years of professional experience in the financial management of pensions or insurance plans;

(b) at least twelve years academic experience and holds a bachelor’s or higher degree from a college or university as classified by the Carnegie Foundation;

(c) at least twelve years of professional experience as a certified public accountant with financial management, pension, or insurance audit expertise;

(d) at least twelve years as a Certified Financial Planner credentialed by the Certified Financial Planner Board of Standards; or

(e) at least twelve years membership in the South Carolina Bar and extensive experience in one or more of the following areas of law:

(i) taxation;

(ii) insurance;

(iii) health care;

(iv) securities;

(v) corporate;

(vi) finance; or

(vii) the Employment Retirement Income Security Act

(ERISA).

(2) A representative member may not be appointed to the board unless the person:

(a) possesses one of the qualifications set forth in item (1); or

(b) has at least twelve years of public employment experience and holds a bachelor’s degree from a college or university as classified by the Carnegie Foundation.

(D) Members of the board shall serve for terms of two years and until their successors are appointed and qualify. Vacancies must be filled within sixty days in the manner of original appointment for the unexpired portion of the term. Terms commence on July first of even numbered years. Upon a member’s appointment, the appointing official shall certify to the Secretary of State that the appointee meets or exceeds the qualifications set forth in subsections (B) and (C). No person appointed may qualify unless he first certifies that he meets or exceeds the qualifications applicable for their appointment. A member serves at the pleasure of the member’s appointing authority.

(E) The members shall select a nonrepresentative member to serve as chairman and shall select those other officers they determine necessary. Subject to the qualifications for chairman provided in this section, members may set their own policy related to the rotation of the selection of a chairman of the board.

(F)(1) Each member must receive an annual salary of twelve thousand dollars. This compensation must be paid from approved accounts of general funds and retirement system funds based on the proportionate amount of time the board devotes to its various functions. Members may receive the mileage and subsistence authorized by law for members of state boards, commissions, and committees paid from approved accounts funded by general funds and retirement system funds in the proportion that compensation is paid.

(2) Notwithstanding any other provision of law, membership on the board does not make a member eligible to participate in a retirement system administered pursuant to this title and does not make a member eligible to participate in the employee insurance program administered pursuant to Article 5, Chapter 11, Title 1. Any compensation paid on account of the member’s service on the board is not considered earnable compensation for purposes of any state retirement system.

(G) Minimally, the board shall meet monthly. If the chairman considers it more effective, the board may meet by teleconferencing or video conferencing. However, if the agenda of the meeting consists of items that are not exempt from disclosure or the meeting may not be closed to the public pursuant to Chapter 4, Title 30, the provisions of Chapter 4, Title 30 apply, and the meeting must be open to the public.

(H) Effective July 1, 2012, the following offices, divisions, or components of the State Budget and Control Board are transferred to, and incorporated into, an administrative agency of state government to be known as the South Carolina Public Employee Benefit Authority:

(1) Employee Insurance Program; and

(2) The Retirement Division.

Section 9‑4‑15. RESERVED

Section 9‑4‑20. RESERVED

Section 9‑4‑30. (A)(1) The South Carolina Public Employee Benefit Authority shall operate a retirement division to administer the various retirement systems and retirement programs pursuant to Title 9 and, effective after December 31, 2013, to administer the deferred compensation program pursuant to Chapter 23, Title 8.

(2) Expenses incurred by the retirement division in administering, after December 31, 2013, the deferred compensation plans must be reimbursed to the retirement division from funds generated by the deferred compensation plans available to pay for administrative expenses.

(B) The South Carolina Public Employee Benefits Authority shall provide copies of annual actuarial valuations of all retirement systems requiring such annual valuations to the General Assembly by the second Tuesday in January of every year.

Section 9‑4‑40. Each year in the general appropriations act, the General Assembly shall appropriate sufficient funds to the Office of the State Inspector General to employ a private audit firm to perform a fiduciary audit on the South Carolina Public Employee Benefit Authority. The audit firm must be selected by the State Inspector General. The report from the previous fiscal year must be completed by January fifteenth. Upon completion, the report must be submitted to the Governor, the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee.

Section 9‑4‑45. (A) Policy determinations made by the South Carolina Public Benefit Authority are subject to approval by the State Budget and Control Board or its successor, evidenced by a majority vote of the board.

(B) For purposes of this section, policy determination means a determination by law required to be made by the South Carolina Public Benefit Authority in its administration of the Employee Insurance Program relating to coverage changes and premium increases and in its administration of the Retirement Division, actuarial assumptions governing the retirement system and adjustments in employer and employee contributions.

Section 9‑4‑50. (A) The South Carolina Public Employee Benefit Authority shall maintain a transaction register that includes a complete record of all funds expended, from whatever source for whatever purpose. The register must be prominently posted on the authority’s Internet website and made available for public viewing and downloading.

(1)(a) The register must include for each expenditure:

(i) the transaction amount;

(ii) the name of the payee;

(iii) the identification number of the transaction; and

(iv) a description of the expenditure, including the source of funds, a category title, and an object title for the expenditure.

(b) The register must include all reimbursements for expenses, but must not include an entry for:

(i) salary, wages, or other compensation paid to individual employees; and

(ii) retirement benefits, deferred compensation plan distributions, insurance reimbursements, or other payments paid to individual employees, members, or participants, as applicable, pursuant to programs administered by the board.

(c) The register must not include a social security number.

(d) The register must be accompanied by a complete explanation of any codes or acronyms used to identify a payee or an expenditure.

(e) The register may exclude any information that can be used to identify an individual employee or student.

(f) This section does not require the posting of any information that is not required to be disclosed under Chapter 4, Title 30.

(2) The register must be searchable and updated at least once a month. Each monthly register must be maintained on the Internet website for at least three years.

(B) Any information that is expressly prohibited from public disclosure by federal or state law or regulation must be redacted from any posting required by this section.

(C) If the authority has a question or issue relating to technical aspects of complying with the requirements of this section or the disclosure of public information under this section, it shall consult with the Office of the Comptroller General, which may provide guidance to the authority.”

B. This section takes effect July 1, 2012.

Subpart 2

Conforming Amendments for the South Carolina Public Employee Benefit Authority

SECTION 31. Section 1‑11‑703(9) and (10) of the 1976 Code, as added by Act 195 of 2008, is amended to read:

“(9) ‘Board’ means the ~~State Budget and Control Board~~ Board of Directors of the South Carolina Public Employee Benefit Authority.

(10) ‘Employee insurance program’ or ‘EIP’ means the office of the ~~board~~ South Carolina Public Employee Benefit Authority designated by the board to operate insurance programs pursuant to this article.”

SECTION 32. Section 1‑11‑710(A) of the 1976 Code, as last amended by Act 195 of 2008, before the first item, is further amended to read:

“(A) The ~~State Budget and Control Board~~ board shall:”

SECTION 33. Section 1‑11‑720(B) of the 1976 Code is amended to read:

“(B) To be eligible to participate in the state health and dental insurance plans, the entities listed in subsection (A) shall comply with the requirements established by the ~~State Budget and Control Board~~ board, and the benefits provided must be the same benefits provided to state and school district employees. These entities must agree to participate for a minimum of four years and the board may adjust the premiums during the coverage period based on experience. An entity which withdraws from participation may not subsequently rejoin during the first four years after the withdrawal date.”

SECTION 34. Section 1‑11‑725 of the 1976 Code, as added by Act 353 of 2008, is amended to read:

“Section 1‑11‑725. The ~~State Budget and Control Board’s~~ board’s experience rating of all local disabilities and special needs providers pursuant to Section 1‑11‑720(A)(3) must be rated as a single group when rating all optional groups participating in the state employee health insurance program.”

SECTION 35. Section 1‑11‑730(A)(2) of the 1976 Code, as last amended by Act 195 of 2008, is amended to read:

“(2) A member of the General Assembly who leaves office or retires with at least eight years’ credited service in the General Assembly Retirement System is eligible to participate in the state health and dental plans by paying the full premium as determined by the ~~State Budget and Control Board~~ board.”

SECTION 36. Sections 1‑11‑740 and 1‑11‑750 of the 1976 Code are amended to read:

“Section 1‑11‑740. The Division of Insurance Services of the ~~State Budget and Control Board~~ board may develop an optional long‑term care insurance program for active and retired members of the various state retirement systems depending on the availability of a qualified vendor. A program must require members to pay the full insurance premium.

Section 1‑11‑750. The ~~Budget and Control Board~~ board shall devise a method of withholding long‑term care insurance premiums offered under Section 1‑11‑740 for retirees if sufficient enrollment is obtained to make the deductions feasible.”

SECTION 37. Section 1‑11‑770(A) of the 1976 Code, before the first item, is amended to read:

“(A) Subject to appropriations, the General Assembly authorizes the ~~State Budget and Control Board~~ board to plan, develop, and implement a statewide South Carolina 211 Network, which must serve as the single point of coordination for information and referral for health and human services. The objectives for establishing the South Carolina 211 Network are to:”

SECTION 38. A. Sections 8‑23‑20 and 8‑23‑30 of the 1976 Code, as last amended by Act 305 of 2008, are further amended to read:

“Section 8‑23‑20. ~~A Deferred Compensation Commission is established consisting of eight members including the director of the South Carolina Retirement System, chief investment officer of the State Retirement System Investment Commission, and the executive director of the State Employees’ Association, each of whom serve ex officio, and five other public employees to be appointed by the State Budget and Control Board, at least two of whom must be state employees and one must be a retired public employee. The appointed members shall serve for terms of three years and until their successors are appointed and qualify. The State Budget and Control Board shall designate the chairman.~~

The ~~commission~~ Board of Directors of the South Carolina Public Employee Benefit Authority shall establish such rules and regulations as it deems necessary to implement and administer the Deferred Compensation Program. The ~~commission~~ board shall make such administrative appointments and contracts as are necessary to carry out the purpose and intent of this chapter and in the administration of account assets. For purposes of administering this program, an individual account shall be maintained in the name of each employee.

