**Wednesday, March 15, 2023**

**(Statewide Session)**

~~Indicates Matter Stricken~~

Indicates New Matter

The Senate assembled at 10:00 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 the Chaplain as follows:

Amos 7:7

Amos the prophet reported: “This is what he showed me: The Lord was standing by a wall that had been built true to plumb, with a plumb line in his hand.”

Let us pray: O Lord, there is not a one of us that doesn’t wrestle now and then with the issue of whether we ourselves or the project we’ve devoted a great deal of time and energy to actually does measure up. Are we being honest in our evaluation? Do our efforts genuinely come across as being right and true? Certainly it is Your plumb line, Lord, which can reveal whether our efforts are all that they ought to be. And that is why we pray today, O God, that You will guide and bless each of these Senators. Grant that together they will continue to build an ever greater and more prosperous South Carolina, bringing sound and true benefits to all of our citizens. In Your loving name we pray, dear Lord. Amen.

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

**RECESS**

At 10:04 A.M., on motion of Senator PEELER, the Senate receded from business until 1:00 P.M.

At 1:05 P.M., the Senate resumed.

**Call of the Senate**

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

Adams Alexander Allen

Bennett Cash Climer

Corbin Cromer Davis

Fanning Gambrell Garrett

Grooms Harpootlian Hembree

Hutto *Johnson, Michael* Kimbrell

Loftis Martin Massey

Peeler Reichenbach Rice

Scott Senn Setzler

Shealy Stephens Turner

Verdin Williams Young

A quorum being present, the Senate resumed.

**MESSAGE FROM THE GOVERNOR**

The following appointment was transmitted by the Honorable Henry Dargan McMaster:

**Local Appointment**

Initial Appointment, Richland County Magistrate, with the term to commence April 30, 2023, and to expire April 30, 2027

John R. McLeod, 32 Braddock Point, Columbia, SC 29209-0809 *VICE* Tobias Ward

**REGULATION RECEIVED**

The following was received and referred to the appropriate committee for consideration:

Document No. 5175

Agency: Clemson University

Chapter: 27

Statutory Authority: 1976 Code Sections 46-9-40 and 46-9-50

SUBJECT: Plant Pests

Received by President of the Senate March 15, 2023

Referred to the Committee on Agriculture and Natural Resources

**Doctor of the Day**

Senator MARTIN introduced Dr. Brian Fowler of Spartanburg, S.C., Doctor of the Day.

**Leave of Absence**

On motion of Senator BENNETT, at 2:59 P.M., Senator ADAMS was granted a leave of absence until 4:00 P.M.

**Leave of Absence**

On motion of Senator BENNETT, at 2:59 P.M., Senator GROOMS was granted a leave of absence until 4:00 P.M.

**Leave of Absence**

On motion of Senator CORBIN, at 6:18 P.M., Senator GAMBRELL was granted a leave of absence for the balance of the day.

**Leave of Absence**

On motion of Senator SABB, at 6:21 P.M., Senator HUTTO was granted a leave of absence for the balance of the day.

**Expression of Personal Interest**

Senator GROOMS rose for an Expression of Personal Interest.

**Remarks by Senator GROOMS**

Members of the Senate, I rise today to share with you a report that was just placed on the desk of every member of the Senate. The report has now been publicly released and it is no easy task to stand here to give you a summary of this report. This is a report of the constitutional subcommittee of the Senate Finance Committee. The subcommittee members are Senator McELVEEN, Senator GOLDFINCH, Senator FANNING, and Senator YOUNG.

On February 9th, Comptroller General Richard Eckstrom appeared before the Finance Committee's constitutional subcommittee for his annual budget hearing. At the meeting General Eckstrom mentioned, almost in passing that his office has determined that there was a $3.5 billion misstatement in the state surplus fund. That afternoon, Chair of the Finance Committee, Chairman PEELER, directed the constitutional subcommittee to do a deep dive into the Comptroller General's admission. While there are some things the Comptroller was never able to fully understand, there is much we do now know. We know the next best step. We know what needs to be done. And in a moment, I’ll ask you to help ensure that the right thing is done. But first some background. The Comptroller General compiles the annual comprehensive financial report. That's this document right here. According to the Comptroller General, this annual comprehensive financial report, or the ACFR provides financial information about the statement's operations during the year and describes its financial position at the end of the year. The Comptroller further assured us that this report, and I quote, “Management, that is the Comptroller, fully assumes full responsibility for the completeness and reliability of the information contained in this report.” Based on a comprehensive framework of internal controls, that was established for this purpose. The last ACFR for this year ending June 30th, 2022, is over 300 pages. The above quotes and report are given under his hand and signed Richard Eckstrom, C.P.A., Comptroller General unfortunately despite this assertation, the subcommittee finds that the internal controls use in the compiling of ACFR are not comprehensive, and the ACFR is neither complete nor reliable. The Comptroller overstated South Carolina's cash and investments by over $3.5 billion. But for the record, let us correct that. The erroneous figure is actually in excess of $4 billion. That's because we later learned the Comptroller overstated overall fund balances by $3.5 billion, he understated fund balances at the DOT by $500 million, and it seems that someone thought that $3.5 billion seemed less problematic than $4 billion. Anyway, this morning we learned that the Comptroller never even told the DOT about the DOT understatement.

At its most basic level, the problem is the Comptroller was double counting funds. While most state agencies use the South Carolina automated enterprise system, known as SCEIS, one-time accounting commissions are known as lump sum agencies that use other accounting systems. These are appropriated agencies, but lump sum agencies have their own accounting systems and are audited separately. An example would be Clemson University, the State Ports Authority, Santee Cooper -- not included as part of the SCEIS system, but what they do at the end of close of their year -- they have audited financial statements. Those audited financial statements are then transmitted to the Comptroller General at the Comptroller General's request. He sends out an information packet that they must fill out with all sorts of information to help the Comptroller compile the annual comprehensive financial statement. These non-SCEIS agencies, it appears, that the Comptroller had been double counting cash, that is -- we would appropriate, let’s say, $100 million to Clemson. Clemson would get the $100 million, deposit it, they may spend $50 million of it, in their budget. At the end of the year, their financial statement would show $50 million in cash. The Comptroller General would report $100 million as their cash. If he had done the same thing to the University of South Carolina -- we sent them $100 million -- let’s say they spent $50 million, their financial statement shows $50 million remaining in cash, but the Comptroller General would combine those two showing that there were $200 million left in cash. The ACFR has been incorrect every year for the past ten years with an incorrect cash balance growing every year. There has been attempt to reconcile this. The last attempt was in 2017 with $1.3 billion adjustment to the state finances. The explanation then was that we were moving away from an old accounting system called STARS and we were moving into the new accounting system called SCEIS. The two accounting systems ran in tandem for a period of five years to make sure that one was right with the other. But once we got fully on SCEIS, there was a large cash balance that no one could explain. So, the Comptroller General charged it off as a one-time expense due to a conversion error. The problem is, it continued and continued and continued until the problem was so big that it could no longer be ignored. For years the Comptroller knew that that was a cash problem. He knew that something was wrong. He, in testimony before the subcommittee, called this the long-standing riddle. Although later in testimony, he tells us that he first knew about the problem -- and I believe what he meant to say was he knew exactly what the problem was. He knew there was a cash problem but didn't know exactly what it was until October. He hired someone from the Treasurer's Office, and I believe he told us in testimony that she was hired specifically to try to find the problem. And she did. After two years working there, she discovered what was deemed a mapping error or an accounting error in the way the accounts worked. So, when Clemson would get $100 million, lump sum appropriation from the State of South Carolina, there should have been a corresponding decrease of $100 million. Monies came into the State and monies went to the college. $100 million came in. $100 million went out. The account should have zeroed out. At the end of the year, after Clemson spent $50 million, their financial statement would have said they had $50 million in cash. The Comptroller should have then taken that $50 million, from Clemson, and the other cash balances in the other non-SCEIS agencies and added them all together, to come up with a cash position. He did not do that. He double counted money. Monies came in and were never accounted for when it went back out which overstated our state's cash position by over $4 billion.

Now, why is that a problem? Well, in the history of accounting errors, this is probably one of the largest, if not, the largest accounting error. A lot of people depend on the accuracy of this report. Namely, the rating agencies in New York that grade our bonds. Our AAA Credit Rating enables us to enjoy the lowest possible interest payments on monies that we borrow. Lots of monies -- a lot of bonding -- a lot of bonds have been issued. A lot of bound counsels are very interested in what happens to the value of their bonds. It just so happened in 2022 when the books were closed, instead of having $10.5 billion, the rating agencies were notified we only had $7 billion in cash -- total cash among the State of South Carolina. That would have sent alarms, except for the fact that so much money came into the State that same year. In your business you know there are two statements that you look at to judge your financial health or to judge the finances of your business. The State is sort of the same way. There is what's called the balance sheet. And then there is your profit and loss or your income statement. Profit and loss statement is sort of like what we do here when we do the annual appropriations. We estimate what revenues are coming into the State, then there are expenses, or budgeted items. We believe that there will be $10 billion coming into the State, so we will base our budget on $10 billion -- we appropriate $10 billion. We estimate ten comes in, we appropriate ten. If it all works out the same, if the numbers come in, as projected, ten will come in and ten will go out. And the amount that we had in the bank at the beginning of the year and the ending of the year will remain the same. That would be an asset. Your cash is an asset. That’s what appears on the balance sheet. The balance sheet for the State is what's in this report. The balance sheet said that we had $10.5 billion in cash. When, in fact, we only had $7 billion. But last year, if you remember, there were a lot of appropriations from the federal government that flowed through the State of South Carolina. Yesterday we sent over to the House of Representatives $1.2 billion of those monies that we had carried over. There were other revenues that came into the State. So, in a year, where we tell the New York rating agencies that we underestimated cash -- that we only had $7 billion in cash -- we still ended the year with $10 billion. That is, we had $3.5 billion, almost the same amount as the misstatement, sitting in bank accounts. So as far as they're concerned, they're looking at the beginning of the year, that was corrected, and the end of the year ‑- as it actually happened -- to be about the same amount -- $10.5 billion. No monies have been taken. No monies have been stolen. We're not missing any monies. We just had our chief financial officer misstate our cash position. We were tasked with finding out what happened. Will this occur again? We brought in the Comptroller General, placed him under oath -- and as some of the subcommittee members -- I asked if they would please give me one or two words to describe the testimony of Comptroller General Eckstrom -- his testimony under oath. And in their own words, here is how they described it -- confusing, bizarre, concealed, nonchalant, cavalier, evasive, and incoherent. We find him incapable of answering the questions we asked with any confidence of certainty. I want to thank the subcommittee members for their work. No one went in this with any preconceived notions. We gave the Comptroller the benefit of the doubt. We asked questions in a different way. We repeated the questions. We asked for clarifications. We joined with in-person hearings, and we watched and rewatched tapes. One member had legal pads filled with notes, but the bewildering testimony continued on and on and on. Not until relatively late in our investigation did we get some straight answers.

In one of the meetings the Comptroller turned to a staffer, a person who ultimately figured it all out, she told us about the duplicated reporting. She was also the one who found the solution and has made the correction that has been noted. The single greatest relief, the most welcoming testimony, was from that staffer who told us that after she figured it out, she was able to reconcile the state's books to 49 cents. On the other hand, among the most, and frankly cringe-worthy testimony was related to whether the Comptroller would have hired an attorney. He was point blank asked, “Have you hired an attorney?” The committee had unequivocal evidence that an attorney himself had been hired. The attorney had sent that information to the Senate Finance Committee to inform us that he had been retained by Comptroller General Eckstrom. He flatly denied hiring an attorney. You have a portion of that testimony also on your desks.

The Comptroller's job is well defined. Several statutes outline his role as the state's chief accountant. He himself says, on his website, that he is the chief financial watchdog. Further, per proviso 96.2 of the 2014 Appropriations Act, the Comptroller General is given full power and authority to issue accounting policy directives to state agencies in order to comply with generally accepted accounting principles. Additionally, the Comptroller is given full authority to conduct surveys, acquire consulting services, and to implement new procedures required to implement full changes required by the generally accepted accounting principles. This proviso has been in the appropriations act each fiscal year since 2014 and can be found in the most recent appropriations act as proviso 97.2. The Comptroller General is the person where the buck stops when it comes to reporting the state's finances and reporting them accurately. We had testimony from the State Treasurer, we had testimony from the state's auditor. We had testimony from Marsha Adams with the Department of Administration. Every one of them let us know that the problem lies with the Comptroller General's office. The Comptroller General let us all know under oath that the problem was not him. The problem was everybody else. The problem was with the Comptroller's office. The problem was with the auditor's office. The problem was everywhere but his office, even though he is the one charged with executing and producing documents such as this that not only we rely on, but others rely on.

Therefore, in view of the above, it is the collective opinion of the subcommittee that certain actions take place. Number one, that the Comptroller General, Richard Eckstrom has repeatedly demonstrated his inability to perform statutory duties of the office of which he was elected. We also believe that the Comptroller should be relieved of the duties of his office. We believe that the General Assembly should begin proceedings to remove the Comptroller from office pursuant to Title 15, Section 3 of the Constitution of South Carolina for willful neglect of duty or other reasonable care -- which shall not be sufficient grounds of impeachment. The House has introduced Articles of Impeachment. I don't believe criminal activity occurred. I believe there was willful neglect of duty. I think we demonstrated that. This is a very comprehensive, 80-page report, every finding is footnoted, and the testimony is footnoted. We also believe the responsibility of the Office of Comptroller General be given to other offices of the State. We believe that the Senate Finance Committee should recommend which offices of the State should receive those responsibilities. And we believe that the General Assembly should advance an amendment to the Constitution of the State of South Carolina to remove the Comptroller as an elected official. With that, Mr. PRESIDENT, I would be happy to answer any questions.

Senator FANNING: Senator do you know I thank you for your leadership on this? Did you know that I also thank the Chairman of Senate Finance, who the second you shared with him what happened, focused like a laser beam on finding out what the problem was, who to hold accountable and what steps to take to make sure this never happens again. Would you believe that that's what we've done?

Senator GROOMS: Yes, I believe we have done that.

Senator FANNING: And before I move to the next one, could you speak to our unbelievable staff that worked countless hours, emailing us at 2:00 in the morning on a weekend?

Senator GROOMS: I would like to recognize, Jessa Wiginton, if you can stand. She has worked night and day and she has work weekends correlating all the testimony and other documents that have been provided to the committee. She has done well and beyond the call of duty, and I thank her, and the subcommittee thanks her.

Senator FANNING: Do you think the Body knows that this is her first time in this new role, first time inheriting a Senate Finance Committee and on top of our committee meetings having to do this on top of -- we all appreciate her, did you know?

Senator GROOMS: I do know that.

Senator FANNING: Yes.

Senator GROOMS: I do know that.

Senator FANNING: And did you know that when I say we got emails from her on a Saturday night or Sunday morning at 2:00 in the morning, did you know that that is the truth?

Senator GROOMS: Yes, I do know.

Senator FANNING: And was this vote unanimous in subcommittee?

Senator GROOMS: This was the unanimous vote of the subcommittee.

Senator FANNING: Did you know that I appreciate the work of you making sure this is a bipartisan look, not a witch hunt, but defining the facts, as they were in the case, in the testimony. Is it true that we started without swearing in, and that after some confusing thoughts, we then moved quickly to swearing in, is that correct?

Senator GROOMS: We normally don't swear in witnesses, and after our first budget hearing, when the Comptroller made the admission of a $3.5 billion error, and then was unable to answer questions, was unable to give us the right timelines, we carried over his testimony. And then in subsequent meetings, we had him and any other witness placed under oath. And during that meeting, I do want the Body to know and hear this, that at the first meeting when he talked about an error -- when did he know about it? What did he do about it? He told us, “I knew about it in October, and I informed the Governor and legislative leadership in October.” And then when we asked, well, who did you speak to in legislative leadership? Who specifically did you speak to? He could not give us a name. And he said, “Well, it may have been in November.” We find out now, that he had conversations with Senate Finance Committee staff but they didn't occur until January of this year. It is amazing the misinformation that we received. The Comptroller was either unable or unwilling to answer basic questions related to his job, how this occurred, and how he operates his office.

Senator FANNING: So, would it be true that not only did he not take responsibility in the situation that happened -- is that we were getting confusing information on things that really weren't even a criminal act. We were just -- isn't it true, just trying to find basic things -- what happened, when it happened, who he talked to.

Senator GROOMS: Although it is without question that it is the responsibility of the Comptroller, only the Comptroller can create a code within the new SCEIS system. I say new -- it has been around now for a while -- only the Comptroller can, even though he tried to deflect blame on the mapping and coding issues elsewhere. There are a number of things that only the Comptroller can do. And he told our committee that he does not except responsibility for the problem, but he accepts responsibility for the solution. One thing, and you'll also see this in our report, and we heard this under testimony, under sworn testimony from the Treasurer -- we suspected as much. But sometimes shortcuts occur. Staff sometimes at the Comptroller's office feel pressure to produce documents, when they say, and we have seen these in internal emails also included in our report, that sometimes there have been some shortcuts. We need more time to do this, but there is a short timeline. We need to produce this now, but we need more time to make sure it is accurate. It seems that the Comptroller was more interested in personal vanity in receiving awards than he was in the accuracy of his reporting.

Senator FANNING: Could you describe in the thick packets we received, asking for a timeline what you found -- on one page in the middle of all of that -- we were worried about transparency and openness, and accountability, and when we didn't get it from testimony -- did you find a certain certificate included in a packet?

Senator GROOMS: There is a certain certificate included in our comprehensive report, that we've laid on everybody's desk. It appears on page 79 of the 80-page report. It was also included in our state's annual comprehensive financial report. The Comptroller General thought everyone should know that he does excellent work. So much so, that he included his -- I kid you not -- his certificate of achievement in excellence in financial reporting. The award was more important than the accuracy of the report.

Senator FANNING: Speak a little bit about the timeline. I don't want to belabor this, but I think the timeline is so important. We didn't know until early February and the Governor’s office didn't know until December. But do you remember that in 2017, he was warned that the books were off then by I believe it was $1.3 billion, and did he contact any of us in 2017 to let us know that the error was beginning to accumulate?

Senator FANNING: And so, is it true, he waited until we think maybe a staffer brought it to him, and then he knew in October, I believe we were told, and then took it to the Governor's office to share in November? One of the most enlightening points, did you know, was when we were worried about that bond rating. You mentioned earlier that one of the reasons, this is critical, people would say if the money is not missing why is it important? Did you know that we believe that if your job is to be the state's auditor, you being accurate at auditing is important. But did he not share in testimony, and the Treasurer’s office I believe shared in testimony, that he talked to the bonding agencies at the New York Stock Exchange in October of last year about would this impact their bond rating, which means they knew before we knew. Is that not correct?

Senator GROOMS: He contacted the three ratings agencies. Normally the person who has contact with the rating agencies to report on the state's finances is the State Treasurer. The State Treasurer has an ongoing relationship with the bonding agencies, with the rating agencies -- not the Comptroller. But the Comptroller felt the need to pick up the phone and give them a call to say, listen you all, there has been a mistake but don't worry, it is all good. And then he told us that the bonding rate -- the bonding agencies seem to be okay with it. That they didn't seem to -- that they thanked him for giving them a call.

Senator FANNING: It is what he told us at the meeting.

Senator GROOMS: And we have internal communications that Moody’s Analytics had serious questions and concerns related to the misstatement, despite General Eckstrom's testimony to the contrary.

Senator FANNING: And did you know while that's scary, what was even more scary, is that he shared with folks on the New York Stock Exchange information before he shared anything with the Finance Chairman, the Governor, and the Treasurer himself. Isn't that scary?

Senator GROOMS: The information was first shared with those outside of the State before it was shared with those inside of the State.

Senator FANNING: And speak to the sense of urgency-- because your report, that you issued today, on behalf of the committee that was passed unanimously, talks about going forward with what we should feel safe in doing, and why we need to make changes. We've already stated that he took no responsibility for what happened in the past but is ready to take responsibility in the future. What sense of urgency did the committee hear from him that would make us feel good about making sure this problem wouldn't happen again? Was there a sense of urgency in his responses?

Senator GROOMS: The committee requested information. The letter is in your packet in the report. There was a response to some of the questions, so we did receive some information, but most of what we requested has still not been forwarded to the Senate Finance Committee staff. So, there are still questions that we had posed and documents that we requested that we have not yet received.

Senator FANNING: That's why I feel so good about the hard work you put us through on the committee -- working us to death. Holding people accountable is one thing but fixing it so it doesn't happen again is even more important -- speaking to the integrity of faith that we might have with the general taxpayers, would you not agree?

Senator GROOMS: I certainly would agree with that. And if you remember, also, under testimony, the Comptroller tried to blame the state's internal auditor and the external auditor -- Remy Osmore with CliftonLarsonAllen. CliftonLarsenAllen -- the State contracts with them for auditing services -- and the State Auditor, George Kennedy. They both testified under oath, noting that they had reported in each of the last ten years to the Comptroller General material weaknesses within the Comptroller General's office. Citing weak internal controls in their audits of the office, that there is a lack of appropriate and robust quality controls in the annual comprehensive financial report. And they repeatedly noted that there were a lack of assurances, and there were inadequate reviews of documents necessary to ensure that this report is accurate and consistent. Every year except for 2018, for the past ten years, the state's auditor issued reports to the Comptroller General's office citing deficiencies in their work. They've even testified had there been more staff, they would probably have caught this a lot earlier. When the Comptroller General took office there were seventy employees. Today there are now twenty-six. And every year on his web page, he likes to speak about how much money he's been able to save the taxpayers -- how he's able to do more with less. I submit, that he does less with less. And that his work has possibly endangered the AAA Credit Rating of the State. The only saving grace was the amount of new revenues we had coming into the State that year and how we had shepherded them. And how the ending balance of the State was still close to the $10.5 billion as was the erroneous beginning balance of $10.5 billion, which had to be restated. So, during the ratio analysis, and the other tests that the rating agencies do, we still had cash reserves, sufficient probably, to maintain our AAA Credit Rating, but that is still yet to be determined. The rating agencies could possibly give us a downgrade. I don't know that they will. Probably not, because our cash revenues are high -- we budget conservatively -- and the state's economy seems to be doing well. So, all those things factor in. But if there had been a downgrade or if there is a downgrade, the million, the tens of millions or the hundreds of millions of dollars in bonds that are outstanding would be less than what they would be otherwise. If you buy a bond for a thousand dollars, and all sudden the bond’s only worth $900. The value of that bond decreased because of the credit worthiness of the one who issued the bond -- you would be upset.

Senator FANNING: Yes.

Senator GROOMS: Bond council would then probably file a lawsuit because their value had decreased. They lost money because of the actions of someone else. So, it is important to maintain our AAA Credit Rating to receive the lowest possible interest on the bonds we issue. But it is also important that we have accurate financing so that through dereliction of duty we don't end up having a loss of our AAA Credit Rating such that we open ourselves up to liability from bond council of the various bond issued.

Senator FANNING: You mentioned just a couple of questions. $3.5 billion is the figure we have learned, you mentioned it earlier -- it is actually $4 billion. We just got blessed, is it not correct, that one of the $500 million errors subtracted from the larger, is that correct?

Senator GROOMS: Not only is that correct, if you look in our comprehensive report of the subcommittee, on page 45, you'll even see a draft of a $4.4 billion restatement that the staff and the Comptroller discussed. We found this in email documents -- that they almost put this draft into the comprehensive financial report. Instead of showing a $3.5 billion misstatement, here is an actual draft of a $4.4 billion restatement. After discussing it, they thought it would look better if we sent the rating agencies a $3.5 billion restatement.

Senator FANNING: Last question. It’s important, and a lot of people will focus today on the removal of office portion. But did you know that the majority of citizens don't know what the Comptroller General does when we vote for them on a ballot? And that another recommendation the committee is giving is that this become an appointed position -- that might be the only way to make sure that we hire a professional we can hold accountable and do what other states have done. Is that not also important?

Senator GROOMS: That's important. And this is serious business we're talking about -- undoing an election. But we've heard sworn testimony. And this sworn testimony is available online for anyone to listen to. We have over six and a half hours of testimony, I believe, from the Comptroller General alone. Anyone who watches only ten minutes of his testimony would begin to have questions about his abilities. You listen to some of the answers, and you'll begin to have questions about his ability to discharge the duties of his office. You listen to all of his testimony and there will be no doubt in anyone's mind that he does not have the ability to discharge the duties of the office to which he was elected.

PRESIDENT ALEXANDER: Senator Campsen, for what purpose do you rise?

Senator CAMPSEN: Would the Senator yield?

PRESIDENT ALEXANDER: Time has expired. Senator?

Senator GROOMS: Unanimous consent to give the Senator ten more minutes.

PRESIDENT ALEXANDER: Is there objection to ten minutes? Hearing none, so ordered. Senator from Charleston.

Senator CAMPSEN: Senator, there are two ways to remove a public official from office under our State Constitution. Is that correct?

Senator GROOMS: That's correct.

Senator CAMPSEN: And the House has chosen the procedure which everyone is familiar with, generally speaking, that's impeachment. And impeachment is under Article 15, Section 1 of our Constitution. But you're recommending another process. What is the difference between impeachment and the process you are recommending, which also is in Article 15, Section 3?

Senator GROOMS: Yes, Article 15, Section 3 of the Constitution allows for a provision, where a two-third vote of both bodies can remove an elected official for willful neglect of duty or other reasonable cause which shall not be sufficient grounds of impeachment.

Senator CAMPSEN: So, this provides for removal on grounds that don't have to rise to the level of impeachment. Is that correct?

Senator GROOMS: That's correct.

Senator CAMPSEN: To impeach an official in South Carolina it must be serious crimes, according to Section 1, Article 15 -- Section 1, serious crimes, or serious misconduct. But in Section 3, this other removal process, the standard is willful neglect of duty. A lower standard doesn't have to be a crime just a neglect of duty or other reasonable cause. And so, this is a lower standard for removal than impeachment requires. Is that right, Senator?

Senator GROOMS: It is a lower standard, but this is a well documented report we placed on everybody's desk. I think there is more than ample evidence that we have more than ample testimony to meet the threshold of removal.

Senator CAMPSEN: And the threshold is willful neglect or other reasonable cause and reasonable is in the mind of the General Assembly, right? Because we're the ones who vote on whether we remove or not.

Senator GROOMS: One of the most egregious things that the Comptroller has done was ignore the warnings that were issued annually for the last ten years that there could be a serious misstatement in the state's financial document if internal controls are not changed. They documented internal weaknesses. And the Comptroller under sworn testimony last week said he was surprised to learn that the auditors had issues with his internal controls -- when it is documented, and the documents are also included in pages 61 through 66 of our report that is laid on everyone's desk -- of the repeated warnings that something bad could happen if you don't change your controls. And what the Comptroller did, instead of beefing up his controls -- other staff was still let go and not replaced -- going from seventy employees down to I believe it is twenty-six now, or maybe twenty-three.

Senator CAMPSEN: So, Senator, the House proposed the impeachment route.

Senator GROOMS: Not only imposed the impeachment route in the annual appropriations act just voted on by the House but they reduced the salary by a vote of 107 to 6 of the Comptroller General to a dollar a year.

Senator CAMPSEN: And impeachment involves impeachment by the House by a two-thirds vote, and then a trial in the Senate. Is that correct that the House members would actually have a trial before us in the Senate? Then the Senate would have to vote two-thirds vote to impeach and remove him from office?

Senator GROOMS: That's how that would work. That's how the impeachment would work. The Comptroller, as I’ve said earlier, and in the report, was completely unable to answer basic questions. He was just not able to. No matter what you asked him, he couldn't do it. You ask him how something happened -- he couldn't explain it.

Senator CAMPSEN: But one reason that we're proposing to proceed under Section 3 of Article 15, instead of Section 1, which is impeachment, is that may not necessarily rise to the level of a serious crime, which is what is required for impeachment under Article 1 of Section 15.

Senator GROOMS: I would like to quote editorial writer Cindi Ross Scoppe. She opined about this in Sunday's Post and Courier. She writes, I quote, “I'm not sure that would produce a criminal conviction because a jury listening to Mr. Eckstrom’s testimony likely would conclude that he is too disconnected from reality to perjure himself.”

Senator CAMPSEN: I'm not going to comment any further on that, Senator.

Senator GROOMS: That he was too disconnected from reality to perjure himself. That's probably an accurate statement. He looked straight at us and lied when asked a direct question, but he's clearly disconnected from reality.

Senator CAMPSEN: But proceeding under Section 3, Article 15 the standard for removal is willful neglect of duty. Do you think what you found through your hearings constitutes willful neglect of duty? It went on for multiple years, with knowledge, that has to be willful neglect of duty, does it not, Senator?

Senator GROOMS: Without a doubt. Willful neglect of duty.

Senator CAMPSEN: So therefore, it is more prudent for us to proceed under Section 3 of Article 15, which is not impeachment, but removal for willful neglect or reasonable cause.

Senator GROOMS: Or reasonable cause, correct.

Senator CAMPSEN: So that's a lower bar to clear than impeachment, and therefore, you have a better chance of that succeeding versus the impeachment route.

Senator GROOMS: Anyone who looks at the testimony, reads the report, and reads the footnotes would come to the same conclusion.

Senator CAMPSEN: Senator did you know I did a little research into this -- the history?

Senator GROOMS: As the author of the constitutional amendment, Senate 95 -- as the author of the constitutional amendment to remove the Comptroller General as an elected officer under Constitution -- that's you. You offered that amendment.

Senator CAMPSEN: I authored that amendment.

Senator GROOMS: Also, I am recommending that we move forward with your constitutional amendment.

Senator GROOMS: That's good. It would be an appointed position not an elected position.

Senator GROOMS: Just an elected position.

Senator CAMPSEN: A bit of history, you know that I have a weakness, I want to look at the history of the constitutional provisions. I looked at this because it drew my interest, because there is no provision like this in the Federal Constitution. It is only impeachment. Impeachment is the only way to remove a federal officer. But we have impeachment plus removal by vote of two-thirds of the House and two-thirds of the Senate for willful neglect of duty. And so, I did little research to determine why did we have this in our State Constitution? And some other states have it, but the Federal Constitution does not. And what I found is it was adopted in 1868, right after the Andrew Johnson impeachment effort. And the states were looking at the Andrew Johnson impeachment proceedings that went on and on and on. And he was impeached for the violation of the Tenure in Office Act, which is an act that protected federal officers from being removed by the President. But his impeachment went from February 24th to May 26th. There was a trial that lasted longer than the trial that Senator HARPOOTLIAN was in down in Colleton County a couple of weeks ago, how long was that?

Senator GROOMS: That was a long trial.

Senator CAMPSEN: That was a long trial, but this one went from February 24th to May 26th. And so, the states saw that -- they saw that process and concluded we need something impeachment like. We need some other way to remove officers for willful neglect of duty other than impeachment. And so, these provisions were adopted in 1968. We had a constitutional convention. We talked about a convention of states on the Federal Constitution. We had many constitutional conventions and I'm looking at the proceedings of the South Carolina constitutional convention, January 11, 1968, the year this amendment was adopted. My last point I'm making but it’s very -- I don't know if ironic is the term to use -- but certainly it indicates that this process that we're choosing is appropriate and relevant for the situation before us. And I'm quoting from that constitutional convention in 1968 -- and this is Mr. F. J. Moses, Jr., 1968 -- by referring to Section 4 of the article, which is Section 3 that we currently have in our Constitution, the non-impeachment process. By referring to Section 4, it will be seen that the Governor may for any willful neglect of duty remove any executive or judicial officer on the address of two-thirds of each House of the General Assembly -- on the address means upon the vote of two-thirds, and reasons given. The Governor must remove, doesn't have the choice, must remove. But this is what is really ironic. If we place a man in the Office of Treasurer or Comptroller General, incapable or unworthy of the confidence of the people, what is easier than to adopt the core suggested by the Constitution in that provision. Now, that's from 1968. That's not from yesterday. In 1968 the framers of that constitutional provision that we're implicating, that you recommend that we implicate and I agree with you, actually used the Comptroller General or the Treasurer as being the type of office that would be used to remove, because those offices -- one reason, is those offices were for four years then, and the Governor's office was only two. And so, the Governor, you could kind of withstand a bad governor for couple of years -- my time is up. You can withstand a bad governor for two years but not a bad Comptroller General or Treasurer for four years.

Senator GROOMS: Senator I did not know that.

PRESIDENT ALEXANDER: The time has expired. Senator from Sumter, for what purpose do you rise?

Senator McELVEEN: I would ask unanimous consent to give the Senator from Berkeley about five more minutes.

PRESIDENT ALEXANDER: Is there objection to five more minutes, Senator from Berkeley? Hearing none, so ordered. Senator from Sumter

Senator McELVEEN: I ask if the Senator would yield for few questions.

Senator GROOMS: Yes.