The ~~commission~~ board shall select, through competitive bidding and contracts, plans for purchase of fixed and variable annuities, savings, mutual funds, insurance and such other investments as the ~~commission~~ board may approve which are not in conflict with the State Constitution and with the advice and approval of the State Treasurer.

Costs of administration may be paid from the interest earnings of the funds accrued as a result of deposits or as an assessment against each account.

Section 8‑23‑30. The State or any political subdivision of the State, by contract, may agree with an employee to defer, a portion of his compensation in an amount as provided for in a plan approved by the ~~commission~~ Board of Directors of the South Carolina Public Employee Benefit Authority and subsequently with the consent of the employee may contract for purchase or otherwise procure fixed or variable annuities, savings, mutual funds, insurance, or such other investments as the ~~commission~~ board may approve for the purpose of carrying out the objectives of the program with the advice and approval of the State Treasurer. The investments shall be underwritten and offered in compliance with applicable federal and state laws and regulations by persons who are authorized by the ~~commission~~ board in accordance with the provisions of this chapter.”

B. Section 8‑23‑70 of the 1976 Code is amended to read:

“Section 8‑23‑70.The Deferred Compensation Program established pursuant to this chapter shall be in addition to retirement, pension, or benefit systems established by the State, federal government, or political subdivision and no deferral of income under the Deferred Compensation Program shall affect a reduction of any retirement, pension, social security, or other benefit provided by law. Any sum deferred under the Deferred Compensation Program shall not be subject to taxation until distribution is actually made to the employee.

Nothing contained in this chapter shall be construed to prohibit counties, municipalities, school districts, and other political subdivisions of the State and their employees from participation in deferred compensation plans or programs offered independently of the ~~State Deferred Compensation Commission~~ Board of Directors of the South Carolina Public Employee Benefit Authority by building and loan or savings and loan associations, banks, trust companies, and credit unions chartered by the state or federal governments, and all such political subdivisions shall be empowered with such contractual authority as may be necessary or incident to such participation; provided, however, that (a) such deferred compensation plans or programs shall comply with applicable federal income tax law in providing income deferral, (b) all deferred amounts shall be held in accounts, certificates of deposit, or other forms of savings vehicles which are insured by the Federal Savings and Loan Insurance Corporation in the case of savings and loan associations, the Federal Deposit Insurance Corporation in the case of commercial banks, and the National Credit Union Administration in the case of credit unions.”

C. Section 8‑23‑110 of the 1976 Code, as added by Act 387 of 2000, is amended to read:

“Section 8‑23‑110. (A) The ~~commission~~ Board of Directors of the South Carolina Public Employee Benefit Authority shall ensure that plan documents governing deferred compensation plans administered by the ~~commission~~ board permit employer contributions to the extent allowed under the Internal Revenue Code.

(B) Political subdivisions of the State, including school districts, participating in deferred compensation plans administered by the ~~commission~~ board or such plans offered by other providers may make matching or other contributions on behalf of their participating employees.

(C) As an additional benefit for state employees, and to the extent funds are appropriated for this purpose, the State shall make matching or other contributions on behalf of state employees participating in the deferred compensation plans offered by the ~~commission~~ board or such plans offered by other providers in an amount and under the terms and conditions prescribed for such contributions by the ~~State Budget and Control Board~~ board.”

D. The amendments to Sections 8‑23‑20, 8‑23‑30, 8‑23‑70, and 8‑23‑110 of the 1976 Code contained in this section take effect January 1, 2014.

SECTION 39. Section 9‑1‑10(6) of the 1976 Code, as last amended by Act 387 of 2000, is further amended to read:

“(6) ‘Board’ means the ~~State Budget and Control Board~~ Board of Directors of the South Carolina Public Employee Benefit Authority which shall act under the provisions of this chapter through its Division of Retirement Systems.”

SECTION 40. Section 9‑1‑20 of the 1976 Code is amended to read:

“Section 9‑1‑20. A retirement system is hereby established and placed under the management of the ~~State Budget and Control Board~~ board for the purpose of providing retirement allowances and other benefits for teachers and employees of the State and political subdivisions or agencies or departments thereof. The system so created shall have the power and privileges of a corporation and shall be known as the ‘South Carolina Retirement System’, and by such name all of its business shall be transacted, all of its funds invested and all of its cash, securities, and other property held.”

SECTION 41. Section 9‑1‑210 of the 1976 Code is amended to read:

“Section 9‑1‑210.The general administration and responsibility for the proper operation of the system and for making effective the provisions hereof are hereby vested in the ~~State Budget and Control Board~~ board.”

SECTION 42. A. Section 9‑1‑310 of the 1976 Code, as last amended by Act 155 of 2005, is further amended to read:

“Section 9‑1‑310.The administrative cost of the South Carolina Retirement System, the South Carolina Police Officers Retirement System, the Retirement System for Members of the General Assembly of the State of South Carolina, the Retirement System for Judges and Solicitors of the State of South Carolina, and the National Guard Retirement System must be funded from the interest earnings of the above systems. The allocation of the administrative costs of the systems must be made by the ~~State Budget and Control Board~~ board and must be based upon a proration of the cost in proportion to the assets that each system bears to the total assets of all of the systems for the most recently completed fiscal year.”

B. Section 9‑1‑1310(A) of the 1976 Code, as last amended by Act 264 of 2006, is further amended to read:

“(A) The South Carolina Public Employee Benefit Authority and the State Budget and Control Board, or its successor, are cotrustees ~~board is the trustee~~ of the retirement system as ‘retirement system’ is defined in Section 9‑16‑10(8) in performing the functions imposed on them by law in the governance of the Retirement System. Notwithstanding any other provision of law, any reference in law to the trustee of the Retirement System must be construed to conform to the cotrusteeship as provided in this subsection. The Retirement System Investment Commission shall invest and reinvest the funds of the retirement system as ‘retirement system’ is defined in Section 9‑16‑10(8), subject to all the terms, conditions, limitations, and restrictions imposed by Section 16, Article X of the South Carolina Constitution, subsection (B) of this section, and Chapter 16 of this title.”

SECTION 43. Section 9‑1‑1515(D)(2) of the 1976 Code is amended to read:

“(2) A member taking early retirement may maintain coverage under the State Insurance Benefits Plan until the date his coverage is reinstated pursuant to item (1) of this subsection by paying the total premium cost, including the employer’s contribution, in the manner provided by the Division of Insurance Services of the ~~State Budget and Control Board~~ board.”

SECTION 44. Section 9‑1‑1830 of the 1976 Code is amended to read:

“Section 9‑1‑1830. Starting July 1, 1981, there must be paid to the system, and credited to the post‑retirement increase special fund, contributions by the employers in an amount equal to two‑tenths of one percent of the earnable compensation of each member employed by each employer. In addition, the ~~State Budget and Control Board shall~~ board, on the recommendation of the actuary, shall transfer a portion of the monies as are received pursuant to Section 9‑1‑1050 that are available due to actuarial gains in the system if the transfers do not adversely affect the funding status of the system. Starting July 1, 1986, all contributions previously credited to the post‑retirement increase special fund must be diverted and credited to the employer annuity accumulation fund.”

SECTION 45. Chapter 2, Title 9 of the 1976 Code is amended to read:

“CHAPTER 2

Retirement and Preretirement Advisory ~~Board~~ Panel

Section 9‑2‑10. There is ~~hereby~~ created the South Carolina Retirement and Preretirement Advisory ~~Board~~ Panel for the purpose of advising the Director of the South Carolina Retirement System and the Director of the State Personnel Division on matters relating to retirement and preretirement programs and policies.

Section 9‑2‑20.(a) The ~~board~~ panel shall consist of eight members appointed by the ~~State Budget and Control Board~~ Board of Directors of the South Carolina Public Employee Benefit Authority and must be constituted as follows:

(1) one member representing municipal employees;

(2) one member representing county employees;

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

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

(5) one member representing the higher education teachers. The ~~Budget and Control Board~~ board of directors shall invite the appropriate associations, groups, and individuals to recommend persons to serve on the ~~board~~ panel.

(b) The terms of the members shall be for four years and until their successors have been appointed and qualify. No member shall serve more than two consecutive terms. After serving two consecutive terms a member shall be eligible to serve again, four years after the expiration of his second term. Provided that of those first appointed, four of the members shall serve for a term of two years. In the event of a vacancy, a successor shall be appointed in the same manner as the original appointment to serve the unexpired term.

(c) A chairman, vice chairman, and secretary shall be elected from among the membership to serve for terms of two years.

Section 9‑2‑30. The ~~board~~ panel shall meet once a year with the Director of the South Carolina Retirement System; once a year with the State Personnel Director; and once a year with the ~~State Budget and Control Board~~ Executive Director of the South Carolina Public Employee Benefit Authority. The chairman may call additional meetings of the ~~board~~ panel at such other times as ~~deemed~~ considered necessary and shall give timely notice of such meetings.

Section 9‑2‑40. The ~~board~~ panel shall review retirement and preretirement programs and policies, propose recommendations, and identify major issues for consideration.

Section 9‑2‑50. The ~~board~~ panel is authorized to seek reasonable staff assistance from the South Carolina Retirement System, the State Personnel Division, and other state agencies which may be concerned with a particular area of study. The ~~board~~ panel is also encouraged to use such resources as faculty and students at public universities, colleges, and technical education schools in South Carolina.”

SECTION 46. Section 9‑8‑10(3) of the 1976 Code is amended to read:

“(3) ‘Board’ means the ~~State Budget and Control Board~~ Board of Directors of the South Carolina Public Employee Benefit Authority.”

SECTION 47. Section 9‑8‑30(1) of the 1976 Code is amended to read:

“(1) The administration and responsibility for the operation of the system and for making effective the provisions of this chapter are vested in the ~~State Budget and Control Board~~ board.”

SECTION 48. The last undesignated paragraph of Section 9‑8‑60(1) of the 1976 Code, as added by Act 164 of 1993, is amended to read:

“A person receiving retirement allowances under this system who is elected to the General Assembly continues to receive the retirement allowances while serving in the General Assembly, and ~~must~~ also must be a member of the ~~General Assembly Retirement System~~ retirement system unless the person files a statement with the ~~State Budget and Control Board~~ board on a form prescribed by the board electing not to participate in the ~~General Assembly Retirement System~~ the applicable system while a member of the General Assembly. A person making this election shall not make contributions to the ~~General Assembly Retirement System~~ applicable retirement system nor shall the State make contributions on the member’s behalf and the person is not entitled to benefits from the ~~General Assembly Retirement System~~ applicable retirement system after ceasing to be a member of the General Assembly.”

SECTION 49. Section 9‑9‑10(3) of the 1976 Code is amended to read:

“(3) ‘Board’ ~~shall mean~~ means the ~~State Budget and Control Board~~ Board of Directors of the South Carolina Public Employee Benefit Authority.”

SECTION 50. Section 9‑9‑30(1) of the 1976 Code is amended to read:

“(1) The general administration and responsibility for the proper operation of the system and for making effective the provisions hereof are hereby vested in the ~~State Budget and Control Board~~ board.”

SECTION 51. Section 9‑10‑10(1) of the 1976 Code, as added by Act 155 of 2005, is amended to read:

“(1) ‘Board’ ~~or ‘board’~~ means the ~~State Budget and Control Board~~ Board of Directors of the South Carolina Public Employee Benefit Authority, acting pursuant to the provisions of this chapter through its Division of Retirement Systems.”

SECTION 52. Section 9‑10‑60(D) of the 1976 Code, as added by Act 155 of 2005, is amended to read:

“(D) The General Assembly annually shall appropriate sums sufficient to establish and maintain the National Guard Retirement System on a sound actuarial basis as determined by the ~~State Budget and Control Board~~ board.”

SECTION 53. Section 9‑11‑10(9) of the 1976 Code is amended to read:

“(9) ‘Board’ means the ~~State Budget and Control Board~~ Board of Directors of the South Carolina Public Employee Benefit Authority acting through its Division of Retirement Systems.”

SECTION 54. Section 9‑11‑30(1) of the 1976 Code is amended to read:

“(1) The general administration and responsibility for the proper operation of the system and for making effective the provisions hereof are hereby vested in the ~~State Budget and Control Board~~ board.”

SECTION 55. Section 9‑12‑10(1) of the 1976 Code, as added by Act 311 of 2008, is amended to read:

“(1) ‘Board’ means the ~~State Budget and Control Board~~ Board of Directors of the South Carolina Public Employee Benefit Authority acting as trustee of the retirement systems and acting through its Division of Retirement Systems.”

SECTION 56. Items (3) and (9) of Section 9‑16‑10 of the 1976 Code, as added by Act 371 of 1998, are amended to read:

“(3) ‘Board’ means the ~~State Budget and Control Board~~ Board of Directors of the South Carolina Public Employee Benefit Authority acting as trustee of the retirement system.

(9) ‘Trustee’ means the ~~State Budget and Control Board~~ Board of Directors of the South Carolina Public Employee Benefit Authority.”

SECTION 57. Section 9‑16‑55(F) of the 1976 Code, as added by Act 248 of 2008, is amended to read:

“(F) Present~~, future,~~ and former board members, officers, and employees of the State Budget and Control Board, present, future, and former directors, officers, and employees of the South Carolina Public Employee Benefit Authority, the Retirement System Investment Commission, and contract investment managers retained by the commission must be indemnified from the general fund of the State and held harmless by the State from all claims, demands, suits, actions, damages, judgments, costs, charges, and expenses, including court costs and attorney’s fees, and against all liability, losses, and damages of any nature whatsoever that these present, future, or former board members, officers, employees, or contract investment managers shall or may at any time sustain by reason of any decision to restrict, reduce, or eliminate investments pursuant to this section.”

SECTION 58. Section 9‑18‑10(3) of the 1976 Code, as added by Act 38 of 1995, is amended to read:

“(3) ‘Board’ means the ~~State Budget and Control Board~~ Board of Directors of the South Carolina Public Employee Benefit Authority.”

SECTION 59. Section 9‑20‑30 of the 1976 Code, as last amended by Act 54 of 2001, is further amended to read:

Section 9‑20‑30. The South Carolina Retirement System shall provide for the administration of the State Optional Retirement Program under this chapter. The Director ~~acting on behalf~~ of the South Carolina Retirement System acting on behalf of the Board of Directors of the South Carolina Public Employee Benefit Authority shall designate no fewer than four companies to provide annuity contracts, mutual fund accounts, or similar investment products offered through state or national banking institutions, or a combination of them, under the program. In making the designation, selection criteria must include:

(1) the nature and extent of the rights and benefits to be provided by the contracts or accounts, or both, of participants and their beneficiaries;

(2) the relation of the rights and benefits to the amount of contributions to be made;

(3) the suitability of these rights and benefits to the needs of the participants;

(4) the ability and experience of the designated companies in providing suitable rights and benefits under the contracts or accounts, or both;

(5) the ability and experience of the designated companies to provide suitable education and investment options.

Companies participating in the optional retirement program for publicly supported four‑year and postgraduate institutions of higher education as of July 1, 2002, or the optional retirement program for teachers and school administrators as of July 1, 2001, may continue to participate in this program and ~~this~~ participation is governed by their existing contracts.

SECTION 60. Section 9‑21‑20(2) of the 1976 Code, as added by Act 12 of 2003, is amended to read:

“(2) ‘Board’ means the ~~State Budget and Control Board~~ Board of Directors of the South Carolina Public Employee Benefit Authority.”

SECTION 61. Section 59‑1‑470 of the 1976 Code is amended to read:

“Section 59‑1‑470. Funds appropriated by the General Assembly for a deferred compensation employer matching contribution must be distributed by the State Department of Education to school districts for the purpose of providing an employer matching contribution for eligible school district employees making contributions to deferred compensation plans offered by the South Carolina Deferred Compensation Commission or, after December 31, 2013, the South Carolina Public Employee Benefit Authority, or other approved and qualified plans of other providers. These funds must be distributed in a manner consistent with the provisions of Section 8‑23‑110. The employer matching contribution by the school district may not exceed three hundred dollars for each eligible employee a year. ~~Individuals eligible for the matching contribution must be classified as required in Section 9‑20‑20, the Optional Retirement Program for Teachers and School Administrators.~~”

SECTION 62. This subpart takes effect July 1, 2012.

Subpart 3

Transfer and Devolution

Retirement System Investment Commission

SECTION 63. Effective July 1, 2012, Section 9‑16‑310 of the 1976 Code, relating to the State Retirement Systems Investment Panel, is repealed. Effective after December 31, 2013, the Deferred Compensation Commission is abolished. All of the functions and duties of the Deferred Compensation Commission are devolved upon the Board of Directors of the South Carolina Public Employee Benefit Authority as of January 1, 2014.

SECTION 64. Section 9‑16‑315 of the 1976 Code, as last amended by Act 153 of 2005, is further amended to read:

“Section 9‑16‑315. (A) There is established the ‘Retirement System Investment Commission’ (RSIC) consisting of ~~six~~ seven members as follows:

(1) one member appointed by the Governor;

(2) the State Treasurer, ex officio;

(3) one member appointed by the Comptroller General;

(4) one member appointed by the Chairman of the Senate Finance Committee;

(5) one member appointed by the Chairman of the Ways and Means Committee of the House of Representatives;

(6) one member who is a retired member of the retirement system ~~who shall serve without voting privileges~~. This representative member must be appointed by unanimous vote of the voting members of the commission; and

(7) the Executive Director of South Carolina Public Employee Benefit Authority, ex officio, without voting privileges.

(B) The State Treasurer may appoint a member to serve in his stead. A member appointed by the State Treasurer shall serve for a term coterminous with the State Treasurer and must possess at least one of the qualifications provided in subsection (E). Once appointed, this member may not be removed except as provided in subsection (C).

(C) Except as provided in subsection (B), members shall serve for terms of five years and until their successors are appointed and qualify, except that of those first appointed, the appointees of the Comptroller General and the Chairman of the Senate Finance Committee shall serve for terms of three years and the appointee of the Chairman of the Committee on Ways and Means and the representative appointee shall serve for terms of one year. Terms are deemed to expire after June thirtieth of the year in which the term is due to expire. Members are appointed for a term and may be removed before the term expires only by the Governor for the reasons provided in Section 1‑3‑240(C).

(D) The commission shall select one of the voting members to serve as chairman and shall select those other officers it determines necessary, but the State Treasurer, may not serve as chairman.