Senator McELVEEN: I would ask you to forgive me, first of all. I came in the Chamber toward the end of your introductory remarks. I had to meet with a group of high school students from my district, but I want to go back and touch on a few things. And the first thing I want to say, as a member of the subcommittee, I certainly take no pleasure in what we're doing right now.

Senator GROOMS: No.

Senator McELVEEN: I took no pleasure in what we had to do in the last few weeks, and I don’t think, from my perspective, anybody on our subcommittee took pleasure in that.

Senator GROOMS: No, the members of the subcommittee were outstanding, every member of the subcommittee went into this with great care and great thought. Everyone participated and it was our unanimous conclusion with this report.

Senator McELVEEN: Did you know Senator one thing I'm glad about, I think this is the most recent thing to underscore the role we have as legislators on oversight. Right? Part of our duty is oversight. And that's the reason why you convened our finance subcommittee to hear from some of our agency folks every year in the first place. Right?

Senator GROOMS: That's correct. Just as the internal auditor pointed out annually of the material weakness, the deficiencies, within the Comptroller General's office, we're now pointing out the deficiencies to the General Assembly in that office. He didn't act. It is time for the General Assembly to act. Operating not knowing is one thing. We now know that there are issues in that office that will go unresolved until we correct the problem.

Senator McELVEEN: And Senator, while you're up there did you know I want to thank you number one for your leadership in dealing with this issue -- in a quick, efficient, and professional manner. That's the first thing. Thank you for your leadership. When the Senate got this, when we became aware of this, we acted quickly. Did you know I want to also thank the Chairman of Finance. You recall he came to us to our subcommittee and told us very directly, get to the bottom of this. Do your job. Do the oversight. And I want to also thank him for giving us the staff to do that. And I heard Senator FANNING say it once, the staff just did an amazing job on this -- putting these meetings together, getting folks in to testify and working on our report. I would also second your plea to this Body to read that report from our subcommittee. It is thorough. It is well written. I want to thank all of our staff members for their hard work on this because it has been quick. It has been a lot of work, a lot of weekend work, so I just don't think most members will understand or appreciate how much they really had put into this over a short period of time.

Senator GROOMS: I appreciate that, those remarks, Senator. And there is one thing that I want to make sure the Body also knows that we were also tasked with to make sure it didn't happen again -- make sure the problem is corrected. We're reasonably sure the problem has been corrected, but we're not experts. And we have asked the state's internal auditor if he would review the correction that Ms. Kip has made within the office. We believe that she has now actually corrected the problem and it has to do with the way you reconcile accounts. She has reconciled the accounts, things that have happened before, things the internal auditor has recommended occur for years. She has now done those things. So, to test the accuracy of the numbers within the system, they actually have to test, they actually have to perform some accounting tests within the system, to see if everything would then balance. And they estimate that that would take maybe up to a month. And so, we don't have assurances yet from the state’s auditor that the problem has been corrected. We will report those findings once we receive them. But we're relatively sure the problem at this point has been corrected. But an issue is that the Comptroller's testimony is not reliable. It could not be counted on. If there are other problems that crop up, we have no assurances that they'll be dealt with. And we must have assurances with our budgeting numbers. When the Senate Finance Committee and the Ways and Means Committee receive information saying this much money is in this account, we base our decisions on that. We based our decision, yesterday, on what was it, $1.2 billion? We based that decision on the fact that someone we trusted told us that it was $1.2 billion in that account. We have to have reliance on our numbers. The people of the State need to have confidence in their government. The people of the State need to know that the finances of this State are in order and we have competent people that have professional credentials that can carry those out.

Senator McELVEEN: Senator, you know, I do have as a member of the committee several more questions I would like to ask you during this discussion, but I see the chairman stood up, so I’d like to yield my time to him but may have a few more questions after he gets finished. Go ahead. All right. So going back to just couple of things I want to make sure we talk about for a second here. Would you agree with me that this is my 11th year here? And the last time something like this came up before this Body, that I can recall, probably my first year here -- we had issues with the Department of Social Services. At some point in time this Body had drafted basically a Resolution, called for a vote of no confidence, which was laid on the desk and before we could even consider it there was a resignation and we kind of moved on. Do you recall that?

Senator GROOMS: Yes, I do.

Senator McELVEEN: That's the last time I can remember something of this magnitude since I've been here at least -- happening in, you know, a constitutional office or agency. That's the last thing I can remember that was even close to this. But going back to the issue at hand, Senator, one thing you touched on that caught my attention -- you talked about the staffing. You talked about the fact that every year, you know, this office and this Comptroller comes before your subcommittee and tells us the need, right?

Senator GROOMS: Yes.

Senator McELVEEN: And do you remember a few years ago, we had an issue, not the same but similar, with the Department of Motor Vehicles, where several stakeholders came to us and said a mistake was being made where we were not capturing commercial motor vehicle user fees like we should have to the tune of however many million dollars, I don't quite remember.

Senator GROOMS: Yes, it was over tens of millions annually.

Senator McELVEEN: So Senator, I'm sure you would agree with me, that nobody in this Body is for glut in government -- for having bloated bureaucracy -- we're not here for that. We don't look to do that. But back then, did you know, my comment was if the DMV would have come to us and said we have a new system, we just need FTE to deal with this one issue, to capture these revenues that should have been captured. That's money well spent, right?

Senator GROOMS: It is money well spent. When an agency director comes before a subcommittee and says I made a five and a half billion dollar blunder, but don't worry, I have all the staff I need. I don't need anybody else. And then we see in internal emails he really doesn't. We hear from the testimony of others, he really doesn't. When we hear that shortcuts are being made, we've now been warned.

PRESIDENT ALEXANDER: Senator the additional five minutes has expired.

Senator McELVEEN: Unanimous consent request for five more minutes.

PRESIDENT ALEXANDER: Is there objection to additional five minutes? Hearing no objection, so ordered.

Senator McELVEEN: So, Senator, I mean, certainly wasting government over spending should concern all of us. But those times where under funding brings bigger picture issues and end up costing taxpayers’ money, that should be a legal concern, right? Especially in our oversight role. Is that correct?

Senator GROOMS: Particularly in the oversight role.

Senator McELVEEN: So, Senator, you've covered most of the things already that really concern me about this, but here is one thing I want to go back to, I'm sorry -- I repeated this several times throughout the subcommittee and committee process. But do you recall me saying, you know, I'm not an accountant, I’m not a C.P.A. but, the question was asked several times during subcommittee, is when did you find out about this issue? And the response was: the issue or the amount? And response to that is you may recall, let's start with the issue itself. And I follow that up with, you know, if I'm an accountant and I'm sitting in my office, and somebody sits down in there and says there is a $3.5 billion mistake. I'm pretty sure that's ten figures, I don't have to count that high usually, but that's a day I'm going to remember, like the day I got married, my birthdate, or the birth of my first child. Would you agree?

Senator GROOMS: I would absolutely agree. Accountants are particular people. The numbers have to balance, or it drives them nuts at night. And I like the example, that David Owens used, he said accountants are the people who can't stand for the check engine light to be on in their car. They see it every day and it bothers them. Everything needs to balance. But we've had a Comptroller General who signed his name on a comprehensive annual financial report knowing that there was something wrong with it. He didn't know exactly what was wrong with it, but we now know he believed there was something wrong with the reports that he was signing his name to as being accurate.

Senator McELVEEN: Do you share the same recollection as me? My comment to him was, if I find a mistake in my professional office, I’m going to start with the timeline, right. When did I find out about this? What was the damage? What did I do to correct it? And my recollection, Senator, is that the first day of testimony, the dates that we were given were very different than the report that was given to us or the actual written timeline given to us the following week. Is that your recollection as well?

Senator GROOMS: There were multiple different timelines when things occurred. And the final timelines in this report came after his office was able to sit down, review document to document when meetings occurred, and then they were put in a chronological timeline. But you are absolutely right. It is like there is the problem. There is the long-standing riddle. It's been solved. Hallelujah, it's been around a while. We know there has been a problem. The long-standing riddle has been solved. The $4 billion question has been solved. Yes, I would absolutely remember that day.

Senator McELVEEN: Senator that's a different issue. Because, you know, with this particular situation, I felt like as a member of the subcommittee that we were approached with the kind of, mentality look what I fixed not look what I broke, right?

Senator GROOMS: By his testimony -- his own words -- I do not take responsibility for the problem even though statutory, constitutionally testimony from other agencies squarely tell us it was his problem and it occurred within his office. Let’s forget that I do not take responsibility for the problem -- I take responsibility for finding the solution. Give me another reward.

Senator McELVEEN: What I'm trying to get at here, Senator, is my recollection is when we got actually handed that written timeline the first thing that I saw on there was October of 2022. Is that correct?

Senator GROOMS: Yes.

Senator McELVEEN: When asked the previous week when this problem came to light, I was told, and the answer that I heard, and maybe I'm hard of hearing sometimes, maybe I have selective hearing sometimes, I heard early summer of last year when this problem came up. All right, and I asked a question on that. Does that mean May? I mean was early summer two weeks ago when it was seventy-five degrees here. I don't think it means October. And so, I'm just calling those inconsistencies to the attention of this Body because here is what concerns me. What if that was known before -- Senator CAMPSEN just talked about -- this is an elected official we're dealing with here. You have to be very careful about how we approach this. But I'm also talking about the voters here. Because if this was known, when filing closed in March of last year, is that fair to the voters? If this was known and not made public before a June primary last year, is that fair to the voters? We absolutely know by everyone's account this was known before the general election. But it wasn't made clear to the public. Is that right?

Senator GROOMS: That's correct.

Senator McELVEEN: So, we talk about things like transparency in this Body, in this State House. Would you agree that's hardly transparent, would you not?

Senator GROOMS: That's not transparent. And the last thing to ask you about, because I think most of this has already been covered but you know, you recall this, because you were intimately involved, when we had the discussion and debate about stability with Santee Cooper a few years ago, right?

Senator GROOMS: Yes.

Senator McELVEEN: I heard this to no end during that debate and I wanted to know if you heard it also, the question was asked over and over again, could this affect our AAA Credit Rating? You remember that?

Senator GROOMS: Yes.

Senator McELVEEN: But did you also hear the same thing that I heard, you know the good news here as you’ve already alluded here, there is no money gone, right, just overstatement of our cash position. Same as if you had a business loan. They're going to come to you and ask what are your assets, what's your liability and what's your worth, right. And you and I both know what happens if you misrepresent that. Right?

Senator GROOMS: That’s right, you could go to jail for that. If it was your C.P.A. that made an error this size, they would be gone by now. If this were a private business, if this were a publicly traded company, if this were any other thing other than state government, the chief financial officer who compiled these statements would have been fired.

Senator McELVEEN: But you know, this, like we talked about earlier, you mentioned earlier, I believe, and I hope that our state’s economy and our cash are strong enough. We certainly don't want to affect our credit rating, but the threat is when you overstate your cash position by $3.5 billion, correct?

Senator GROOMS: Absolutely correct.

Senator McELVEEN: What bothers me, did you know this and maybe you'll agree, just the cavalier attitude about this. It doesn't really matter because our State doesn't operate on credit. Our State balances our budget every year.

Senator GROOMS: That was one of the troubling aspects when he first appeared before us. How are you doing? Done a great job. There’s a little error, don't worry about it. Budget is fine. Don't need any help. Could you please repeat that little error thing again?

Senator McELVEEN: I heard error, I just didn't hear a lot about accountability within that office during the time that we spent taking testimony. I know others have questions, so I appreciate your leadership on this again Senator GROOMS. Thank you for answering my questions.

Senator GROOMS: I didn't mean to take up this much time with the members, but this was a serious issue.

Senator PEELER: Senator Grooms, I appreciate your work, the work of you and your subcommittee -- did I hear you correctly, this is a unanimous report from the subcommittee?

Senator GROOMS: That's correct, three republicans, two democrats.

Senator PEELER: Thank you so very much. I appreciate your work -- you and the subcommittee and the staff. I think the report is fair, thorough, and complete. I watched some of the testimony during y’all’s meetings and you're right. It was embarrassing to say the least. If you were the Comptroller General, and you had performed this blunder, and you came before the subcommittee, I think the Comptroller General should do the right thing. If it were you, what would you do?

Senator GROOMS: The honorable thing to do would be to resign.

Senator PEELER: Has he indicated any thought of doing that?

Senator GROOMS: He hasn't been asked. Reporters have asked me that question of what I believe, and I’ve asked to withhold any comment until we complete our report and published it. The report is now complete. It has been published. I'm asking the Comptroller General to resign. I believe that would be the honorable thing to do. I believe the votes are sufficient in the House and Senate to actually remove him from office. And I hope that he would help the General Assembly avoid us having to go through that. Thank you very much.

On motion of Senator CAMPSEN, with unanimous consent, the remarks of Senator GROOMS were ordered printed in the Journal.

**Expression of Personal Interest**

Senator HARPOOTLIAN rose for an Expression of Personal Interest.

**Remarks by Senator HARPOOTLIAN**

I am one who scours the newspaper every morning. I actually have a paper; I am one of those old-time folks that like to hold the paper when I read it. I find that I see things that I do not see when I read the news on my telephone. I read with interest this morning that in the House of Representatives a Bill was introduced this week that would provide the death penalty for women who get an abortion. Now as you know, I am a proponent of the death penalty, but I think it should be used sparingly. I read the Bill and wondered how one would come to such a decision. By the way, the Bill had twenty-one sponsors and in one day it is down to sixteen, so support is quickly eroding for this proposition. But it said to me, maybe I should go look at this. So, I did a little research and found that in Afghanistan, where the Taliban rule, the maximum penalty for an abortion is seven years. In Iran, where the Ayatollah rules, the maximum penalty for an abortion is two years. As a matter of fact, the only sentence of death I could find for an abortion was in 1944, the Vichy government, the Nazi government in France, passed a law-making abortion punishable by death. And a woman was actually put to death by the guillotine in 1944. This Google thing is just wonderful, is it not? In scouring the records, I found that was the only instance. So, I said to myself, what is the goal? Is the goal to be tougher than the Taliban? Really? Really? So, I began looking at more about this Bill and we are getting national press on it. I know that helps Senator PEELER recruit industry to come to South Carolina, the only State in the country with the death penalty, or proposed death penalty for abortion. Obviously, I am being a little bit facetious here.

I understand it is that other Body across the hall, and we know they pass Bills, and we pass laws. I get all of that. But it seems to me, that there is something going on over there. I watched the budget process this week -- I would call it juvenile if not for the fact that there are twenty-one votes over there to do all kind of wacky things, including this. So, I wanted to bring it to your attention -- I looked at the list of sponsors, those that are still sponsors, and found a number of them are in your districts -- none in mine, thank God, but in a number of your districts. And I want to share with you their names. The next time you run into them you may suggest that perhaps they are on the wrong track, that they are not heading in the right direction and that they perhaps need to refocus their efforts. There is water, there is sewer, there are developments, investment, there are taxes -- there are all kind of things we need to deal with -- this is not one of them. Sponsors of this Bill are Representative Robert J. “Rob” Harris, District 36-Spartanburg, Representative James Mikell “Mike” Burns, District 17-Greenville, Representative William M. “Bill” Chumley, District 35-Greenville and Spartanburg, Representative Jordan S. Pace, District 117-Berkeley, Representative Roger Nutt, District 34-Spartanburg, Representative Thomas Beach, District 10-Anderson, Greenville, and Pickens, Representative Stewart Jones, District 14-Laurens, Representative Joseph S. “Joe” White, District 40-Lexington and Newberry, Representative Steven Wayne Long, District 37-Spartanburg, Representative David O’Neal, District 66-York, Representative Josiah Magnuson, District 38-Spartanburg, Representative Donald Ryan McCabe, Jr., District 96-Lexington, Representative Ashley Trantham, District 28-Greenville, Representative John Gregory “Jay” Kilmartin, District 85-Lexington, Representative Brandon Guffey, District 48-York, and Representative April Cromer, District 6-Anderson. These are the folks in your districts espousing this position. Whether you are pro-choice or pro-life, the death penalty, really? Really? If you talk to some of the responsible folks, mostly Republicans, in the House, they will tell you these folks are not interested in governing; they are interested in terrorism. Maybe that is why they are tougher than the Taliban on abortion. And by the way, both in Iran and Afghanistan, there are exceptions to save the mother's life or for fetal abnormalities. So, I point out, even where Sharia Law is in effect, it is not as tough as what these Representatives want.

On motion of Senator MATTHEWS, with unanimous consent, the remarks of Senator HARPOOTLIAN were ordered printed in the Journal.

**Expression of Personal Interest**

Senator CASH rose for an Expression of Personal Interest.