(E) A person may not be appointed to the commission unless the person possesses at least one of the following qualifications:

(1) the Chartered Financial Analyst credential of the CFA Institute;

(2) the Certified Financial Planner credential of the Certified Financial Planner Board of Standards;

(3) ~~at least ten years professional securities broker experience;~~ reserved

(4) at least ~~ten~~ twenty years professional actuarial experience including at least ten as an Enrolled Actuary licensed by a Joint Board of the Department of the Treasury and the Department of Labor to perform a variety of actuarial tasks required of pension plans in the United States by the Employee Retirement Income Security Act of 1974;

(5) at least ~~ten~~ twenty years professional teaching experience in economics or finance, ten of which must have occurred at a doctorate‑granting university, master’s granting college or university, or a baccalaureate college as classified by the Carnegie Foundation; ~~or~~

(6) an earned Ph.D. in economics or finance from a doctorate‑granting institution as classified by the Carnegie Foundation; or

(7) the Certified Internal Auditor credential of The Institute of Internal Auditors.

(F) Not including the State Treasurer, no person may be appointed or continue to serve who is an elected or appointed officer or employee of the State or any of its political subdivisions, including school districts.

(G) The Retirement System Investment Commission is established to invest the funds of the retirement system. All of the powers and duties of the State Budget and Control Board as investor in equity securities and the State Treasurer’s function of investing in fixed income instruments are transferred to and devolved upon the Retirement System Investment Commission. To assist the commission in its investment function, it shall employ a chief investment officer, who under the direction and supervision of the commission, and as its agent, shall develop and maintain annual investment plans and invest and oversee the investment of retirement system funds. The chief investment officer serves at the pleasure of the commission and must receive the compensation the commission determines appropriate. The commission may employ the other professional, administrative, and clerical personnel it determines necessary and fix their compensation. All employees of the commission are employees at will. The compensation of the chief investment officer and other employees of the commission is not subject to the state compensation plan.

(H)(1) The administrative costs of the Retirement System Investment Commission must be paid from the earnings of the state retirement system in the manner provided in Section 9‑1‑1310.

(2) Effective beginning July 1, 2012, each commission member, not including the Executive Director of the South Carolina Public Employee Benefit Authority, must receive an annual salary of twenty thousand dollars plus mileage and subsistence as provided by law for members of state boards, committees, and commissions paid as provided pursuant to item (1) of this subsection. Notwithstanding any other provision of law, membership on the commission does not make a member eligible to participate in a retirement system administered pursuant to this title and does not make a member eligible to participate in the employee insurance program administered pursuant to Article 5, Chapter 11, Title 1. Compensation paid on account of the member’s service on the commission is not considered earnable compensation for purposes of any retirement system administered pursuant to this title.”

B. Article 3, Chapter 16, Title 9 of the 1976 Code is amended by adding:

“Section 9‑16‑380. Each year in the general appropriations act, the General Assembly shall appropriate sufficient funds to the Office of the State Inspector General to employ a private audit firm to perform a fiduciary audit on the Retirement System Investment Commission. The audit firm must be selected by the State Inspector General. The report from the previous fiscal year must be completed by January fifteenth. Upon completion, the report must be submitted to the Governor, the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee.”

C. Notwithstanding the provision of Section 9‑16‑315(E) as amended in this section, appointed members of the Retirement System Investment Commission serving on June 30, 2012, shall continue to serve for the remainder of their current and any succeeding terms for which they are appointed, after which their successors must have a qualification described in Section 9‑16‑315(E) as amended by this section.

SECTION 65. (A) Where the provisions of this act transfer portions of the Budget and Control Board to the South Carolina Public Employee Benefit Authority, the employees, authorized appropriations, and assets and liabilities of the transferred portions of the Budget and Control Board are also transferred to and become part of the South Carolina Public Employee Benefit Authority. All classified or unclassified personnel employed by the transferred portions of the Budget and Control Board either by contract or by employment at will, shall become on July 1, 2012, employees of the South Carolina Public Employee Benefit Authority, with the same compensation, classification, and grade level, as applicable. Before its abolition, the Budget and Control Board shall cause all necessary actions to be taken to accomplish this transfer in accordance with state laws and regulations. Notwithstanding the provisions of Section 9‑4‑10(A) of the 1976 Code, as added by this act, on the effective date of this section, the Governor and the Chairmen of the House Ways and Means Committee and the Senate Finance Committee jointly shall appoint the initial and any necessary succeeding Executive Director of the South Carolina Public Employee Benefit Authority to serve through December 31, 2013, after which the position must be filled by the appointment of the authority board. Notwithstanding the provisions of Section 9‑4‑10(F) of the 1976 Code, as added by this act, the Governor shall name a member of the Board of Directors of the South Carolina Public Employee Benefit Authority to serve as chairman of that board through December 31, 2013.

(B) Regulations promulgated by the transferred portions of the Budget and Control Board are continued and are considered to be promulgated by the South Carolina Public Employee Benefit Authority. Contracts entered into by the Budget and Control Board and the Deferred Compensation Commission are continued and are considered to be devolved upon the South Carolina Public Employee Benefit Authority at the time of the transfer.

(C) The Code Commissioner is directed to change or correct all references to the Employee Insurance Program, the Retirement Division, and the Deferred Compensation Commission to reflect its transfer to the South Carolina Public Employee Benefit Authority. References to the name of the Employee Insurance Program, the Retirement Division, and the Deferred Compensation Commission in the 1976 Code or other provisions of law are considered to be and must be construed to mean appropriate references.

SECTION 66. A. Section 9‑1‑1660 of the 1976 Code, as last amended by Act 387 of 2000, is further amended by adding two new subsections at the end to read:

“(C) Regardless of whether a member is in service, if a member dies before retirement and, at the time of the member’s death, was eligible to receive a service retirement allowance pursuant to Section 9‑1‑1510 or Section 9‑1‑1515, the person nominated by a member to receive the full amount of the member’s accumulated contributions if the member dies before retirement may elect to receive, in lieu of the accumulated contributions, an allowance for life in the same amount as if the deceased member had retired at the time of the member’s death and had named the person as beneficiary under an election of Option B of Section 9‑1‑1620(A).

(D) If a member has designated more than one beneficiary for the receipt of the member’s accumulated contributions if the member dies before retirement, and if those beneficiaries become eligible to elect an allowance pursuant to this Section upon the member’s death, all of the beneficiaries must elect the allowance in order for the allowance to become payable in lieu of the return of accumulated contributions.”

B. Section 9‑11‑130 of the 1976 Code, as last amended by Act 387 of 2000, is further amended by adding two new subsections at the end to read:

“(3) Regardless of whether a member is in service, if a member dies before retirement and, at the time of the member’s death, was eligible to receive a service retirement allowance pursuant to Section 9‑11‑60 or Section 9‑11‑70, the person nominated by a member pursuant to Section 9‑11‑110 to receive a lump sum amount if the member dies before retirement may elect to receive, in lieu of the lump sum amount otherwise payable, an allowance for life in the same amount as if the deceased member had retired at the time of the member’s death and had named the person as beneficiary under an election of Option B under Section 9‑11‑150(A).

(4) If a member has designated more than one beneficiary pursuant to Section 9‑11‑110 to receive a lump sum amount if the member dies before retirement, and if those beneficiaries become eligible to elect an allowance pursuant to this Section upon the member’s death, all of the beneficiaries must elect the allowance in order for the allowance to become payable in lieu of the lump sum amount otherwise payable.”

Subpart 4

Effective Date of this Part

SECTION 67. Except where otherwise provided, this Part takes effect July 1, 2012.

Part V

Provisions Applying to More Than One Retirement System

SECTION 68. Article 3, Chapter 16, Title 9 of the 1976 Code is amended by adding:

“Section 9‑16‑335. For all purposes of this title, the assumed annual rate of return on the investments of the retirement system must be established by the General Assembly pursuant to this section. Effective July 1, 2012, the assumed annual rate of return on retirement system investments is seven and one‑half percent.”

SECTION 69. A. Section 9‑1‑1135 of the 1976 Code, as added by Act 311 of 2008, is amended to read:

“Section 9‑1‑1135. (A) Interest ~~shall~~ must be credited to the account of each member once each year as of June thirtieth, on the basis of the balance in the account of each member as of the previous June thirtieth. Upon the death, retirement, or termination of a member, interest ~~shall~~ must be figured to the end of the month immediately preceding the date of refund or retirement, interest being based on the balance in ~~such~~ the member’s account as of the June thirtieth immediately preceding the date of refund or retirement.

(B) Notwithstanding subsection (A), interest must not be credited to an inactive member account. For purposes of this subsection, a member account becomes inactive on July first if no contributions were made to the account in the preceding twelve months.”

B. Section 9‑8‑185 of the 1976 Code, as added by Act 311 of 2008, is amended to read:

“Section 9‑8‑185. (A) Interest ~~shall~~ must be credited to the account of each member once each year as of June thirtieth, on the basis of the balance in the account of each member as of the previous June thirtieth. Upon the death, retirement, or termination of a member, interest ~~shall~~ must be figured to the end of the month immediately preceding the date of refund or retirement, interest being based on the balance in ~~such~~ the member’s account as of the June thirtieth immediately preceding the date of refund or retirement.

(B) Notwithstanding subsection (A), interest must not be credited to an inactive member account. For purposes of this subsection, a member account becomes inactive on July first if no contributions were made to the account in the preceding twelve months.”