**CO-SPONSORS ADDED**

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

S. 234 Sen. Campsen

S. 305 Sen. Climer

S. 423 Sen. McLeod

S. 445 Sen. Matthews

S. 481 Sen. Verdin

S. 514 Sen. Shealy

S. 519 Sen. Cash

S. 546 Sens. Alexander and Campsen

S. 552 Sen. Cash

**CO-SPONSOR REMOVED**

The following co-sponsor was removed from the respective Bill:

S. 425 Sen. Senn

**RECALLED**

S. 606 -- Senators Garrett and Gambrell: A CONCURRENT RESOLUTION TO REQUEST THE DEPARTMENT OF TRANSPORTATION NAME THE PORTION OF SOUTH CAROLINA HIGHWAY 34 IN THE CITY OF GREENWOOD IN GREENWOOD COUNTY FROM ITS INTERSECTION WITH UNITED STATES HIGHWAY 25 TO ITS INTERSECTION WITH VINTAGE COURT “JOHN MCELRATH MEMORIAL HIGHWAY” AND ERECT APPROPRIATE SIGNS OR MARKERS AT THIS LOCATION CONTAINING THESE WORDS.

Senator GROOMS asked unanimous consent to make a motion to recall the Senate Resolution from the Committee on Transportation.

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

**RECALLED AND ADOPTED**

S. 632 -- Senators Matthews and McLeod: A SENATE RESOLUTION TO RECOGNIZE MARCH 14, 2023, AS “EQUAL PAY DAY” IN SOUTH CAROLINA.

Senator DAVIS asked unanimous consent to make a motion to recall the Resolution from the Committee on Labor, Commerce and Industry.

The Resolution was recalled from the Committee on Labor, Commerce and Industry.

Senator DAVIS asked unanimous consent to make a motion to take the Resolution up for immediate consideration.

There was no objection.

The Senate proceeded to a consideration of the Resolution. The question then was the adoption of the Resolution.

On motion of Senator DAVIS, the Resolution was adopted.

**RECALLED**

H. 3621 -- Reps. Hyde, Alexander, Anderson, Atkinson, Bailey, Ballentine, Bamberg, Bannister, Bauer, Beach, Bernstein, Blackwell, Bradley, Brewer, Brittain, Burns, Bustos, Calhoon, Carter, Caskey, Chapman, Chumley, Clyburn, Cobb-Hunter, Collins, Connell, B.J. Cox, B.L. Cox, Crawford, Cromer, Davis, Dillard, Elliott, Erickson, Felder, Forrest, Gagnon, Garvin, Gatch, Gibson, Gilliam, Gilliard, Guest, Guffey, Haddon, Hager, Hardee, Harris, Hart, Hartnett, Hayes, Henderson-Myers, Henegan, Herbkersman, Hewitt, Hiott, Hixon, Hosey, Howard, Jefferson, J.E. Johnson, J.L. Johnson, S. Jones, W. Jones, Jordan, Kilmartin, King, Kirby, Landing, Lawson, Leber, Ligon, Long, Lowe, Magnuson, May, McCabe, McCravy, McDaniel, McGinnis, Mitchell, J. Moore, T. Moore, A.M. Morgan, T.A. Morgan, Moss, Murphy, Neese, B. Newton, W. Newton, Nutt, O'Neal, Oremus, Ott, Pace, Pedalino, Pendarvis, Pope, Rivers, Robbins, Rose, Rutherford, Sandifer, Schuessler, Sessions, G.M. Smith, M.M. Smith, Stavrinakis, Taylor, Tedder, Thayer, Thigpen, Trantham, Vaughan, Weeks, West, Wetmore, Wheeler, White, Whitmire, Williams, Willis, Wooten and Yow: A CONCURRENT RESOLUTION TO IMPROVE THE CARE OF ATHEROSCLEROTIC CARDIOVASCULAR DISEASE IN THE STATE OF SOUTH CAROLINA.

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

The Concurrent Resolution was recalled from the Committee on Medical Affairs and ordered placed on the Calendar for consideration tomorrow.

**RECALLED**

H. 3975 -- Reps. Sessions, King, West, Felder, Hewitt, Pedalino, W. Newton, O'Neal, Hiott, Lawson, A.M. Morgan, B. Newton, Ligon, Harris, Guffey, Murphy, Williams, Chapman, Mitchell, Connell, Schuessler, Brewer, Wetmore, B.J. Cox, Vaughan, T.A. Morgan, J.L. Johnson, Moss, Robbins and Thayer: A CONCURRENT RESOLUTION TO RECOGNIZE THE RIGHTS OF CITIZENS WITH DOWN SYNDROME, TO PROMOTE THEIR INCLUSION AND WELL-BEING, AND TO DECLARE MARCH 21, 2023, AS "DOWN SYNDROME DAY" IN SOUTH CAROLINA.

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

The Concurrent Resolution was recalled from the Committee on Medical Affairs and ordered placed on the Calendar for consideration tomorrow.

**RECALLED**

H. 3973 -- Rep. Alexander: A CONCURRENT RESOLUTION TO RECOGNIZE MARCH 2023 AS "CHRONIC KIDNEY DISEASE AWARENESS MONTH" IN SOUTH CAROLINA IN ORDER TO RAISE AWARENESS FOR THE NEED FOR RESEARCH, SCREENING PROGRAMS, AND ACCESS TO CARE FOR INDIVIDUALS WHO SUFFER FROM CHRONIC KIDNEY DISEASE.

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

The Concurrent Resolution was recalled from the Committee on Medical Affairs and ordered placed on the Calendar for consideration tomorrow.

**RECALLED**

H. 4141 -- Rep. Taylor: A CONCURRENT RESOLUTION TO DECLARE THE MONTH OF APRIL 2023 AS “DISTRACTED DRIVER AWARENESS MONTH”.

Senator GROOMS asked unanimous consent to make a motion to recall the Concurrent Resolution from the Committee on Transportation.

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

**RATIFICATION OF ACTS**

Pursuant to an invitation the Honorable Speaker and House of Representatives appeared in the Senate Chamber on March 15, 2023, at 1:15 P.M. and the following Acts and Joint Resolution were ratified:

(R4, S. 361) -- Senators Grooms and Scott: AN ACT TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY AMENDING SECTION 57‑5‑1630, RELATING TO THE EXTENSION OF CONSTRUCTION CONTRACTS, SO AS TO PROVIDE THAT THE DEPARTMENT OF TRANSPORTATION COMMISSION IS NOT REQUIRED TO PROVIDE PREAPPROVAL OF CONSTRUCTION CONTRACT EXTENSIONS AND TO PROVIDE THAT THE COMMISSION MUST RATIFY EXTENSIONS AT THE NEXT COMMISSION MEETING.

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(R5, S. 478) -- Senator Gambrell: AN ACT TO AMEND ACT 549 OF 1973, AS AMENDED, RELATING TO THE BOARD OF DIRECTORS OF THE BROADWATER WATER AND SEWERAGE DISTRICT, SO AS TO REDUCE THE NUMBER OF MEMBERS OF THE BROADWATER WATER AND SEWERAGE DISTRICT BOARD FROM NINE TO SEVEN.

L:\COUNCIL\ACTS\478PH125.DOCX

(R6, H. 3604) -- Reps. Bannister, G.M. Smith and Murphy: A JOINT RESOLUTION TO APPROPRIATE FUNDING FOR CERTAIN INFRASTRUCTURE AND OTHER PURPOSES TO FOSTER ECONOMIC DEVELOPMENT AND PRESCRIBE THE APPROPRIATE PURPOSES, TERMS, AND CONDITIONS.

L:\COUNCIL\ACTS\3604DG125.DOCX

(R7, H. 3741) -- Rep. W. Newton: AN ACT TO ADOPT REVISED CODE VOLUME 13A OF THE SOUTH CAROLINA CODE OF LAWS, TO THE EXTENT OF ITS CONTENTS, AS THE ONLY GENERAL PERMANENT STATUTORY LAW OF THE STATE AS OF JANUARY 1, 2023.

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(R8, H. 3961) -- Reps. Murphy, Brewer, Gatch, Jefferson and Robbins: AN ACT TO AMEND ACT 535 OF 1982, AS AMENDED, RELATING TO THE ELECTION OF THE SEVEN MEMBERS OF THE BOARD OF TRUSTEES OF SUMMERVILLE SCHOOL DISTRICT 2 OF DORCHESTER COUNTY, SO AS TO CHANGE THE METHOD OF ELECTING FROM AT-LARGE TO SINGLE-MEMBER DISTRICTS, TO DESIGNATE A MAP NUMBER ON WHICH THESE SINGLE-MEMBER ELECTION DISTRICTS ARE DELINEATED, TO CHANGE THE CANDIDATE FILING METHOD, AND TO PROVIDE DEMOGRAPHIC INFORMATION FOR THE NEWLY DRAWN ELECTION DISTRICTS.

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**INTRODUCTION OF BILLS AND RESOLUTIONS**

The following were introduced:

S. 635 -- Senator Bennett: A BILL TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY AMENDING SECTIONS 56-3-253, 56-3-376, 56-3-377, AND 56-3-385, RELATING TO THE ESTABLISHMENT OF BIENNIAL VEHICLE REGISTRATION PERIODS, SO AS TO ESTABLISH ANNUAL VEHICLE REGISTRATION PERIODS; BY ADDING SECTION 56-3-600 SO AS TO PROVIDE FOR THE ANNUAL PAYMENT OF VEHICLE REGISTRATION AND LICENSE FEES; TO AMEND SECTIONS 56-3-610, 56-3-620, 56-3-640, 56-3-645, 56-3-660, 56-3-700, 56-3-710, 56-3-720, 56-3-740, 56-3-750, 56-3-760, 56-3-770, 56-3-840, 56-3-900, 56-3-1230, 56-3-1450, 56-3-1510, 56-3-1530, 56-3-1610, 56-3-1630, 56-3-2010, 56-3-2020, 56-3-2150, 56-3-2160, 56-3-2540, 56-3-2810, 56-3-2820, 56-3-3410, 56-3-3420, 56-3-3500, 56-3-3600, 56-3-3910, 56-3-3950, 56-3-4100, 56-3-4200, 56-3-4410, 56-3-4510, 56-3-4600, 56-3-4800, 56-3-5010, 56-3-5200, 56-3-5300, 56-3-5400, 56-3-6500, 56-3-7000, 56-3-7010, 56-3-7050, 56-3-7200, 56-3-7300, 56-3-7310, 56-3-7320, 56-3-7330, 56-3-7340, 56-3-7350, 56-3-7370, 56-3-7610, 56-3-7700, 56-3-7750, 56-3-7800, 56-3-7890, 56-3-7910, 56-3-7940, 56-3-7950, 56-3-8000, 56-3-8100, 56-3-8200, 56-3-8300, 56-3-8400, 56-3-8600, 56-3-8710, 56-3-8910, 56-3-9000, 56-3-9100, 56-3-9200, 56-3-9300, 56-3-9400, 56-3-9500, 56-3-9600, 56-3-9710, 56-3-9800, 56-3-10010, 56-3-10510, 56-3-10810, 56-3-10910, 56-3-11310, 56-3-11420, 56-3-11810, 56-3-12010, 56-3-12110, 56-3-12210, 56-3-12310, 56-3-12410, 56-3-12510, 56-3-12610, 56-3-12710, 56-3-12810, 56-3-13010, 56-3-13310, 56-3-13410, 56-3-13520, 56-3-13610, 56-3-13710, 56-3-13810, 56-3-13910, 56-3-14010, 56-3-14110, 56-3-14210, 56-3-14510, 56-3-14610, 56-3-14710, 56-3-14810, 56-3-14910, 56-3-14920, 56-3-14930, 56-3-14940, 56-3-14950, 56-3-14960, 56-3-14970, 56-3-14980, AND 11-43-167, RELATING TO THE BIENNIAL PAYMENT OF REGISTRATION, LICENSE AND ROAD USE FEES FOR VARIOUS VEHICLES AND VARIOUS LICENSE PLATES, DELINQUENT REGISTRATION AND LICENSE PENALTIES, THE ISSUANCE OF REFUNDS OF REGISTRATION AND LICENSE FEES, LICENSE PLATE SPECIFICATIONS AND THE ISSUANCE OF LICENSE PLATES AND REVALIDATION STICKERS, THE ISSUANCE OF "YEAR OF MANUFACTURE" LICENSE PLATES, "AMATEUR RADIO OPERATORS" LICENSE PLATES, "EMERGENCY MEDICAL TECHNICIANS" LICENSE PLATES, "SPECIAL PERSONALIZED" LICENSE PLATES, LICENSE PLATES FOR VARIOUS ACTIVE AND RETIRED ELECTED OFFICIALS AND RETIRED JUDICIAL OFFICERS, "CONSERVE SOUTH CAROLINA" LICENSE PLATES, "VOLUNTEER FIREMEN" LICENSE PLATES, "NATIONAL WILD TURKEY FEDERATION" LICENSE PLATES, "PENN CENTER" LICENSE PLATES, "SOUTH CAROLINA NURSES" LICENSE PLATES, "SHAG COMMEMORATIVE" LICENSE PLATES, "KEEP SOUTH CAROLINA BEAUTIFUL" LICENSE PLATES, "SOUTH CAROLINA ELKS ASSOCIATION" LICENSE PLATES, "CAROLINA PANTHERS" LICENSE PLATES, "SHARE THE ROAD" LICENSE PLATES, "SOUTH CAROLINA WILDLIFE" LICENSE PLATES, "HOMEOWNERSHIP: THE AMERICAN DREAM" LICENSE PLATES, "SONS OF CONFEDERATE VETERANS" LICENSE PLATES, "PUBLIC EDUCATION: A GREAT INVESTMENT" LICENSE PLATES, "SOUTH CAROLINA: FIRST IN GOLF" LICENSE PLATES, "CHARTER LIMOUSINE" LICENSE PLATES, "FRATERNAL ORDER OF POLICE" LICENSE PLATES, "UNITED STATES NAVAL ACADEMY" LICENSE PLATES, "COUNTY VETERANS AFFAIRS OFFICERS" LICENSE PLATES, "UNITED STATES AIR FORCE ACADEMY" LICENSE PLATES, "ARTS AWARENESS" LICENSE PLATES, "SALTWATER FISHING" LICENSE PLATES, "EMERGENCY MEDICAL SERVICE" LICENSE PLATES, "BOY SCOUTS OF AMERICA" AND "EAGLE SCOUT" LICENSE PLATES, "NATIVE AMERICAN" LICENSE PLATES, "SOUTH CAROLINA PEACH COUNCIL" LICENSE PLATES, "CANCER RESEARCH CENTERS OF THE CAROLINAS" LICENSE PLATES, "SQUARE DANCE" LICENSE PLATES, "SPECIAL OLYMPICS" LICENSE PLATES, "FRATERNITY AND SORORITY" LICENSE PLATES, "SOUTH CAROLINA AQUARIUM" LICENSE PLATES, "OUR FARMS - OUR FUTURE" LICENSE PLATES, "H.L. HUNLEY SUBMARINE" LICENSE PLATES, "REDUCE, REUSE, RECYCLE" LICENSE PLATES, "HUNTING ISLAND STATE PARK" LICENSE PLATES, "NONPROFIT ORGANIZATION" LICENSE PLATES, SPECIAL LICENSE PLATES PRODUCTION AND DISTRIBUTION GUIDELINES, "ROTARY INTERNATIONAL" LICENSE PLATES, "LIONS CLUB" LICENSE PLATES, "DUCKS UNLIMITED" LICENSE PLATES, "NASCAR" LICENSE PLATES, "CHOOSE LIFE" LICENSE PLATES, "SERTOMA INTERNATIONAL" LICENSE PLATES, "SOUTH CAROLINA TECHNOLOGY ALLIANCE" LICENSE PLATES, "IN GOD WE TRUST" LICENSE PLATES, "UNITED WE STAND" LICENSE PLATES, "MORRIS ISLAND LIGHTHOUSE" LICENSE PLATES, "GOD BLESS AMERICA" LICENSE PLATES, "NO MORE HOMELESS PETS" LICENSE PLATES, "HERITAGE CLASSIC FOUNDATION" LICENSE PLATES, "BREAST CANCER AWARENESS" LICENSE PLATES, "PARROT HEAD" LICENSE PLATES, "I BELIEVE" LICENSE PLATES, "SOUTH CAROLINA TENNIS PATRONS FOUNDATION" LICENSE PLATES, "TREE MY DOG" LICENSE PLATES, "SECOND AMENDMENT" LICENSE PLATES, "STATE FLAG" LICENSE PLATES, "I SUPPORT LIBRARIES" LICENSE PLATES, "SOUTH CAROLINA EDUCATOR" LICENSE PLATES, "BEACH MUSIC" LICENSE PLATES, CITADEL ALUMNI ASSOCIATION "BIG RED" LICENSE PLATES, "LARGEMOUTH BASS" LICENSE PLATES, "HIGH SCHOOL" LICENSE PLATES, "SOUTH CAROLINA WILDLIFE FEDERATION" LICENSE PLATES, "DR. MARY MCLEOD BETHUNE" LICENSE PLATES, "GADSDEN FLAG" LICENSE PLATES, "2010-11 BASEBALL NATIONAL CHAMPIONS" LICENSE PLATES, "MOTORCYCLE AWARENESS" LICENSE PLATES, "SOUTH CAROLINA RIVERKEEPERS" LICENSE PLATES, "AUTISM AWARENESS" LICENSE PLATES, "SOUTH CAROLINA STANDS WITH ISRAEL" LICENSE PLATES, "AMERICAN RED CROSS" LICENSE PLATES, "CHASE AWAY CHILDHOOD CANCER" LICENSE PLATES, "SPECIAL PERSONALIZED MOTOR VEHICLE" LICENSE PLATES, "CLEMSON UNIVERSITY 2016 AND 2018 FOOTBALL NATIONAL CHAMPIONS" LICENSE PLATES, "2016 BASEBALL NATIONAL CHAMPIONS" LICENSE PLATES, "UNIVERSITY OF SOUTH CAROLINA 2017 WOMEN'S BASKETBALL NATIONAL CHAMPIONS" LICENSE PLATES, "VIRGINIA TECH" LICENSE PLATES, "POWERING THE PALMETTO STATE" LICENSE PLATES, "DRIVERS FOR A CURE" SPECIAL LICENSE PLATES, AND "TWO HUNDRED FIFTY YEAR ANNIVERSARY REVOLUTIONARY WAR COMMEMORATIVE" SPECIAL LICENSE PLATES, SO AS TO PROVIDE FOR THE ANNUAL REGISTRATION AND LICENSING OF CERTAIN SPECIAL LICENSE PLATES REFLECTIVE OF VARIOUS AWARDS, SPECIAL LICENSE PLATES REFLECTIVE OF DISTINGUISHED SERVICE AWARDS, SPECIAL LICENSE PLATES REFLECTIVE OF EXEMPLARY SERVICE AWARDS, SPECIAL LICENSE PLATES REFLECTIVE OF A SERVICE-CONNECTED DISABILITY, SPECIAL LICENSE PLATES REFLECTIVE OF CAMPAIGN MEDALS, SPECIAL LICENSE PLATES REFLECTIVE OF MERITORIOUS SERVICE, SPECIAL LICENSE PLATES REFLECTIVE OF MILITARY SERVICE, AND SPECIAL LICENSE PLATES SHOWING SUPPORT FOR MILITARY-RELATED PRIVATE ORGANIZATIONS, SO AS TO PROVIDE FOR THE ANNUAL REGISTRATION AND LICENSING OF CERTAIN MOTOR VEHICLES, TO PROVIDE COUNTIES SHALL COLLECT CERTAIN FEES ASSESSED AGAINST VEHICLES POWERED BY ANY FUEL OTHER THAN MOTOR FUEL, AND TO PROVIDE A COUNTY MAY COLLECT CERTAIN DELINQUENCY FEES ON BEHALF OF THE DEPARTMENT; BY AMENDING SECTION 11-43-167, RELATING TO FEES AND FINES CREDITED TO THE STATE HIGHWAY FUND, SO AS TO PROVIDE THE DEPARTMENT OF TRANSPORTATION SHALL REDUCE THE ALLOCATION TO THE STATE-FUNDED RESURFACING PROGRAM BY A CERTAIN PROPORTION, SHALL TRANSFER NONTAX REVENUE TO THE INFRASTRUCTURE BANK IN AN AMOUNT DETERMINED BY THE DEPARTMENT, AND THE INFRASTRUCTURE BANK SHALL TRANSFER CERTAIN AMOUNTS OF MONEY TO THE DEPARTMENT; BY ADDING SECTION 56-3-117 SO AS TO PROVIDE THE DEPARTMENT MUST REFUSE TO RENEW THE MOTOR VEHICLE REGISTRATION OF A PERSON WHO HAS NOT PAID THE VEHICLE'S PERSONAL PROPERTY TAXES, AND PROVIDE A COUNTY OR MUNICIPALITY MUST NOTIFY THE DEPARTMENT OF PERSONS VIOLATING THIS CHAPTER; BY ADDING SECTION 56-3-205 SO AS TO PROVIDE THE DEPARTMENT MAY ISSUE REVALIDATION DECALS AND ENTER INTO AND SUPERVISE CONTRACTS WITH CERTAIN ENTITIES TO ISSUE LICENSE PLATES AND REVALIDATION DECALS, TO PROVIDE GOVERNMENTAL ENTITIES THAT ISSUE REVALIDATION DECALS MAY CHARGE A FEE TO DEFRAY THE COST OF ISSUING PLATES AND DECALS, AND PROVIDE A PLAN MUST BE DEVELOPED TO ALLOW EACH COUNTY TO ISSUE LICENSE PLATES AND REVALIDATION DECALS; AND TO REPEAL SECTIONS 56-3-378, 56-3-905, AND 56-2-2740 RELATING TO THE DEPARTMENT OF MOTOR VEHICLES ESTABLISHING A SYSTEM OF REGISTERING MOTOR VEHICLES, REFUNDING A PORTION OF THE VEHICLE REGISTRATION FEE WHEN A LICENSE PLATE AND REGISTRATION IS SURRENDERED TO THE DEPARTMENT, AND THE ISSUANCE OF BIENNIAL LICENSE PLATES AND REVALIDATION DECALS.