C. Section 9‑9‑175 of the 1976 Code, as added by Act 311 of 2008, is amended to read:

“Section 9‑9‑175. (A) Interest ~~shall~~ must be credited to the account of each member once each year as of June thirtieth, on the basis of the balance in the account of each member as of the previous June thirtieth. Upon the death, retirement, or termination of a member, interest ~~shall~~ must be figured to the end of the month immediately preceding the date of refund or retirement, interest being based on the balance in ~~such~~ the member’s account as of the June thirtieth immediately preceding the date of refund or retirement.

(B) Notwithstanding subsection (A), interest must not be credited to an inactive member account. For purposes of this subsection, a member account becomes inactive on July first if no contributions were made to the account in the preceding twelve months.”

D. Section 9‑11‑265 of the 1976 Code, as added by Act 311 of 2008, is amended to read:

“Section 9‑11‑265. (A) Interest ~~shall~~ must be credited to the account of each member once each year as of June thirtieth, on the basis of the balance in the account of each member as of the previous June thirtieth. Upon the death, retirement, or termination of a member, interest ~~shall~~ must be figured to the end of the month immediately preceding the date of refund or retirement, interest being based on the balance in ~~such~~ the member’s account as of the June thirtieth immediately preceding the date of refund or retirement.

(B) Notwithstanding subsection (A), interest must not be credited to an inactive member account. For purposes of this subsection, a member account becomes inactive on July first if no contributions were made to the account in the preceding twelve months.”

Part VI

Miscellaneous, Effective Date

SECTION 70. Section 22‑1‑15(C) of the 1976 Code is amended to read:

“(C) The provisions of Section 22‑1‑10(B)(2)(b) do not apply to a magistrate serving on June 30, 2005, during his tenure in office, and do not apply to a magistrate serving after June 30, 2005 who retires and is reappointed within one year of the date of his retirement and during his tenure in office for the new appointment.”

SECTION 71. The Human Resources Division of the State Budget and Control Board, or its successor, shall conduct a study to determine an appropriate level of compensation for statewide constitutional officers and members of the General Assembly and make a report with any recommendations for salary adjustments to the General Assembly no later than January 15, 2013.

SECTION 72. The Public Employee Benefit Authority, through its Retirement Systems Division, shall conduct a study of the impact of the costs to SCRS and SCPORS of compensation “spiking” on the calculation of average final compensation for retirees of those retirement systems. The report and any accompanying recommendations must be completed and forwarded to the Governor and the General Assembly no later than April 15, 2013.

SECTION 73. The Retirement Division shall conduct a study on revisions to the eligibility for disability retirement under the various retirement systems established pursuant to Title 9 of the 1976 Code and make a report with recommendations no later than December 1, 2012, to the Senate Finance Committee and the House Ways and Means Committee. The chairmen of those committees shall appoint a joint committee to consider that report and recommendations.

SECTION 74. If any part, section, subsection, paragraph, subparagraph, sentence, clause, phrase, or word of this act is for any reason held to be unconstitutional or invalid, such holding shall not affect the constitutionality or validity of the remaining portions of this act, the General Assembly hereby declaring that it would have passed this act, and each and every part, section, subsection, paragraph, subparagraph, sentence, clause, phrase, and word thereof, irrespective of the fact that any one or more other parts, sections, subsections, paragraphs, subparagraphs, sentences, clauses, phrases, or words hereof may be declared to be unconstitutional, invalid, or otherwise ineffective.

SECTION 75. The repeal or amendment by this act of any law, whether temporary or permanent or civil or criminal, does not affect pending actions, rights, duties, or liabilities founded thereon, or alter, discharge, release or extinguish any penalty, forfeiture, or liability incurred under the repealed or amended law, unless the repealed or amended provision shall so expressly provide. After the effective date of this act, all laws repealed or amended by this act must be taken and treated as remaining in full force and effect for the purpose of sustaining any pending or vested right, civil action, special proceeding, criminal prosecution, or appeal existing as of the effective date of this act, and for the enforcement of rights, duties, penalties, forfeitures, and liabilities as they stood under the repealed or amended laws.

SECTION 76. Except where otherwise stated, this act takes effect July 1, 2012. /

Amend title to conform.

/s/Sen. Nikki G. Setzler /s/Rep. Kenneth A. Bingham

/s/Sen. W. Greg Ryberg /s/Rep. James H. Merrill

/s/Sen. Thomas C. Alexander /s/Rep. Gilda Cobb‑Hunter

On Part of the Senate. On Part of the House.

, and a message was sent to the House accordingly.

**Message from the House**

Columbia, S.C., June 20, 2012

Mr. President and Senators:

The House respectfully informs your Honorable Body that it has adopted the Report of the Committee of Free Conference on:

H. 4967 -- Ways and Means Committee: A BILL TO AMEND TITLE 9 OF THE 1976 CODE RELATING TO STATE RETIREMENT SYSTEMS, TO REVISE THE MANNER IN WHICH RETIREMENT BENEFITS FOR MEMBERS ARE COMPUTED, TO INCREASE PAYROLL DEDUCTIONS FOR MEMBERS, TO REPEAL INCREASES IN RETIREMENT ALLOWANCES BASED ON THE CONSUMER PRICE INDEX, TO PHASE OUT THE TEACHER AND EMPLOYEE RETENTION INCENTIVE, TO PROVIDE FOR “CLASS THREE” MEMBERSHIP FOR NEW MEMBERS, AND TO INCLUDE OTHER CHANGES TO STATE RETIREMENT SYSTEMS. *(ABBREVIATED TITLE)*

Very respectfully,

Speaker of the House

Received as information.

**H.4967--REPORT OF COMMITTEE OF FREE CONFERENCE ENROLLED FOR RATIFICATION**

H. 4967 -- Ways and Means Committee: A BILL TO AMEND TITLE 9 OF THE 1976 CODE RELATING TO STATE RETIREMENT SYSTEMS, TO REVISE THE MANNER IN WHICH RETIREMENT BENEFITS FOR MEMBERS ARE COMPUTED, TO INCREASE PAYROLL DEDUCTIONS FOR MEMBERS, TO REPEAL INCREASES IN RETIREMENT ALLOWANCES BASED ON THE CONSUMER PRICE INDEX, TO PHASE OUT THE TEACHER AND EMPLOYEE RETENTION INCENTIVE, TO PROVIDE FOR “CLASS THREE” MEMBERSHIP FOR NEW MEMBERS, AND TO INCLUDE OTHER CHANGES TO STATE RETIREMENT SYSTEMS. *(ABBREVIATED TITLE)*

The Report of the Committee of Free Conference having been adopted by both Houses, ordered that the title be changed to that of an Act, and the Act enrolled for Ratification.

A message was sent to the House accordingly.

**Remarks by Senators RYBERG and SHEHEEN**

Senator RYBERG: I’d like to first of all thank the Senator from Oconee, Senator ALEXANDER, and Senator SETZLER from Lexington. They did a great job, and I want to thank the House in working with us and coming up with not only a structure for the benefits relative to the retirement system for existing employees and future employees, but a system that is only fair to the ones that make the system solvent going forward.

I also think we were insistent -- as we held the line to the governance of the retirement system and what is called the PEBA Board. I think the people I worked with think this is one great piece of legislation. It handles both the structure and it handles the benefit side and it helps keep us strong from a financial standpoint.

It’s been a pleasure working on this, and at the end of the day, I think it's going to be a model of plans that people look at across the country relative to saving their retirement systems.

Now, let me just say one thing before I open it up to any questions. This was a package, okay? Senator from Kershaw, Senator SHEHEEN, it was a package. And I have heard questions relative to why did you do this, why did you do that? Each one of us on the conference committee if we had to pick one thing or another, if we had a different choice -- but it was a package that had the consensus not only on the Senate side but the House side and, I believe, the House voted on it 88‑9 to pass it -- and so, I think it is a fair package -- not only to the retirees but to the taxpayers of South Carolina, and I move adoption of the Free Conference Report.

Senator SHEHEEN: Senator, I don’t want you to sit down, and I don’t want this body to let you sit down without somebody first saying that you have served in this body for 20-plus years and you have been known for a variety of activities and attitudes and approaches, but I want you to remember, and I want this body to remember that on your last day of service in the Senate -- you might come back. But in the last week of the Session is what you have talked about for the last 10 years which is the retirement system -- sometimes by yourself -- and that you have achieved a major, major positive change for South Carolina and you did it by bringing people together in a compromised fashion, and it’s going to last long beyond your lifetime, and I just wanted to know, did you know how proud we are of you for doing that?

Senator RYBERG: I appreciate your saying that. And I am sure that you thought I would be the last one to do that.

Senator SHEHEEN: Senator, I was trying to do it more gently than that, but if you can bring Democrats and Republicans, House members and Senators together -- if GREG RYBERG can do that -- then we can do anything.

Senator RYBERG: Well, I thought the last few days, Senator -- you know, I talked about the contentious debate before comparing it to the four-corner offense and the University of North Carolina basketball. I thought of pledging a fraternity right up until the end today, as I was being paddled from one side or another, “We don’t like this or we don’t like that.” I will tell you that I think it’s a fabulous package.

. 4967

On motion of Senator DAVIS, with unanimous consent, the remarks of Senators SHEHEEN and RYBERG were ordered printed in the Journal.

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

There was no objection.

**INTRODUCTION OF A JOINT RESOLUTION**

The following was introduced:

H. 5418 -- Reps. White, Harrell, Lucas, Bingham, Herbkersman, Limehouse, Merrill, Pitts, Simrill, G.M. Smith, G.R. Smith, Clyburn and Ott: A JOINT RESOLUTION TO PROVIDE FOR THE CONTINUING AUTHORITY TO PAY THE EXPENSES OF STATE GOVERNMENT IF THE 2012‑2013 FISCAL YEAR BEGINS WITHOUT A GENERAL APPROPRIATIONS ACT FOR THAT YEAR IN EFFECT.