lc-0267cm23.docx : 4c6f5f88-478b-4025-96b8-5e03ec8b2c22

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

S. 636 -- Senator Turner: A BILL TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY AMENDING SECTION 38-75-1000, RELATING TO COMMISSIONS PAID BY A TITLE INSURER, SO AS TO REMOVE THE CAP ON THE COMMISSION.

sr-0301km23.docx : 7d5fcf76-c9ad-4096-aae4-fb28def9d3b6

Read the first time and referred to the Committee on Banking and Insurance.

S. 637 -- Senators Kimbrell, M. Johnson and Adams: A BILL TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY REPEALING CHAPTER 20, TITLE 12 RELATING TO CORPORATION LICENSE FEES.

sr-0326km23.docx : bcafac8d-1900-4f68-9d47-b0768af6a7c5

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

S. 638 -- Senator Rankin: A BILL TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY ADDING SECTION 23-31-1100 RELATING TO FIREARMS, SO AS TO REQUIRE THE SOUTH CAROLINA LAW ENFORCEMENT DIVISION TO ESTABLISH THE SOUTH CAROLINA VOLUNTARY DO-NOT-SELL FIREARMS LIST TO PROVIDE A LIST OF NAMES TO FIREARMS DEALERS' BACKGROUND CHECK SYSTEM OF THOSE INDIVIDUALS WHO VOLUNTARILY WAIVE THEIR RIGHT TO PURCHASE A FIREARM; BY ADDING SECTION 23-31-1110 TO SPECIFY REQUIREMENTS OF APPLICATION TO THE DO-NOT-SELL FIREARMS LIST AND REQUESTS FOR REMOVAL; AND BY ADDING SECTION 23-31-1120 TO PROVIDE THAT IT IS UNLAWFUL FOR ANY PERSON WHO IS REQUIRED TO PERFORM A BACKGROUND CHECK PRIOR TO THE TRANSFER OF A FIREARM TO KNOWINGLY SELL OR DELIVER A FIREARM TO ANY PERSON ON THE VOLUNTARY DO-NOT-SELL FIREARMS LIST AND TO PROVIDE PENALTIES.

sj-0040bm23.docx : 55490942-8ebb-43b0-b9d7-df890a7ad758

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

S. 639 -- Senator Climer: A BILL TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY AMENDING SECTION 7-7-530, RELATING TO DESIGNATION OF VOTING PRECINCTS IN YORK COUNTY, SO AS TO REDESIGNATE THE MAP NUMBER ON WHICH THESE PRECINCTS MAY BE FOUND ON FILE WITH THE REVENUE AND FISCAL AFFAIRS OFFICE.

lc-0175hdb23.docx : 4dec9c36-44b1-4204-b31c-ca757350f792

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

S. 640 -- Agriculture and Natural Resources Committee: A JOINT RESOLUTION TO APPROVE REGULATIONS OF THE DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL, RELATING TO WATER CLASSIFICATIONS AND STANDARDS, DESIGNATED AS REGULATION DOCUMENT NUMBER 5119, PURSUANT TO THE PROVISIONS OF ARTICLE 1, CHAPTER 23, TITLE 1 OF THE SOUTH CAROLINA CODE OF LAWS.

lc-0277wab-dbs23.docx : 87f2da3a-8bac-40df-93b5-c4a1399826a0

Read the first time and ordered placed on the Calendar without reference.

S. 641 -- Agriculture and Natural Resources Committee: A JOINT RESOLUTION TO APPROVE REGULATIONS OF THE DEPARTMENT OF LABOR, LICENSING AND REGULATION - BOARD OF VETERINARY MEDICAL EXAMINERS, RELATING TO DEFINITIONS; PRACTICE STANDARDS FOR LICENSED VETERINARY TECHNICIANS AND UNLICENSED VETERINARY AIDES; LICENSURE AND EXAMINATIONS FOR VETERINARIANS, DESIGNATED AS REGULATION DOCUMENT NUMBER 5121, PURSUANT TO THE PROVISIONS OF ARTICLE 1, CHAPTER 23, TITLE 1 OF THE SOUTH CAROLINA CODE OF LAWS.

lc-0276wab-rt23.docx : c2462295-bce7-4bf7-b3a6-a406d270dfbc

Read the first time and ordered placed on the Calendar without reference.

S. 642 -- Fish, Game and Forestry Committee: A JOINT RESOLUTION TO APPROVE REGULATIONS OF THE DEPARTMENT OF NATURAL RESOURCES, RELATING TO WILDLIFE MANAGEMENT AREA REGULATIONS; BEAR HUNTING RULES AND SEASONS, DESIGNATED AS REGULATION DOCUMENT NUMBER 5165, PURSUANT TO THE PROVISIONS OF ARTICLE 1, CHAPTER 23, TITLE 1 OF THE SOUTH CAROLINA CODE OF LAWS.

lc-0280wab-dbs23.docx : f13a9492-80ff-454c-9f61-fec9963907ab

Read the first time and ordered placed on the Calendar without reference.

H. 3433 -- Reps. Hixon and W. Newton: A BILL TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY AMENDING SECTION 50-5-2510, RELATING TO THE SUSPENSION OF SALTWATER PRIVILEGES FOR THE ACCUMULATION OF POINTS, SO AS TO CHANGE THE METHOD FOR THE NOTICE OF SUSPENSION; BY AMENDING SECTION 50-5-2515, RELATING TO THE NOTICE OF SUSPENSION OF SALTWATER PRIVILEGES, SO AS TO MAKE A CONFORMING CHANGE; BY AMENDING SECTION 50-9-1140, RELATING TO THE SUSPENSION OF HUNTING AND FISHING PRIVILEGES, SO AS TO CHANGE THE METHOD FOR THE NOTICE OF SUSPENSION; BY AMENDING SECTION 50-9-1150, RELATING TO THE NOTICE OF SUSPENSION OF HUNTING AND FISHING PRIVILEGES, SO AS TO PROVIDE THAT A PERSON OR ENTITY MAY APPEAL THE DECISION UNDER THE ADMINISTRATIVE PROCEDURES ACT; AND BY REPEALING SECTION 50-5-2545 RELATING TO POINTS FOR VIOLATIONS OF MARINE RESOURCES LAWS RECEIVED PRIOR TO THE EFFECTIVE DATE OF THE MARINE RESOURCES ACT OF 2000; AND BY REPEALING SECTION 50-9-1160 RELATING TO JUDICIAL REVIEW OF A SUSPENSION OF HUNTING AND FISHING PRIVILEGES.

lc-0001ph23.docx : 29e00ff7-cd30-4d57-bcd0-a3a0c36df8f3

Read the first time and referred to the Committee on Fish, Game and Forestry.

H. 4099 -- Reps. B. Newton, Neese, Mitchell and Yow: A BILL TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY AMENDING SECTION 7-7-350, RELATING TO DESIGNATION OF VOTING PRECINCTS IN LANCASTER COUNTY, SO AS TO ADD ONE PRECINCT AND TO REDESIGNATE THE MAP NUMBER ON WHICH THESE PRECINCTS MAY BE FOUND ON FILE WITH THE REVENUE AND FISCAL AFFAIRS OFFICE.

lc-0162hdb23.docx : 50cc7c76-dfd6-420e-b984-4745083ef4b7

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

H. 4156 -- Reps. Moss, Alexander, Anderson, Atkinson, Bailey, Ballentine, Bamberg, Bannister, Bauer, Beach, Bernstein, Blackwell, Bradley, Brewer, Brittain, Burns, Bustos, Calhoon, Carter, Caskey, Chapman, Chumley, Clyburn, Cobb-Hunter, Collins, Connell, B. J. Cox, B. L. Cox, Crawford, Cromer, Davis, Dillard, Elliott, Erickson, Felder, Forrest, Gagnon, Garvin, Gatch, Gibson, Gilliam, Gilliard, Guest, Guffey, Haddon, Hager, Hardee, Harris, Hart, Hartnett, Hayes, Henderson-Myers, Henegan, Herbkersman, Hewitt, Hiott, Hixon, Hosey, Howard, Hyde, Jefferson, J. E. Johnson, J. L. Johnson, S. Jones, W. Jones, Jordan, Kilmartin, King, Kirby, Landing, Lawson, Leber, Ligon, Long, Lowe, Magnuson, May, McCabe, McCravy, McDaniel, McGinnis, Mitchell, J. Moore, T. Moore, A. M. Morgan, T. A. Morgan, Murphy, Neese, B. Newton, W. Newton, Nutt, O'Neal, Oremus, Ott, Pace, Pedalino, Pendarvis, Pope, Rivers, Robbins, Rose, Rutherford, Sandifer, Schuessler, Sessions, G. M. Smith, M. M. Smith, Stavrinakis, Taylor, Tedder, Thayer, Thigpen, Trantham, Vaughan, Weeks, West, Wetmore, Wheeler, White, Whitmire, Williams, Willis, Wooten and Yow: A CONCURRENT RESOLUTION TO PROMOTE UNDERSTANDING OF THE GROWING RISK OF BLADDER CANCER IN THE UNITED STATES, TO ENCOURAGE RESEARCH IN THE MEDICAL COMMUNITY TO IDENTIFY THE CAUSES AND DEVELOP A CURE FOR THE DISEASE, AND TO DECLARE MAY 2023 AS "BLADDER CANCER AWARENESS MONTH" IN SOUTH CAROLINA.

lc-0279wab-rm23.docx : d80a4733-30ca-47e3-b6a3-9d70a0a3ebeb

The Concurrent Resolution was introduced and referred to the Committee on Medical Affairs.

H. 4300 -- Ways and Means Committee: A BILL TO MAKE APPROPRIATIONS AND TO PROVIDE REVENUES TO MEET THE ORDINARY EXPENSES OF STATE GOVERNMENT FOR THE FISCAL YEAR BEGINNING JULY 1, 2023, TO REGULATE THE EXPENDITURE OF SUCH FUNDS, AND TO FURTHER PROVIDE FOR THE OPERATION OF STATE GOVERNMENT DURING THIS FISCAL YEAR AND FOR OTHER PURPOSES.

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

H. 4301 -- Ways and Means Committee: A JOINT RESOLUTION TO APPROPRIATE MONIES FROM THE CAPITAL RESERVE FUND FOR FISCAL YEAR 2022-2023, AND TO ALLOW UNEXPENDED FUNDS APPROPRIATED TO BE CARRIED FORWARD TO SUCCEEDING FISCAL YEARS AND EXPENDED FOR THE SAME PURPOSES.

lc-0168dg23.docx : fd295761-100a-4908-b2c9-41b56e8497f4

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

**REPORTS OF STANDING COMMITTEES**

Senator RANKIN from the Committee on Judiciary submitted a favorable with amendment report on:

S. 112 -- Senators Allen, Hembree and Shealy: A BILL TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY AMENDING SECTION 34-11-90, RELATING TO JURISDICTION FOR OFFENSES INVOLVING CHECKS AND PENALTIES, SO AS TO PROVIDE A METHOD TO EXPUNGE CONVICTIONS; AND TO AMEND SECTION 17-22-910, AS AMENDED, RELATING TO APPLICATIONS FOR EXPUNGEMENT, SO AS TO ADD MULTIPLE MISDEMEANOR OFFENSES OF CHECK FRAUD TO THOSE OFFENSES ELIGIBLE FOR EXPUNGEMENT.

Ordered for consideration tomorrow.

Senator RANKIN from the Committee on Judiciary submitted a favorable with amendment report on:

S. 252 -- Senators M. Johnson, Adams, Kimbrell, Reichenbach and Senn: A BILL TO AMEND CHAPTER 2, TITLE 30 OF THE SOUTH CAROLINA CODE OF LAWS BY ENACTING THE LAW ENFORCEMENT PERSONAL INFORMATION PRIVACY PROTECTION ACT, BY ADDING ARTICLE 5 TO PROVIDE THAT A LAW ENFORCEMENT OFFICER MAY FORMALLY REQUEST THAT HIS PERSONAL IDENTIFYING INFORMATION HELD OR MAINTAINED BY A STATE OR LOCAL GOVERNMENTAL AGENCY BE HELD CONFIDENTIAL AFTER WHICH THE INFORMATION MUST NOT BE DISCLOSED EXCEPT TO ANOTHER GOVERNMENTAL AGENCY, UNDER SUBPOENA, BY ORDER OF THE COURT, OR UPON WRITTEN CONSENT OF THE OFFICER.

Ordered for consideration tomorrow.

Senator RANKIN from the Committee on Judiciary submitted a favorable with amendment report on:

S. 260 -- Senators Rankin and Hutto: A BILL TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY ENACTING THE "RESPONSIBLE ALCOHOL SERVER TRAINING ACT"; BY AMENDING TITLE 61, RELATING TO ALCOHOL AND ALCOHOLIC BEVERAGES, BY ADDING CHAPTER 3, TO PROVIDE FOR THE ESTABLISHMENT, IMPLEMENTATION, AND ENFORCEMENT OF A MANDATORY ALCOHOL SERVER TRAINING AND EDUCATION PROGRAM, TO REQUIRE SERVERS OF ALCOHOLIC BEVERAGES FOR ON-PREMISES CONSUMPTION IN LICENSED OR PERMITTED BUSINESSES TO OBTAIN ALCOHOL SERVER CERTIFICATES, TO PROVIDE GUIDANCE FOR THE CURRICULA OF THE TRAINING PROGRAMS, TO PROVIDE FOR THE DEPARTMENT OF REVENUE TO BE RESPONSIBLE FOR APPROVAL OF THE TRAINING PROGRAMS AND IMPLEMENTATION OF THE ALCOHOL SERVER CERTIFICATES, TO REQUIRE FEES FROM PROVIDERS OF TRAINING PROGRAMS AND FROM APPLICANTS FOR ALCOHOL SERVER CERTIFICATES TO COVER THE COSTS OF THE MANDATORY TRAINING AND ENFORCEMENT, TO REQUIRE COORDINATION AMONG THE DEPARTMENT OF REVENUE, THE STATE LAW ENFORCEMENT DIVISION, AND OTHER STATE AND LOCAL AGENCIES FOR THE IMPLEMENTATION AND ENFORCEMENT OF THESE PROVISIONS, AND TO PROVIDE FOR FINES AND PENALTIES FOR VIOLATIONS OF THESE PROVISIONS; BY AMENDING SECTION 61-2-60, RELATING TO THE PROMULGATION OF REGULATIONS, TO AUTHORIZE THE DEPARTMENT OF REVENUE TO PROMULGATE REGULATIONS GOVERNING THE DEVELOPMENT, IMPLEMENTATION, EDUCATION, AND ENFORCEMENT OF RESPONSIBLE ALCOHOL SERVER TRAINING PROVISIONS; AND BY AMENDING SECTION 61-2-145, SECTION 61-4-50, SECTION 61-4-90(A), SECTION 61-4-580, SECTION 61-6-2220, SECTION 61-6-4070(A), AND SECTION 61-6-4080, ALL RELATING TO THE UNLAWFUL SALE OF ALCOHOL, TO PROVIDE FOR FINES AND PENALTIES FOR VIOLATIONS OF CERTAIN PROVISIONS.

Ordered for consideration tomorrow.

Senator RANKIN from the Committee on Judiciary submitted a favorable with amendment report on:

S. 425 -- Senators Talley, Turner, Adams, Bennett, Climer, Davis, Hembree, Hutto, M. Johnson, Kimbrell, McElveen, Scott and Shealy: A BILL TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY AMENDING SECTION 61-2-170, RELATING TO DRIVE-THROUGH OR CURBSIDE SERVICE OF ALCOHOLIC BEVERAGES, SO AS TO PROVIDE CERTAIN EXCEPTIONS; BY ADDING SECTION 61-4-45 SO AS TO PROVIDE THAT THE DEPARTMENT MAY ISSUE CERTAIN LICENSES OR PERMITS ALLOWING A RETAILER TO OFFER CERTAIN CURBSIDE DELIVERY OR PICK UP; BY ADDING SECTION 61-4-280 SO AS TO PROVIDE THAT A RETAIL DEALER MAY HIRE A DELIVERY SERVICE TO DELIVER CERTAIN BEER AND WINE AND TO PROVIDE FOR REQUIREMENTS; BY ADDING SECTION 61-6-1570 SO AS TO PROVIDE THAT THE DEPARTMENT MAY ISSUE CERTAIN LICENSES OR PERMITS ALLOWING A RETAILER TO OFFER CERTAIN CURBSIDE DELIVERY OR PICK UP; AND BY ADDING SECTION 61-6-1580 SO AS TO PROVIDE THAT A RETAIL DEALER MAY HIRE A DELIVERY SERVICE TO DELIVER CERTAIN ALCOHOLIC LIQUORS AND TO PROVIDE FOR REQUIREMENTS.

Ordered for consideration tomorrow.

Senator CROMER from the Committee on Banking and Insurance submitted a favorable with amendment report on:

S. 483 -- Senators Alexander, Peeler, Grooms, Williams, Massey, K. Johnson, Shealy, Turner, Gambrell, Climer, Talley, Kimbrell, Young, Goldfinch, Reichenbach, Verdin, Davis, Rice, M. Johnson, Hutto, Loftis, Corbin, Senn, Adams, Fanning, Martin, McElveen, Setzler, Gustafson, Campsen and Bennett: A BILL TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY AMENDING SECTION 37-1-102, RELATING TO THE PURPOSES OF THE CONSUMER PROTECTION CODE, SO AS TO INCLUDE THE PROMOTION OF EDUCATION FOR CONSUMERS, BEST PRACTICES FOR BUSINESSES, AND TO MEDIATE COMPLAINTS; BY AMENDING SECTION 37-6-106, RELATING TO INVESTIGATORY POWERS OF THE ADMINISTRATOR, SO AS TO REQUIRE THE PRESENTATION OF PROBABLE CAUSE BEFORE BEGINNING AN INVESTIGATION; BY AMENDING SECTION 37-6-108, RELATING TO ENFORCEMENT ORDERS OF THE ADMINISTRATOR, SO AS TO REQUIRE CERTAIN INFORMATION BE PROVIDED BEFORE A CEASE AND DESIST IS ISSUED TO A BUSINESS; AND BY AMENDING SECTION 37-2-307, RELATING TO MOTOR VEHICLE SALES CONTRACT CLOSING FEES, SO AS TO REQUIRE THE CLOSING FEE TO BE PROMINENTLY DISPLAYED WITH THE ADVERTISED PRICE.

Ordered for consideration tomorrow.

Senator DAVIS from the Committee on Labor, Commerce and Industry submitted a favorable with amendment report on:

S. 546 -- Senators Massey, Alexander and Campsen: A BILL TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY AMENDING SECTION 41-29-20, RELATING TO THE APPOINTMENT OF THE DEPARTMENT OF EMPLOYMENT AND WORKFORCE'S EXECUTIVE DIRECTOR, HIS APPOINTMENT, REMOVAL FROM OFFICE, AND COMPENSATION, SO AS TO PROVIDE THAT THE EXECUTIVE DIRECTOR IS APPOINTED BY THE GOVERNOR WITH THE ADVICE AND CONSENT OF THE SENATE; BY AMENDING SECTION 41-29-35, RELATING TO APPOINTMENT OF THE EXECUTIVE DIRECTOR, SO AS TO PROVIDE QUALIFICATIONS FOR OFFICE; AND BY REPEALING ARTICLE 7, CHAPTER 27, TITLE 41, RELATING TO THE DEPARTMENT OF EMPLOYMENT AND WORKFORCE REVIEW COMMITTEE.

Ordered for consideration tomorrow.

Senator RANKIN from the Committee on Judiciary submitted a favorable with amendment report on:

S. 576 -- Senators Massey, Garrett, Peeler, Climer, Cash, Bennett, Turner, Gustafson, Rice, Verdin, Young, Kimbrell, Corbin, Cromer, McElveen and Campsen: A BILL TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY AMENDING SECTION 27-13-30, RELATING TO LIMITATION ON ALIEN LAND OWNERSHIP, SO AS TO PROVIDE THAT CORPORATIONS CONTROLLED BY A FOREIGN ADVERSARY CANNOT ACQUIRE AN INTEREST IN REAL PROPERTY IN THIS STATE; TO DEFINE NECESSARY TERMS; AND TO REDUCE THE AMOUNT OF REAL PROPERTY THAT AN ALIEN OR CORPORATION MAY ACQUIRE AN INTEREST IN FROM FIVE HUNDRED THOUSAND ACRES TO ONE THOUSAND ACRES.

Ordered for consideration tomorrow.

Senator CLIMER from the Committee on Agriculture and Natural Resources submitted a favorable report on:

S. 603 -- Senator Climer: A BILL TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY AMENDING SECTION 46‑41‑230, RELATING TO THE SOUTH CAROLINA GRAIN AND COTTON PRODUCERS GUARANTY FUND’S AMOUNT AND CLAIMS, SO AS TO PROVIDE THAT, IF THERE IS AN INSUFFICIENT AMOUNT OF MONEY TO COVER ALL CLAIMS, THEN PAYMENTS MUST BE MADE ON A PRO RATA BASIS, AND THE PRO RATA DETERMINATION SHALL BE BASED UPON THE PRODUCER’S TOTAL LOSS AMOUNT AS WELL AS THE TOTAL NUMBER OF EXEMPTIONS GRANTED TO THE PRODUCER; AND BY AMENDING SECTION 46‑41‑250, RELATING TO THE SOUTH CAROLINA GRAIN AND COTTON PRODUCERS GUARANTY FUND, SO AS TO INCLUDE COTTON.

Ordered for consideration tomorrow.

Senator CLIMER from the Committee on Agriculture and Natural Resources submitted a favorable report on:

H. 3312 -- Reps. Haddon, Hixon, Forrest, Trantham, Chumley, Cobb-Hunter and Williams: A JOINT RESOLUTION TO CREATE THE "CHILD FOOD AND NUTRITION SERVICES STUDY COMMITTEE" TO DEVELOP RECOMMENDATIONS FOR TRANSFERRING ADMINISTRATION OF CERTAIN FEDERAL CHILD FOOD AND NUTRITION PROGRAMS IN THIS STATE TO THE DEPARTMENT OF AGRICULTURE, TO PROVIDE FOR THE MEMBERSHIP OF THE STUDY COMMITTEE, TO REQUIRE THE STUDY COMMITTEE PREPARE A REPORT WITH FINDINGS AND RECOMMENDATIONS FOR THE GENERAL ASSEMBLY, AND TO PROVIDE FOR THE DISSOLUTION OF THE STUDY COMMITTEE.

Ordered for consideration tomorrow.

**Message from the House**

Columbia, S.C., March 15, 2023

Mr. President and Senators:

The House respectfully informs your Honorable Body that it concurs in the amendments proposed by the Senate to:

H. 3604 -- Reps. Bannister, G.M. Smith and Murphy: A JOINT RESOLUTION TO APPROPRIATE FUNDING FOR CERTAIN INFRASTRUCTURE AND OTHER PURPOSES TO FOSTER ECONOMIC DEVELOPMENT AND PRESCRIBE THE APPROPRIATE PURPOSES, TERMS, AND CONDITIONS.

and has ordered the Joint Resolution enrolled for Ratification.

Very respectfully,

Speaker of the House

Received as information.

**HOUSE CONCURRENCES**

S. 625 -- Senator Gambrell: A CONCURRENT RESOLUTION TO RECOGNIZE AND HONOR ANDERSON COUNTY EMS DIRECTOR STEVE KELLY FOR HIS EXCELLENT WORK IN LEADING ANDERSON EMS AND TO CONGRATULATE HIM UPON RECEIVING EMS DIRECTOR OF THE YEAR.

Returned with concurrence.

Received as information.

S. 626 -- Senator Gambrell: A CONCURRENT RESOLUTION TO RECOGNIZE AND HONOR ANDERSON COUNTY EMS FOR ITS EXCELLENT WORK TO SAVE LIVES AND RESCUE THOSE IN DISTRESS COUNTYWIDE AND TO CONGRATULATE THE EMS RESPONDERS UPON RECEIVING SYSTEM OF THE YEAR.

Returned with concurrence.

Received as information.

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

**OBJECTION**

S. 36 -- Senators Hutto, Young, Campsen and Grooms: A BILL TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY AMENDING various SECTIONs within chapter 1, title 56, to restructure the ignition interlock devices program. (abbreviated title)

Senator MALLOY objected to consideration of the Bill.

**READ THE THIRD TIME**

**SENT TO THE HOUSE**

The following Bill was read the third time and ordered sent to the House:

S. 138 -- Senators McElveen, Senn, Cromer, Loftis and Stephens: A BILL TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY AMENDING SECTION 59‑149‑50, RELATING TO GRADE POINT AVERAGE REQUIREMENTS FOR LIFE SCHOLARSHIP ELIGIBILITY AND RETENTION, SO AS TO PROVIDE A STUDENT WHO BECOMES ELIGIBLE FOR A LIFE SCHOLARSHIP MAY NOT SUBSEQUENTLY BECOME INELIGIBLE FOR RETENTION OF THE SCHOLARSHIP BASED ON A GRADE IN A DUAL ENROLLMENT CLASS.

The Senate proceeded to the consideration of the Bill.

The question then being third reading of the Bill.

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

**Ayes 40; Nays 0**

**AYES**

Alexander Allen Bennett

Campsen Cash Climer

Corbin Cromer Davis

Fanning Gambrell Garrett

Grooms Gustafson Harpootlian

Hutto Jackson *Johnson, Kevin*

*Johnson, Michael* Kimbrell Loftis

Malloy Martin Massey

Matthews McElveen McLeod

Peeler Rankin Reichenbach

Rice Sabb Senn

Setzler Shealy Stephens

Turner Verdin Williams

Young

**Total--40**

**NAYS**

**Total--0**

The Bill was read the third time passed and ordered sent to the House.

**OBJECTION**

S. 459 -- Senator Grooms: A BILL TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY ADDING SECTION 55‑9‑235, SO AS TO PROVIDE FOR THE SALE AND CONSUMPTION OF LIQUOR BY THE DRINK THROUGHOUT THE TRANSPORTATION SECURITY ADMINISTRATION SCREENED PORTION OF QUALIFYING SOUTH CAROLINA AIRPORTS.

Senator MATTHEWS objected to consideration of the Bill.

**READ THE THIRD TIME**

**SENT TO THE HOUSE**

The following Bill was read the third time and ordered sent to the House:

S. 569 -- Senators Shealy, Alexander, Peeler, Garrett, Gambrell, Kimbrell, Young, M. Johnson, Turner, Sabb, Matthews, Campsen, Setzler and Malloy: A BILL TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY AMENDING SECTION 44‑36‑320, RELATING TO THE DUTIES OF THE ALZHEIMER’S DISEASE AND RELATED DISORDERS RESOURCE COORDINATION CENTER SO AS TO ADD TO THE CENTER’S DUTIES CONCERNING THE STATEWIDE PLAN TO ADDRESS ALZHEIMER’S DISEASE AND RELATED DEMENTIAS; BY AMENDING SECTION 44‑36‑330, RELATING TO THE ADVISORY COUNCIL TO THE ALZHEIMER’S DISEASE AND RELATED DISORDERS RESOURCE COORDINATION CENTER SO AS TO PROVIDE THAT THE ADVISORY COUNCIL MUST DEVELOP A STATEWIDE PLAN TO ADDRESS ALZHEIMER’S DISEASE AND RELATED DEMENTIAS AND TO PROVIDE THAT THE STATEWIDE PLAN MUST BE UPDATED EVERY FIVE YEARS; AND TO PROVIDE THAT THE STATEWIDE PLAN MUST BE UPDATED IN 2028 AND EVERY FIVE YEARS THEREAFTER.