Senator LEATHERMAN spoke on the Resolution.

**Objection**

Senator LEATHERMAN asked unanimous consent to make a motion to place the Joint Resolution on the Calendar without reference.

Senator BRYANT objected.

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

**CONSIDERATION INTERRUPTED**

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

Senator LARRY MARTIN asked unanimous consent to take up for immediate consideration the Report of the Committee of Conference on H. 3066.

**Point of Order**

Senator HUTTO raised a Point of Order that the Report of the Committee of Conference had been carried over and was not before the body.

Senator HUTTO spoke on the Point of Order.

Senator LARRY MARTIN spoke on the Point of Order.

Senator KNOTTS spoke on the Point of Order.

Senator SCOTT spoke on the Point of Order.

Senator JACKSON spoke on the Point of Order.

The PRESIDENT overruled the Point of Order.

**OBJECTION**

H. 3710 -- Reps. J.E. Smith, Hayes, D.C. Moss and Sandifer: A BILL TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 40‑1‑77 SO AS TO PROVIDE A BOARD OR COMMISSION THAT REGULATES THE LICENSURE OF A PROFESSION OR OCCUPATION UNDER TITLE 40 MAY ISSUE A TEMPORARY LICENSE FOR A PROFESSION OR OCCUPATION IT REGULATES TO THE SPOUSE OF AN ACTIVE DUTY MEMBER OF THE UNITED STATES ARMED FORCES IN CERTAIN CIRCUMSTANCES, TO PROVIDE REQUIREMENTS FOR OBTAINING THIS LICENSE, AND TO PROVIDE TIME LIMITS ON THE VALIDITY OF THIS LICENSE.

With Senator LARRY MARTIN retaining the floor, Senator LOURIE asked unanimous consent to take the Report of the Committee of Conference up for immediate consideration with a five minute limitation on debate.

Senator KNOTTS objected.

**RECALLED**

H. 5418 -- Reps. White, Harrell, Lucas, Bingham, Herbkersman, Limehouse, Merrill, Pitts, Simrill, G.M. Smith, G.R. Smith, Clyburn and Ott: A JOINT RESOLUTION TO PROVIDE FOR THE CONTINUING AUTHORITY TO PAY THE EXPENSES OF STATE GOVERNMENT IF THE 2012‑2013 FISCAL YEAR BEGINS WITHOUT A GENERAL APPROPRIATIONS ACT FOR THAT YEAR IN EFFECT.

Senator LEATHERMAN asked unanimous consent to make a motion to recall the Joint Resolution from the Committee on Finance.

The Joint Resolution was recalled from the Committee on Finance and ordered placed on the Calendar for consideration tomorrow.

**OBJECTION**

H. 5410 -- Rep. Harrell: A CONCURRENT RESOLUTION TO PROVIDE THAT PURSUANT TO SECTION 9, ARTICLE III, OF THE CONSTITUTION OF THIS STATE, 1895, WHEN THE RESPECTIVE HOUSES OF THE GENERAL ASSEMBLY ADJOURN ON THURSDAY, JUNE 7, 2012, NOT LATER THAN 5:00 P.M., OR ANYTIME EARLIER, EACH HOUSE SHALL STAND ADJOURNED TO MEET IN STATEWIDE SESSION AT 12:00 NOON ON TUESDAY, JUNE 19, 2012, AND CONTINUE IN STATEWIDE SESSION, IF NECESSARY, UNTIL NOT LATER THAN 5:00 P.M. ON THURSDAY, JUNE 21, 2012, FOR THE CONSIDERATION OF CERTAIN SPECIFIED MATTERS, AND TO PROVIDE THAT WHEN THE RESPECTIVE HOUSES OF THE GENERAL ASSEMBLY ADJOURN NOT LATER THAN MONDAY, NOVEMBER 12, 2012, THE GENERAL ASSEMBLY SHALL STAND ADJOURNED SINE DIE.

With Senator LARRY MARTIN retaining the floor on H. 3066, Senator HUTTO asked unanimous consent to make a motion to take up the Concurrent Resolution for immediate consideration, withdraw all amendments on the resolution and adopt the resolution.

Senator SHANE MARTIN objected.

**H. 3710--REPORT OF THE**

**COMMITTEE OF CONFERENCE ADOPTED**

H. 3710 -- Reps. J.E. Smith, Hayes, D.C. Moss and Sandifer: A BILL TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 40‑1‑77 SO AS TO PROVIDE A BOARD OR COMMISSION THAT REGULATES THE LICENSURE OF A PROFESSION OR OCCUPATION UNDER TITLE 40 MAY ISSUE A TEMPORARY LICENSE FOR A PROFESSION OR OCCUPATION IT REGULATES TO THE SPOUSE OF AN ACTIVE DUTY MEMBER OF THE UNITED STATES ARMED FORCES IN CERTAIN CIRCUMSTANCES, TO PROVIDE REQUIREMENTS FOR OBTAINING THIS LICENSE, AND TO PROVIDE TIME LIMITS ON THE VALIDITY OF THIS LICENSE.

With Senator LARRY MARTIN retaining the floor, Senator LOURIE asked unanimous consent to take the Report of the Committee of Conference up for immediate consideration with a five minute limitation on debate.

There was no objection.

Senator LOURIE spoke on the report.

The question then was adoption of the Report of Committee of Conference.

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

**Ayes 40; Nays 0**

**AYES**

Alexander Anderson Bright

Bryant Campbell Campsen

Cleary Coleman Courson

Cromer Davis Elliott

Fair Ford Gregory

Grooms Hayes Hutto

Knotts Land Leatherman

Leventis Lourie Malloy

*Martin, Larry Martin, Shane* Massey

Matthews McGill Nicholson

O'Dell Peeler Pinckney

Rose Ryberg Scott

Setzler Shoopman Verdin

Williams

**Total--40**

**NAYS**

**Total--0**

The Report of the Conference Committee was adopted as follows:

**H. 3710--Conference Report**

The General Assembly, Columbia, S.C., June 21, 2012

The COMMITTEE OF CONFERENCE, to whom was referred:

H. 3710 ‑‑ Reps. J.E. Smith, Hayes, D.C. Moss and Sandifer: A BILL TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 40‑1‑77 SO AS TO PROVIDE A BOARD OR COMMISSION THAT REGULATES THE LICENSURE OF A PROFESSION OR OCCUPATION UNDER TITLE 40 MAY ISSUE A TEMPORARY LICENSE FOR A PROFESSION OR OCCUPATION IT REGULATES TO THE SPOUSE OF AN ACTIVE DUTY MEMBER OF THE UNITED STATES ARMED FORCES IN CERTAIN CIRCUMSTANCES, TO PROVIDE REQUIREMENTS FOR OBTAINING THIS LICENSE, AND TO PROVIDE TIME LIMITS ON THE VALIDITY OF THIS LICENSE.

Beg leave to report that they have duly and carefully considered the same and recommend:

That the same do pass with the following amendments:

Amend the bill, as and if amended, by striking all after the enacting words and inserting:

/ SECTION 1. Article 1, Chapter 1, Title 40 of the 1976 Code is amended by adding:

“Section 40‑1‑77.(A) A board or commission that regulates the licensure of a profession or occupation under Title 40 may issue a temporary professional license for a profession or occupation it regulates to the spouse of an active duty member of the United States Armed Forces if the member is assigned to a duty station in this State pursuant to the official active duty military orders of the member.

(B)(1) A person seeking a temporary professional license under subsection (A) shall submit an application to the board or commission from which it is seeking the temporary license on forms the board or commission shall create and provide. In addition to general personal information about the applicant, the application must include proof that the:

(a) applicant is married to a member of the United States Armed Forces who is on active duty;

(b) applicant holds a valid license issued by another state, the District of Columbia, a possession or territory of the United States, or a foreign jurisdiction for the profession for which temporary licensure is sought;

(c) applicant holds the license in subitem (b) in ‘good standing’ as evidenced by a certificate of good standing from the state, possession or territory of the United States, or foreign jurisdiction that issued the license;

(d)(i) applicant submitted at his expense to a fingerprint‑based background check conducted by the State Law Enforcement Division to determine if the applicant has a criminal history in this State and a fingerprint‑based background check conducted by the Federal Bureau of Investigation to determine if the person has other criminal history, and the official results of these checks must be provided to the board or commission to which application for temporary licensure is made; and

(ii) the provisions of this subitem only apply if a similar background check is required to obtain ordinary licensure in the profession or occupation for which temporary licensure is sought by the applicant; and

(e) spouse of the applicant is assigned to a duty station in this State pursuant to the official active duty military orders of the member.

(C) A temporary license issued under this section expires one year from the date of issue and may not be renewed.”

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

Amend title to read:

/A BILL TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 40‑1‑77 SO AS TO PROVIDE A BOARD OR COMMISSION THAT REGULATES THE LICENSURE OF A PROFESSION OR OCCUPATION UNDER TITLE 40 MAY ISSUE A TEMPORARY LICENSE FOR A PROFESSION OR OCCUPATION IT REGULATES TO THE SPOUSE OF AN ACTIVE DUTY MEMBER OF THE UNITED STATES ARMED FORCES IN CERTAIN CIRCUMSTANCES, TO PROVIDE REQUIREMENTS FOR OBTAINING THIS LICENSE, TO PROVIDE TIME LIMITS ON THE VALIDITY OF THIS LICENSE, AND TO PROVIDE THE LICENSE MAY NOT BE RENEWED./

/s/Sen. Joel Lourie /s/Rep. Bill Sandifer

/s/Sen. Kevin L. Bryant /s/Rep. McLain R. Toole

/s/Sen. A. Shane Massey Rep. James E. Smith, Jr.