**HOUSE BILL RETURNED**

The following Resolution was read the third time and ordered returned to the House with amendments.

H. 3604 -- Reps. Bannister, G.M. Smith and Murphy: A JOINT RESOLUTION TO APPROPRIATE FUNDING FOR CERTAIN INFRASTRUCTURE AND OTHER PURPOSES TO FOSTER ECONOMIC DEVELOPMENT AND PRESCRIBE THE APPROPRIATE PURPOSES, TERMS, AND CONDITIONS.

On motion of Senator PEELER.

**Recorded Vote**

Senator CORBIN desired to be recorded as voting against the third reading of the Bill.

**CARRIED OVER**

S. 165 -- Senators Climer and Allen: A BILL TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY AMENDING TITLE 1, CHAPTER 40, RELATING TO BOARD REGULATION OF PROFESSIONS AND OCCUPATIONS, BY ADDING SECTION 40-1-75, SO AS TO PROVIDE THAT PROFESSIONAL BOARDS AND COMMISSIONS MAY NOT SOLELY DENY A LICENSE APPLICATION BASED UPON AN APPLICANT’S PRIOR CRIMINAL CONVICTION UNLESS THE CONVICTION IS FOR A CRIME THAT DIRECTLY RELATES TO THE DUTIES AND RESPONSIBILITIES FOR THE SPECIFIC OCCUPATION OR PROFESSIONAL LICENSE BEING SOUGHT; BY ADDING SECTION 40-1-77 SO AS TO PROVIDE FOR LICENSURE BY BOARDS AND COMMISSIONS FOR APPLICANTS WHO COMPLETE CERTAIN APPRENTICESHIP PROGRAMS; AND TO REPEAL SECTION 40-1-140, RELATING TO THE EFFECT OF PRIOR CONVICTIONS ON LICENSE APPLICATIONS FOR PROFESSIONS AND OCCUPATIONS.

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

**READ THE SECOND TIME**

S. 142 -- Senators Shealy, Gustafson, Goldfinch, Hutto, Jackson, Campsen, McLeod, Setzler and Garrett: A BILL TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY AMENDING SECTION 16-3-2010, RELATING TO THE DEFINITION OF “SEX TRAFFICKING”, SO AS TO EXPAND THE DEFINITION TO INCLUDE SEXUAL EXPLOITATION OF A MINOR AND PROMOTING OR PARTICIPATING IN PROSTITUTION OF A MINOR; AND BY AMENDING SECTION 16-3-2020, RELATING TO TRAFFICKING IN PERSONS, PENALTIES, MINOR VICTIMS AND DEFENSES, SO AS TO PROVIDE THAT A SEX TRAFFICKING VICTIM MAY RAISE DURESS AND COERCION AS AN AFFIRMATIVE DEFENSE TO NONVIOLENT OFFENSES COMMITTED AS A DIRECT RESULT OR INCIDENT TO THE TRAFFICKING, TO PROVIDE THAT A MINOR SEX TRAFFICKING VICTIM MAY NOT BE CONVICTED FOR NONVIOLENT OFFENSES COMMITTED AS A DIRECT RESULT OR INCIDENT TO THE TRAFFICKING, AND TO PROVIDE THAT A MINOR SEX TRAFFICKING VICTIM CANNOT BE FOUND IN VIOLATION OF OR BE THE SUBJECT OF A DELINQUENCY PETITION IF THE MINOR’S CONDUCT WAS A DIRECT RESULT OF OR INCIDENTAL TO OR RELATED TO TRAFFICKING; AND SO AS TO PROVIDE THAT THE PROVISIONS IN THIS ACT ARE RETROACTIVE.

The Senate proceeded to the consideration of the Bill.

The question then being second reading of the Bill, as amended.

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

**Ayes 40; Nays 0**

**AYES**

Alexander Allen Bennett

Campsen Cash Climer

Corbin Cromer Davis

Fanning Gambrell Garrett

Grooms Gustafson Harpootlian

Hutto Jackson *Johnson, Kevin*

*Johnson, Michael* Kimbrell Loftis

Malloy Martin Massey

Matthews McElveen McLeod

Peeler Rankin Reichenbach

Rice Sabb Senn

Setzler Shealy Stephens

Turner Verdin Williams

Young

**Total--40**

**NAYS**

**Total--0**

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

**OBJECTION**

S. 330 -- Senators Rankin, Alexander, Verdin and Garrett: A BILL TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY AMENDING SECTION 16‑11‑740, RELATING TO MALICIOUS INJURY TO TELEGRAPH, TELEPHONE, OR ELECTRIC UTILITY SYSTEM, SO AS TO ADD TIERED PENALTIES FOR DAMAGE TO A UTILITY SYSTEM.

Senator MALLOY objected to consideration of the Bill.

**AMENDED, READ THE SECOND TIME**

S. 445 -- Senators Garrett and Matthews: A BILL TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY ADDING ARTICLE 2 TO CHAPTER 49, TITLE 44 SO AS TO REQUIRE THE DEPARTMENT OF ALCOHOL AND OTHER DRUG ABUSE SERVICES TO APPROVE A CREDENTIALING ENTITY TO DEVELOP AND ADMINISTER A VOLUNTARY CERTIFICATION PROGRAM FOR RECOVERY HOUSING; TO REQUIRE THE APPROVED CREDENTIALING ENTITY TO ESTABLISH RECOVERY HOUSING CERTIFICATION REQUIREMENTS AND PROCEDURES BASED UPON NATIONALLY RECOGNIZED QUALITY STANDARDS; AND TO DESIGNATE THE EXISTING SECTIONS OF CHAPTER 49 AS ARTICLE 1, ENTITLED “GENERAL PROVISIONS”.

The Senate proceeded to the consideration of the Bill.

Senators GARRETT and MATTHEWS proposed the following amendment (SR-445.JG0004S), which was adopted:

Amend the bill, as and if amended, SECTION 1, by striking Section 44-49-320(3) and inserting:

(3) “Recovery housing” means recovery residences, recovery homes, sober living homes, work‑rehab homes, three‑quarter houses, and other similar dwellings that provide individuals recovering from alcohol and substance use disorders with a living environment free from alcohol and illicit substance use and centered on peer support and connection to services that promote sustained recovery, including continued sobriety, improved individual health, residential stability, and positive community involvement. Recovery housing does not include treatment facilities as defined in Section 44‑52‑10.

Amend the bill further, SECTION 1, by striking Section 44-49-330(C)(5) and inserting:

(5) have safeguards in place to uphold residents’ rights;

(6) assist residents in finding suitable employment; and

(7) assist residents who desire to relocate upon completion of the recovery program with relocation assistance services.

Amend the bill further, SECTION 1, by adding:

Section 44-49-370. It is unlawful for an owner or operator of recovery housing that is not certified pursuant to this article to advertise or otherwise represent that such recovery housing is certified pursuant to this article. An owner or operator of recovery housing who violates this section is subject to a civil penalty of not less than one hundred dollars nor more than five hundred dollars per occurrence.

Renumber sections to conform.

Amend title to conform.

Senator GARRETT explained the amendment.

The amendment was adopted.

The question then being second reading of the Bill, as amended.

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

**Ayes 38; Nays 0**

**AYES**

Alexander Allen Bennett

Campsen Cash Climer

Corbin Cromer Davis

Fanning Gambrell Garrett

Grooms Gustafson Harpootlian

Hutto *Johnson, Kevin Johnson, Michael*

Kimbrell Loftis Malloy

Martin Massey Matthews

McElveen McLeod Peeler

Rankin Reichenbach Rice

Sabb Senn Setzler

Shealy Stephens Turner

Williams Young

**Total--38**

**NAYS**

**Total--0**

There being no further amendments, the Bill, as amended, was read the second time, passed and ordered to a third reading.

**CARRIED OVER**

H. 3605 -- Reps. G.M. Smith, Sandifer, Carter, Kirby, Oremus, Magnuson, Pace, Long, Elliott, Burns, May, Beach, Forrest, Blackwell, B. Newton, Caskey and Ligon: A BILL TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY AMENDING SECTION 40‑1‑80, RELATING TO INVESTIGATIONS OF LICENSEES, SO AS TO REQUIRE THE DIRECTOR TO SEND INFORMATION REGARDING AN INVESTIGATION TO THE LICENSEE; BY ADDING SECTION 40‑1‑85 SO AS TO ESTABLISH INFORMAL CONFERENCES; BY AMENDING SECTION 40‑1‑90, RELATING TO DISCIPLINARY ACTION PROCEEDINGS, SO AS TO ALLOW A LICENSEE TO REQUEST CERTIFICATION OF AN INVESTIGATION FROM THE DIRECTOR; AND BY AMENDING SECTION 40‑1‑140, RELATING TO EFFECT OF PRIOR CRIMINAL CONVICTIONS OF APPLICANTS, SO AS TO PROHIBIT THE DENIAL OF A LICENSE BASED SOLELY OR IN PART ON A PRIOR CRIMINAL CONVICTION IN CERTAIN CIRCUMSTANCES.

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

**READ THE SECOND TIME**

S. 604 -- Senators Peeler, Alexander, Setzler, Malloy and Scott: A JOINT RESOLUTION TO AUTHORIZE THE EXPENDITURE OF FEDERAL FUNDS DISBURSED TO THE STATE IN THE AMERICAN RESCUE PLAN ACT OF 2021, AND TO SPECIFY THE MANNER IN WHICH THE FUNDS MAY BE EXPENDED.

The Senate proceeded to the consideration of the Resolution.

Senator GAMBRELL explained the Resolution.

The question then being second reading of the Resolution.

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

**Ayes 40; Nays 0**

**AYES**

Alexander Allen Bennett

Campsen Cash Climer

Corbin Cromer Davis

Fanning Gambrell Garrett

Grooms Gustafson Harpootlian

Hutto Jackson *Johnson, Kevin*

*Johnson, Michael* Kimbrell Loftis

Malloy Martin Massey

Matthews McElveen McLeod

Peeler Rankin Reichenbach

Rice Sabb Senn

Setzler Shealy Stephens

Turner Verdin Williams

Young

**Total--40**

**NAYS**

**Total--0**

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

**OBJECTION**

H. 3518 -- Reps. Felder and Williams: A BILL TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY AMENDING SECTION 56‑1‑395, RELATING TO THE DRIVER’S LICENSE REINSTATEMENT FEE PAYMENT PROGRAM, SO AS TO PROVIDE THE DRIVERS’ LICENSES ISSUED UNDER THIS PROGRAM ARE VALID FOR AN ADDITIONAL SIX MONTHS, TO REVISE THE AMOUNT OF REINSTATEMENT FEES OWED BY PERSONS TO BECOME ELIGIBLE TO OBTAIN THESE DRIVERS’ LICENSES, TO REVISE THE DISTRIBUTION OF THE ADMINISTRATIVE FEES COLLECTED, TO PROVIDE THE DEPARTMENT OF MOTOR VEHICLES MAY PROVIDE PERSONS IN THE PROGRAM A FEE SCHEDULE OF THE AMOUNTS OWED AND THE ABILITY TO MAKE ONLINE PAYMENTS, TO REVISE THE TYPES OF DRIVERS’ LICENSE SUSPENSIONS THAT ARE COVERED BY THIS SECTION, AND TO REVISE THE FREQUENCY THAT PERSONS MAY PARTICIPATE IN THE PROGRAM AND THE CONDITIONS FOR FUTURE PARTICIPATION; BY AMENDING SECTION 56‑1‑396, RELATING TO THE DRIVER’S LICENSE SUSPENSION AMNESTY PERIOD, SO AS TO LIMIT THE TYPES OF QUALIFYING SUSPENSIONS; BY AMENDING SECTION 56‑10‑240, RELATING TO THE REQUIREMENT THAT UPON LOSS OF INSURANCE, NEW INSURANCE MUST BE OBTAINED OR PERSONS MUST SURRENDER THEIR REGISTRATION AND PLATES, WRITTEN NOTICE BY INSURERS, APPEAL OF SUSPENSIONS, ENFORCEMENT, AND PENALTIES, SO AS TO REVISE THE PERIOD OF TIME VEHICLE OWNERS MUST SURRENDER MOTOR VEHICLE LICENSE PLATES AND REGISTRATION CERTIFICATES FOR CERTAIN UNINSURED MOTOR VEHICLES, TO DELETE THE PROVISION THAT GIVES THE DEPARTMENT OF MOTOR VEHICLES DISCRETION TO AUTHORIZE INSURERS TO UTILIZE ALTERNATE METHODS OF PROVIDING CERTAIN NOTICES TO THE DEPARTMENT, TO DELETE THE PROVISION THAT ALLOWS CERTAIN PERSONS TO APPEAL CERTAIN SUSPENSIONS TO THE DEPARTMENT OF INSURANCE FOR FAILURE TO MEET THE STATE’S FINANCIAL RESPONSIBILITY REQUIREMENTS IN ERROR, AND TO ALLOW THESE PERSONS TO PROVIDE CERTAIN DOCUMENTS TO SHOW THE SUSPENSION WAS ISSUED IN ERROR; BY AMENDING SECTION 56‑10‑245, RELATING TO PER DIEM FINES FOR LAPSE IN REQUIRED COVERAGE, SO AS TO PROVIDE THE FINES CONTAINED IN THE SECTION MAY NOT EXCEED TWO HUNDRED DOLLARS PER VEHICLE FOR A FIRST OFFENSE; BY AMENDING ARTICLE 5 OF CHAPTER 10, TITLE 56, RELATING TO THE ESTABLISHMENT OF THE UNINSURED MOTORIST FUND, SO AS TO REVISE THE PROVISIONS OF THIS ARTICLE TO REGULATE THE OPERATION OF UNINSURED MOTOR VEHICLES, TO DELETE PROVISIONS RELATING TO THE ESTABLISHMENT AND COLLECTION OF UNINSURED MOTOR VEHICLE FEES, TO MAKE TECHNICAL CHANGES, TO REVISE THE AMOUNT OF THE MOTOR VEHICLE REINSTATEMENT FEE AND PROVIDE IT SHALL BE INCREASED ANNUALLY, TO PROVIDE SUSPENDED LICENSES, REGISTRATION CERTIFICATES, LICENSE PLATES, AND DECALS MAY BE RETURNED TO THE DEPARTMENT OF MOTOR VEHICLES BY ELECTRONIC MEANS OR IN PERSON, AND TO DELETE THE PROVISIONS THAT REQUIRE THE DEPARTMENT OF MOTOR VEHICLES TO COLLECT STATISTICS REGARDING VARIOUS MOTOR VEHICLE REGISTRATION, INSURANCE, AND UNINSURED MOTORIST FUND ISSUES.

Senator BENNETT objected to consideration of the Bill.

**ADOPTED**

S. 579 -- Senator Loftis: A SENATE RESOLUTION TO ENCOURAGE ALL SOUTH CAROLINIANS TO JOIN WITH THE SENATE IN RECOGNIZING THE POSITIVE IMPACT OF STEM EDUCATION AND STEM EDUCATORS ON THE QUALITY OF LIFE FOR RESIDENTS OF THE PALMETTO STATE AND TO DECLARE APRIL 12, 2023, AS STEM EDUCATION DAY THROUGHOUT THE STATE OF SOUTH CAROLINA.

The Senate proceeded to the consideration of the Resolution.

Senator LOFTIS explained the Resolution.

The question then being the adoption of the Resolution.

The Resolution was adopted.

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

**MOTION ADOPTED**

At 3:11 P.M., on motion of Senator MASSEY, the Senate agreed to dispense with the balance of the Motion Period.

**THE SENATE PROCEEDED TO THE SPECIAL ORDERS.**

**COMMITTEE AMENDMENT ADOPTED**

**AMENDED, READ THE SECOND TIME**

S. 285 -- Senators Davis, Rice, Grooms, Goldfinch, Climer and Gustafson: A BILL TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY ADDING SECTION 12‑6‑3791 SO AS TO ALLOW AN INCOME TAX CREDIT FOR CONTRIBUTIONS TO A SCHOLARSHIP-FUNDING ORGANIZATION THAT PROVIDES GRANTS FOR STUDENTS TO ATTEND CERTAIN INDEPENDENT AND HOME SCHOOLS, TO SPECIFY THE MANNER IN WHICH THE CREDIT IS CLAIMED, TO SPECIFY THE PROCESS BY WHICH CERTAIN ORGANIZATIONS AND SCHOOLS BECOME ELIGIBLE, TO SPECIFY CERTAIN INFORMATION WHICH MUST BE MADE PUBLIC, AND TO ALLOW THE STATE TREASURER AND DEPARTMENT OF REVENUE TO ENFORCE THE PROVISIONS OF THE CREDIT; AND TO REPEAL SECTION 12‑6‑3790 RELATING TO THE EDUCATIONAL CREDIT FOR EXCEPTIONAL NEEDS CHILDREN’S FUND.