On Part of the Senate. On Part of the House.

, and a message was sent to the House accordingly.

**Message from the House**

Columbia, S.C., June 21, 2012

Mr. President and Senators:

The House respectfully informs your Honorable Body that it has adopted the Report of the Committee of Conference on:

H. 3710 -- Reps. J.E. Smith, Hayes, D.C. Moss and Sandifer: A BILL TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 40‑1‑77 SO AS TO PROVIDE A BOARD OR COMMISSION THAT REGULATES THE LICENSURE OF A PROFESSION OR OCCUPATION UNDER TITLE 40 MAY ISSUE A TEMPORARY LICENSE FOR A PROFESSION OR OCCUPATION IT REGULATES TO THE SPOUSE OF AN ACTIVE DUTY MEMBER OF THE UNITED STATES ARMED FORCES IN CERTAIN CIRCUMSTANCES, TO PROVIDE REQUIREMENTS FOR OBTAINING THIS LICENSE, AND TO PROVIDE TIME LIMITS ON THE VALIDITY OF THIS LICENSE.

Very respectfully,

Speaker of the House

Received as information.

**Message from the House**

Columbia, S.C., June 21, 2012

Mr. President and Senators:

The House respectfully informs your Honorable Body that the Report of the Committee of Conference having been adopted by both Houses, and this Bill having been read three times in each House, it was ordered that the title thereof be changed to that of an Act and that it be enrolled for Ratification:

H. 3710 -- Reps. J.E. Smith, Hayes, D.C. Moss and Sandifer: A BILL TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 40‑1‑77 SO AS TO PROVIDE A BOARD OR COMMISSION THAT REGULATES THE LICENSURE OF A PROFESSION OR OCCUPATION UNDER TITLE 40 MAY ISSUE A TEMPORARY LICENSE FOR A PROFESSION OR OCCUPATION IT REGULATES TO THE SPOUSE OF AN ACTIVE DUTY MEMBER OF THE UNITED STATES ARMED FORCES IN CERTAIN CIRCUMSTANCES, TO PROVIDE REQUIREMENTS FOR OBTAINING THIS LICENSE, AND TO PROVIDE TIME LIMITS ON THE VALIDITY OF THIS LICENSE.

Very respectfully,

Speaker of the House

Received as information.

Senator LARRY MARTIN resumed explaining the report on H. 3066.

**Motion Under Rule 15A Failed**

At 4:03 P.M., Senator MASSEY moved under the provisions of Rule 15A to vote on the entire matter of H. 3066.

**Point of Order**

Senator SCOTT raised a Point of Order that the motion was out of order inasmuch as the matter had not been under debate for more than one hour.

Senator LARRY MARTIN spoke on the Point of Order.

The PRESIDENT overruled the Point of Order.

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

**Ayes 21; Nays 22**

**AYES**

Alexander Bright Bryant

Campbell Campsen Courson

Cromer Davis Fair

Gregory Grooms Hayes

*Martin, Larry Martin, Shane* Massey

Peeler Rose Ryberg

Shoopman Thomas Verdin

**Total--21**

**NAYS**

Anderson Coleman Elliott

Ford Hutto Jackson

Knotts Land Leatherman

Leventis Lourie Malloy

Matthews McGill Nicholson

O'Dell Pinckney Reese

Scott Setzler Sheheen

Williams

**Total--22**

Having failed to receive the necessary vote, the motion under Rule 15A failed.

Senator LARRY MARTIN resumed explaining the Report of the Committee of Conference on H. 3066.

**MESSAGE FROM THE GOVERNOR**

The following appointments were transmitted by the Honorable Nikki Randhawa Haley:

**Statewide Appointments**

Initial Appointment, South Carolina State Board of Nursing, with the term to commence December 31, 2011, and to expire December 31, 2015

1st Congressional District:

Tara M. Hulsey, 424 Rice Hope Road, Mt. Pleasant, SC 29464 *VICE* Sylvia Whiting

Reappointment, South Carolina State Board of Nursing, with the term to commence December 31, 2011, and to expire December 31, 2015

6th Congressional District:

Lisa Cox Irvin, 182 Mary Ellen Drive, Charleston, SC 29403

Initial Appointment, South Carolina State Board of Nursing, with the term to commence December 31, 2007, and to expire December 31, 2011

6th Congressional District:

Lisa Cox Irvin, 182 Mary Ellen Drive, Charleston, SC 29403 *VICE* Carrie Houser James

Initial Appointment, South Carolina State Board of Nursing, with the term to commence December 31, 2008, and to expire December 31, 2012

5th Congressional District:

Samuel H. McNutt, Jr., 5509 Hwy. 321 South, Winnsboro, SC 29180 *VICE* Brenda Martin

Initial Appointment, South Carolina State Board of Nursing, with the term to commence December 31, 2009, and to expire December 31, 2013

4th Congressional District:

Carol Ann Moody, 102 Shinleaf Dr., Greenville, SC 29615

Initial Appointment, South Carolina State Board of Veterinary Medical Examiners, with the term to commence April 6, 2010, and to expire April 6, 2016

6th Congressional District:

Rebecca Morrison Hughes, 5132 Jefferies Hwy., Walterboro, SC 29488 *VICE* James M. Harris

Initial Appointment, South Carolina State Housing Finance and Development Authority, with the term to commence August 15, 2009, and to expire August 15, 2013

At-Large:

Mary L. Sieck, 5904 Morning Star Road, Lake Wylie, SC 29710 *VICE* Eddie Bines

Initial Appointment, State Inspector General, with term coterminous with Governor

Patrick James Maley, 1225 Braemer Court, Birmingham, AL 35242

**Local Appointments**

Initial Appointment, Dorchester County Magistrate, with the term to commence April 30, 2011, and to expire April 30, 2015

Randall L. Charpia, 202 Salisbury Drive, Summerville, SC 29483 *VICE* Tuggle Bryngelson

Reappointment, York County Natural Gas Authority, with the term to commence March 1, 2012, and to expire March 1, 2015

At-Large:

Charles E. Alvis, 1500 Hermitage Road, Rock Hill, SC 29732

**Leave of Absence**

On motion of Senator HAYES, at 12:05 P.M., Senator THOMAS was granted a leave until 3:30 P.M.

**Leave of Absence**

At 12:55 P.M., Senator RANKIN requested a leave of absence until Noon on Tuesday.

**INTRODUCTION OF RESOLUTION**

The following were introduced:

S. 1615 -- Senators Matthews and Hutto: A SENATE RESOLUTION TO RECOGNIZE AND HONOR BILL CLARK, ORANGEBURG COUNTY ADMINISTRATOR, UPON THE OCCASION OF HIS RETIREMENT AFTER TWENTY-TWO YEARS OF OUTSTANDING SERVICE TO ORANGEBURG COUNTY, AND TO WISH HIM CONTINUED SUCCESS AND HAPPINESS IN ALL HIS FUTURE ENDEAVORS.

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The Senate Resolution was adopted.

**REPORT OF STANDING COMMITTEE**

On motion of Senator VERDIN, with unanimous consent, the following appointment was taken up for immediate consideration:

**Appointment Reported**

Senator VERDIN from the Committee on Agriculture and Natural Resources polled out favorably:

**Statewide Appointment**

Initial Appointment, South Carolina State Board of Veterinary Medical Examiners, with the term to commence April 6, 2010, and to expire April 6, 2016

6th Congressional District:

Rebecca Morrison Hughes, 5132 Jefferies Hwy., Walterboro, SC 29488 *VICE* James M. Harris

**Poll of the Agriculture and Natural Resources** **Committee**

**Polled 14; Ayes 14; Nays 0; Not Voting 2**

**AYES**

Verdin Grooms Leventis

Matthews McGill Hutto

Knotts Bryant Campsen

Williams Campbell Sheheen

Bright Davis

**Total--14**

**NAYS**

**Total--0**

**NOT VOTING**

Elliott Rose

**Total--2**

Received as information.

**OBJECTION**

H. 5410 -- Rep. Harrell: A CONCURRENT RESOLUTION TO PROVIDE THAT PURSUANT TO SECTION 9, ARTICLE III, OF THE CONSTITUTION OF THIS STATE, 1895, WHEN THE RESPECTIVE HOUSES OF THE GENERAL ASSEMBLY ADJOURN ON THURSDAY, JUNE 7, 2012, NOT LATER THAN 5:00 P.M., OR ANYTIME EARLIER, EACH HOUSE SHALL STAND ADJOURNED TO MEET IN STATEWIDE SESSION AT 12:00 NOON ON TUESDAY, JUNE 19, 2012, AND CONTINUE IN STATEWIDE SESSION, IF NECESSARY, UNTIL NOT LATER THAN 5:00 P.M. ON THURSDAY, JUNE 21, 2012, FOR THE CONSIDERATION OF CERTAIN SPECIFIED MATTERS, AND TO PROVIDE THAT WHEN THE RESPECTIVE HOUSES OF THE GENERAL ASSEMBLY ADJOURN NOT LATER THAN MONDAY, NOVEMBER 12, 2012, THE GENERAL ASSEMBLY SHALL STAND ADJOURNED SINE DIE.

With Senator LARRY MARTIN retaining the floor on H. 3066, Senator HUTTO asked unanimous consent to make a motion to take up H. 5410 for immediate consideration, adopt all amendments on the Desk, and adopt the Concurrent Resolution.

Senator CAMPSEN objected.

**Session Scheduled**

Under the provisions of H. 5377, the *Sine Die* Resolution, Senator COURSON informed the Senate that, when the Senate adjourned today, it would stand adjourned until 2:00 P.M. on Monday, June 25, 2012.

**Motion Adopted**

At 4:08 P.M., on motion of Senator COURSON, with unanimous consent, the Senate agreed to go into Executive Session.

**EXECUTIVE SESSION**

With Senator LARRY MARTIN retaining the floor on H. 3066, on motion of Senator COURSON, the seal of secrecy was removed, so far as the same relates to appointments made by the Governor and the following names were reported to the Senate in open session:

**STATEWIDE APPOINTMENTS**

**Confirmations**

Having received a favorable report from the Judiciary Committee, the following appointment was taken up for immediate consideration:

Initial Appointment, State Inspector General, with term coterminous with Governor

Patrick James Maley, 1225 Braemer Court, Birmingham, AL 35242

Senator LARRY MARTIN spoke on the appointment.

Senator KNOTTS spoke on the appointment.

On motion of Senator KNOTTS, the question was confirmation of Mr. Maley.

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

**Ayes 41; Nays 0**

**AYES**

Alexander Bright Bryant

Campbell Campsen Coleman

Courson Cromer Davis

Elliott Ford Gregory

Grooms Hayes Hutto

Jackson Knotts Land

Leatherman Leventis Lourie

Malloy *Martin, Larry Martin, Shane*

Massey Matthews McGill

Nicholson O'Dell Peeler

Pinckney Reese Rose

Ryberg Scott Setzler

Sheheen Shoopman Thomas

Verdin Williams

**Total--41**

**NAYS**

**Total--0**

The appointment of Mr. Maley was confirmed.

Having received a favorable report from the Agriculture and Natural Resources Committee, the following appointment was taken up for immediate consideration:

Initial Appointment, South Carolina State Board of Veterinary Medical Examiners, with the term to commence April 6, 2010, and to expire April 6, 2016

6th Congressional District:

Rebecca Morrison Hughes, 5132 Jefferies Hwy., Walterboro, SC 29488 *VICE* James M. Harris

On motion of Senator VERDIN, the question was confirmation of Ms. Hughes.

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

**Ayes 41; Nays 0**

**AYES**

Alexander Anderson Bright

Bryant Campbell Campsen

Coleman Courson Cromer

Davis Elliott Ford

Gregory Grooms Hayes

Hutto Jackson Knotts

Land Leatherman Leventis

Lourie Malloy *Martin, Larry*

*Martin, Shane* Massey Matthews

McGill Nicholson O'Dell

Peeler Pinckney Reese

Rose Ryberg Scott

Setzler Sheheen Thomas

Verdin Williams

**Total--41**

**NAYS**

**Total--0**

The appointment of Ms. Hughes was confirmed.

Having received a favorable report from the Labor, Commerce and Industry Committee, the following appointment was taken up for immediate consideration:

Initial Appointment, South Carolina State Housing Finance and Development Authority, with the term to commence August 15, 2009, and to expire August 15, 2013

At-Large:

Mary L. Sieck, 5904 Morning Star Road, Lake Wylie, SC 29710 *VICE* Eddie Bines

On motion of Senator RYBERG, the question was confirmation of Ms. Sieck.

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

**Ayes 40; Nays 0**

**AYES**

Alexander Anderson Bright

Bryant Campbell Campsen

Coleman Courson Cromer

Davis Elliott Ford

Gregory Grooms Hayes

Hutto Jackson Knotts

Land Leventis Lourie

Malloy *Martin, Larry Martin, Shane*

Massey Matthews McGill

Nicholson O'Dell Peeler

Pinckney Reese Rose

Ryberg Scott Setzler

Sheheen Thomas Verdin

Williams

**Total--40**

**NAYS**

**Total--0**

The appointment of Ms. Seick was confirmed.

Having received a favorable report from the Medical Affairs Committee, the following appointment was taken up for immediate consideration:

Initial Appointment, South Carolina State Board of Nursing, with the term to commence December 31, 2007, and to expire December 31, 2011

6th Congressional District:

Lisa Cox Irvin, 182 Mary Ellen Drive, Charleston, SC 29403 *VICE* Carrie Houser James

and

Reappointment, South Carolina State Board of Nursing, with the term to commence December 31, 2011, and to expire December 31, 2015

6th Congressional District:

Lisa Cox Irvin, 182 Mary Ellen Drive, Charleston, SC 29403

On motion of Senator PEELER, the question was confirmation of Ms. Irvin.

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

**Ayes 40; Nays 0**

**AYES**

Alexander Anderson Bright

Bryant Campbell Campsen

Coleman Courson Cromer

Davis Elliott Ford

Gregory Grooms Hayes

Hutto Jackson Knotts

Land Leventis Lourie

Malloy *Martin, Larry Martin, Shane*

Massey Matthews McGill

Nicholson O'Dell Peeler

Pinckney Reese Rose

Ryberg Scott Setzler

Sheheen Thomas Verdin

Williams

**Total--40**

**NAYS**

**Total--0**

The appointment and reappointment of Ms. Irvin was confirmed.

Having received a favorable report from the Medical Affairs Committee, the following appointment was taken up for immediate consideration:

Initial Appointment, South Carolina State Board of Nursing, with the term to commence December 31, 2008, and to expire December 31, 2012

5th Congressional District:

Samuel H. McNutt, Jr., 5509 Hwy. 321 South, Winnsboro, SC 29180 *VICE* Brenda Martin

On motion of Senator PEELER, the question was confirmation of Mr. McNutt.

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

**Ayes 41; Nays 0**

**AYES**

Alexander Bright Bryant

Campbell Campsen Coleman

Courson Cromer Davis

Elliott Ford Gregory

Grooms Hayes Hutto

Jackson Knotts Land

Leatherman Leventis Lourie

Malloy *Martin, Larry Martin, Shane*

Massey Matthews McGill

Nicholson O'Dell Peeler

Pinckney Reese Rose

Ryberg Scott Setzler

Sheheen Shoopman Thomas

Verdin Williams

**Total--41**

**NAYS**

**Total--0**

The appointment of Mr. McNutt was confirmed.

Having received a favorable report from the Medical Affairs Committee, the following appointment was taken up for immediate consideration:

Initial Appointment, South Carolina State Board of Nursing, with the term to commence December 31, 2009, and to expire December 31, 2013

4th Congressional District:

Carol Ann Moody, 102 Shinleaf Dr., Greenville, SC 29615

On motion of Senator PEELER, the question was confirmation of Ms. Moody.

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

**Ayes 41; Nays 0**

**AYES**

Alexander Bright Bryant

Campbell Campsen Coleman

Courson Cromer Davis

Elliott Ford Gregory

Grooms Hayes Hutto

Jackson Knotts Land

Leatherman Leventis Lourie

Malloy *Martin, Larry Martin, Shane*

Massey Matthews McGill

Nicholson O'Dell Peeler

Pinckney Reese Rose

Ryberg Scott Setzler

Sheheen Shoopman Thomas

Verdin Williams

**Total--41**

**NAYS**

**Total--0**

The appointment of Ms. Moody was confirmed.

Having received a favorable report from the Medical Affairs Committee, the following appointment was taken up for immediate consideration:

Initial Appointment, South Carolina State Board of Nursing, with the term to commence December 31, 2011, and to expire December 31, 2015

1st Congressional District:

Tara M. Hulsey, 424 Rice Hope Road, Mt. Pleasant, SC 29464 *VICE* Sylvia Whiting

On motion of Senator PEELER, the question was confirmation of Ms. Hulsey.

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

**Ayes 41; Nays 0**

**AYES**

Alexander Bright Bryant

Campbell Campsen Coleman

Courson Cromer Davis

Elliott Ford Gregory

Grooms Hayes Hutto

Jackson Knotts Land

Leatherman Leventis Lourie

Malloy *Martin, Larry Martin, Shane*

Massey Matthews McGill

Nicholson O'Dell Peeler

Pinckney Reese Rose

Ryberg Scott Setzler

Sheheen Shoopman Thomas

Verdin Williams

**Total--41**

**NAYS**

**Total--0**

The appointment of Ms. Hulsey was confirmed.

**LOCAL APPOINTMENTS**

**Confirmations**

Having received a favorable report from the Senate, the following appointments were confirmed in open session:

Initial Appointment, Dorchester County Magistrate, with the term to commence April 30, 2011, and to expire April 30, 2015

Randall L. Charpia, 202 Salisbury Drive, Summerville, SC 29483 *VICE* Tuggle Bryngelson

Reappointment, York County Natural Gas Authority, with the term to commence March 1, 2012, and to expire March 1, 2015

At-Large:

Charles E. Alvis, 1500 Hermitage Road, Rock Hill, SC 29732

**MOTION ADOPTED**

On motion of Senator LOURIE, with unanimous consent, the Senate stood adjourned out of respect to the memory of Ryan Rawl of Lexington, S.C., who lost his life in Afghanistan while in the service of his country. Mr. Rawl, 30, was a beloved husband and father of two children. A graduate of The Citadel, he had been with the Richland County Sheriff’s Office since 2005 and was a resource officer at Crayton Middle School in Richland School District One.

**ADJOURNMENT**

At 5:00 P.M., on motion of Senator COURSON, the Senate adjourned under the provisions of H. 5377, the *Sine Die* Resolution, to meet at 2:00 P.M. on Monday, June 25, 2012.

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