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

The Committee on Finance proposed the following amendment (LC-285.SA0004S), which was adopted:

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

SECTION 1. Chapter 6, Title 12 of the S.C. Code is amended by adding:

Article 26

Academic Choice in Education (ACE)

Section 12-6-3850. For purposes of this article:

(1) “Academic Choice in Education fund” or “ACE” means education funding provided on behalf of eligible students by nonprofit scholarship funding organizations for qualifying expenses as outlined in this article.

(2) “Department” means the South Carolina Department of Revenue.

(3) “Disadvantaged child” means a child or his family who meets the qualifications for federal Medicaid benefits, or whose family has an annual adjusted gross income of two hundred percent or less of the federal poverty guidelines as promulgated annually by the United States Department of Health and Human Services.

(4) “Eligible school” means an independent school, including those religious in nature, other than a public school, at which the compulsory attendance requirements of Section 59-65-10 may be met, that:

(a) offers a general education to primary or secondary school students;

(b) does not discriminate on the basis of race, color, or national origin;

(c) is located in this State;

(d) has an educational curriculum that includes courses set forth in the state’s diploma requirements;

(e) has school facilities that are subject to applicable federal, state, and local laws; and

(f) is a member in good standing of the South Carolina Association of Christian Schools, the South Carolina Independent Schools Association, the Palmetto Association of Independent Schools, the American Montessori Society, the International Montessori Council, or the National Association of Private Schools, or alternatively accredited by Cognia or the National Council for Private School Accreditation.

(5) “Eligible student” means a student who:

(a) meets the definition of “general child”;

(b) meets the definition of “disadvantaged child”;

(c) meets the definition of “exceptional needs child”; or

(d) meets the definition of “home school child”; and

(e) is not a recipient of an Education Scholarship Trust Fund.

(6) “Exceptional needs child” means a child:

(a)(i) who has been evaluated in accordance with this state’s evaluation criteria, as set forth in S.C. Code Ann. Regs. 43 243.1, and determined eligible as a child with a disability who needs special education and related services, in accordance with the requirements of Section 300.8 of the Individuals with Disabilities Education Act; or

(ii) who has been diagnosed as either permanently or within the last three years by a licensed speech-language pathologist, psychiatrist, or medical, mental health, psychoeducational, or other comparable licensed health care provider as having a neurodevelopmental disorder, a substantial sensory or physical impairment such as deaf, blind, or orthopedic disability, or some other disability or acute or chronic condition that significantly impedes the student’s ability to learn and succeed in school without specialized instructional and associated supports and services tailored to the child’s unique needs; and

(b) the child’s parents or legal guardian believes that the services provided by the school district of legal residence do not sufficiently meet the needs of the child.

(7) “General child” means a child who is a South Carolina resident who, immediately before receiving a scholarship under this article and enrolling in an eligible school or program, was enrolled in a South Carolina secondary or primary public school or who is eligible to enroll in a qualified first grade, kindergarten, or prekindergarten program or received a scholarship pursuant to this article for the previous school year; provided, however, that if a student is considered to be an eligible student pursuant to this item, he shall continue to qualify as such until he graduates, reaches the age of twenty, or returns to a public school, whichever occurs first.

(8) “Home school” means a home, residence, or location where a parent or legal guardian teaches one or more children as authorized pursuant to Section 59-65-40, Section 59- 65-45, or Section 59-65-47.

(9) “Home school child” means any child attending an eligible home school.

(10) “Nonprofit scholarship funding organization” or “scholarship funding organization” means a charitable organization that:

(a) is registered and in good standing with the South Carolina Secretary of State;

(b) is exempt from federal tax pursuant to Section 501(a) of the Internal Revenue Code by being listed as an exempt organization in Section 501(c)(3) of the tax code; and

(c) is approved annually by the Treasurer and listed on the Treasurer’s approved list, which must be published on the Treasurer’s website.

(11) “Parent” means a resident of this State who is the natural or adoptive parent, legal guardian, custodian, or other person with legal authority to act on behalf of an eligible student.

(12) “Person” means an individual, partnership, corporation, or other similar entity.

(13) “Program” means the ACE scholarship program created by this article.

(14) “Public School” means a school operated by publicly elected or appointed school officials in which the program and activities are under the control of these officials and which is supported by public funds.

(15) “Qualifying expense” means:

(a) the total amount of money charged for the cost of an eligible student to attend an eligible school including, but not limited to, fees for attending the school, textbook fees, tutoring, and/or transportation to and from school that is provided by the school. These costs may not be in excess of what is currently provided; and

(b) in the case of an eligible home school student, the total amount of money charged for instruction-related expenditures to attend an eligible home school provider including, but not limited to, curriculum packages, textbooks, digital education, and testing materials.

(16) “Resident school district” means the public school district in which the student is domiciled.

(17) “Scholarship” means education funding allocated from an account established on a student’s behalf pursuant to this article.

(18) “Treasurer” means the Office of the State Treasurer.

Section 12-6-3855. (A) A person is entitled to a tax credit against income taxes imposed pursuant to this chapter, or bank taxes imposed pursuant to Chapter 11 of this title, for the amount of cash and the monetary value of any publicly traded securities the person contributes to a nonprofit scholarship funding organization up to the limits of this section if:

(1) the contribution is used to provide scholarships for qualifying expenses to an eligible student enrolled in an eligible school; and

(2) the taxpayer does not designate a specific child or school as the beneficiary of the contribution.

(B)(1) Scholarships may be awarded by a scholarship funding organization to an eligible student qualifying and defined under Section 12-6-3850(5)(a) [General child] for a school year in an amount not exceeding the actual state-allocated revenue for each pupil as calculated by the Revenue and Fiscal Affairs Office and required to be published by the annual appropriations act or the total amount of qualifying expenses, whichever is less.

(2) Scholarships may be awarded by a scholarship funding organization to an eligible student qualifying and defined under Section 12-6-3850(5)(b) and (c) [Disadvantaged Child & Exceptional Needs Child] for a school year in an amount not exceeding one hundred forty percent of the amount of subsection (B)(1) above or the total amount of qualifying expenses, whichever is less.

(3) Scholarships may be awarded by a scholarship funding organization to an eligible student qualifying and defined under Section 12-6-3850(5)(d) [Home School Child] for a school year in an amount not exceeding twenty percent of the amount of subsection (B)(1) above or the total cost of home school curriculum fees, whichever is less. A scholarship funding organization may reimburse a parent directly for expenditures actually paid for home school curriculum fees or pay vendors directly for home school curriculum fees at the direction of the parent and on behalf of the home school child.

(4) Once an eligible student receives a scholarship, he must receive priority status for future scholarships; provided, however, that the eligible student is in good standing with the school.

(C) Except as otherwise provided, the Department of Education, the Department of Revenue, the Treasurer, or any other state agency may not regulate the educational programs of a school that accepts eligible students receiving scholarships pursuant to this article.

Section 12-6-3860. (A) The Treasurer shall create a standard application process and establish the timeline for parents to establish the eligibility of their student for the ACE scholarship. The application window established shall last at least forty-five days, opening no earlier than January fifteenth, and closing no later than March fifteenth of each calendar year.

(B) Pursuant to the timeline established pursuant to this section, the Treasurer shall:

(1) process applications in the order in which they are received; and

(2) enroll and issue eligibility certificates within thirty days of the deadline for receipt of completed applications and all required documentation. The eligibility certificate must list the names and contact information of the eligible scholarship-granting organizations.

(C) Before awarding an eligibility certificate, the Treasurer shall obtain evidence of the student’s eligibility criteria set forth in this article.

(D) The Treasurer shall approve an application for scholarship if:

(1) the parent submits an annual application for a scholarship in accordance with the application and procedures established by the Treasurer;

(2) the student on whose behalf the parent is applying is an eligible student;

(3) the parent signs an annual agreement with the Treasurer:

(a) to provide, at a minimum, a program of academic instruction for the eligible student in at least the subjects of English and language arts to include writing, mathematics, social studies, and science;

(b) to acknowledge and agree to comply with the eligible schools prescribed curriculum, dress code and other requirements of enrolled students; and

(c) to use program funds for qualifying expenses only for an eligible school to educate the scholarship student, subject to penalty.

(E) Receipt of an eligibility certificate does not guarantee a scholarship award from a scholarship granting organization.

Section 12-6-3865. (A) The Treasurer shall prescribe the form and manner to be an approved nonprofit scholarship funding organization, the annual application must at a minimum include:

(1) the number and total amount of scholarships issued to schools that accept eligible students in the preceding school year;

(2) the identity of the school and the amount of the scholarship issued to each eligible student in the preceding school year;

(3) an itemization and detailed explanation of any fees or other revenues obtained from or on behalf of any schools that accepted eligible students;

(4) a copy of the organization’s Form 990 or other comparable federal submission that indicates the provisions of the Internal Revenue Code under which the organization has been granted exempt status for purposes of federal taxation;

(5) a copy of a compilation, review, or audit of the organization’s financial statements, conducted by a certified public accounting firm;

(6) the criteria and eligibility requirements for scholarship awards; and

(7) a certification by the organization of the following:

(a) it meets the definition of a nonprofit scholarship funding organization and that the report is true, accurate, and complete under penalty of perjury in accordance with Section 16-9-10;

(b) it allocates at least ninety-five percent of its annual contributions received during a particular year to provide scholarships to schools on behalf of eligible enrolled children and incurs administrative expenses annually of no more than five percent of its annual contributions for a particular year to cover operational costs;

(c) it allocates all of its funds used for scholarships on an annual basis to eligible students;

(d) it does not provide scholarships on behalf of eligible students only for the benefit of one school, and if the Treasurer determines that the nonprofit scholarship funding organization is providing scholarships to one particular school, the tax credit allowed by this section may be disallowed;

(e) it does not have as a volunteer, contractor, consultant, fundraiser, or member of its governing board, any parent, legal guardian, or member of his immediate family who has a child or ward who is currently receiving or has received a scholarship authorized by this article from the organization within one year of the date the parent, legal guardian, or member of his immediate family became a board member. A person serving on the governing board of a nonprofit scholarship funding organization shall have a fiduciary duty to the donors and eligible students at schools served by the organization and shall avoid any conflicts of interest with the organization and those it serves;

(f) it does not have as a member of its governing board or an employee, volunteer, contractor, consultant, or fundraiser who has been convicted of a felony or other financial crime, been disciplined by a professional, self-regulatory body, had a professional license or designation suspended, revoked, or otherwise restricted in use, or is otherwise prevented from engaging in a profession as part of a court order, court settlement, or arbitration ruling. This item also must apply to immediate family members residing in the same household;

(g) does not release personally identifiable information pertaining to students or donors or use information collected about donors, students, or schools for financial gain; and

(h) does not place conditions on schools enrolling eligible students receiving scholarship to limit the ability of the schools to enroll eligible students accepting scholarships from other nonprofit scholarship funding organizations.

(B) The application deadline under this section is August first of each year.

Section 12-6-3870. (A) The parent shall provide the eligibility certificate to the scholarship funding organization. Upon awarding of a scholarship by the scholarship funding organization and at the direction of the parent, the scholarship funding organization shall issue a check payable to the eligible school on behalf of the student and deliver it to the school within thirty days upon approval of the application or thirty days of the start of the school’s semester. If the eligible student leaves or withdraws from the school for any reason before the end of the semester or school year and does not re-enroll within thirty days, then the school shall return a prorated amount of the scholarship to the scholarship funding organization based on the number of days the eligible student was enrolled in the school during the semester or school year within sixty days of the student’s departure.

(B) Before the issuance of a check, a parent shall certify that the eligible student has not received a scholarship from any other scholarship-granting organizations in the current academic year.

(C) Before the issuance of a check to an eligible school, the school must provide documentation to the scholarship funding organization that it meets the criteria established in Section 12-6-3850(4).

(D)(1) The tax credits authorized for an eligible student qualified and defined under Section 12-6-3850(5)(a) [General Child], (b) [Disadvantaged Child], and (c) [Exceptional Needs Child] may not exceed cumulatively a total of fifteen million dollars in each qualifying category, each calendar year.

(2) The tax credits authorized for an eligible student qualified and defined under Section 12-6-3850 (5)(d) [Home School Child] may not exceed cumulatively a total of ten million dollars each calendar year.

(3) If the South Carolina Department of Revenue determines that the total of the credits claimed in this section by all taxpayers exceeds the limit amount, it shall allow credits only up to those amounts on a first-come, first-served basis. However before October first of each tax year, no taxpayer may claim more than fifty percent of the allotment for any of the tax credits allowed in this section. After October first, a taxpayer that has claimed the maximum allotment may reapply to claim additional credits. For purposes of determining priority, the subsequent application must be placed in order with all other applications received.

(4) The tax credits authorized pursuant to this section remain the same unless an increased or decreased limit is authorized in the annual general appropriations act.

(E) The department shall establish an application process to determine the amount of credit available to be claimed. The receipt of the application by the department shall determine priority for the credit.

(1) The tax credit must be claimed on the return for the tax year that the contribution is made.

(2) A taxpayer may not claim more than one hundred percent of his total tax liability for the tax year in contributions toward the tax credits authorized by this section. This credit is not refundable. If the credit exceeds the taxpayer’s tax liability for the taxable year, the excess amount may be carried forward for credit against the next ten succeeding taxable years.

(3) If a taxpayer deducts the amount of the contribution on the taxpayer’s federal return and claims the credit allowed by this section, then the taxpayer shall add back the amount of the deduction for purposes of South Carolina income or bank taxes.

(F) The department shall prescribe the form and manner of proof required to obtain the credits authorized by this article. Also the department shall develop a method of informing taxpayers and scholarship-funding organizations if the credit limit is met at any time during the year.

(1) A corporation or entity entitled to a credit under this section may not convey, assign, or transfer the credit authorized by this section to another entity unless all assets of the entity are conveyed, assigned, or transferred in the same transaction.

(2) Notwithstanding the maximum credit limits set forth in this article, if one of the eligible student-qualifying categories listed in subsection (D) reaches its limits but another eligible student-qualifying category has not reached its limit by October first of each tax year, then the department may transfer the unused credits to the eligible student qualifying category that has reached its limit. However, the credit only may be transferred and may not cumulatively allow more than the authorized annual cumulative total provided in this section. In considering a credit transfer under this item, those eligible student qualifying categories listed in subsection 12-6-3850(5)(b) [Disadvantaged Child], (c) [Exceptional Needs Child], (d) [Home School Child], and (a) [General Child] must have priority order when transferring credits.

Section 12-6-3875. (A) By September first of each year, the Treasurer shall publish on its website a list of all qualifying nonprofit scholarship-funding organizations for the succeeding calendar year, to include their names, addresses, telephone numbers, and, if available, website addresses and applicable audits.

(B) By January fifteenth of each year, the Treasurer shall report to the Chairman of the Senate Finance Committee, the Chairman of the House Ways and Means Committee, and the Governor:

(1) the number and total amount of scholarships issued by the scholarship-funding organizations to schools on behalf of eligible students that attended in the prior school year;

(2) the identity of the school that accepts eligible students and the amount of each scholarship issued to the school in the prior school year by each scholarship funding organization;

(3) an itemization and detailed explanation of fees or other revenues obtained from or on behalf of eligible students to a school by any scholarship-funding organization;

(4) a copy of each scholarship-funding organization’s Form 990 or other comparable federal submission that indicates the provisions of the Internal Revenue Code under which the organization has been granted exempt status for purposes of federal taxation;

(5) a copy of a compilation, review, or audit of each scholarship-funding organization conducted by a certified public accounting firm as provided to the Treasurer by each scholarship-funding organization in their application to participate in the program;

(6) the criteria and eligibility requirements for scholarship awards of each scholarship-funding organization as provided to the Treasurer by each scholarship-funding organization in their application to participate in the program; and

(7) any report required by this section may not specifically include the name, amount, or any other personally identifiable information of scholarship recipients.

Section 12-6-3880. (A)(1) The Treasurer and the department have authority to examine and audit the nonprofit scholarship-funding organizations, including determining whether the nonprofit scholarship-funding organization is being operated in a manner consistent with the requirements for an IRC Section 501(c)(3) organization or is in compliance with any other provision of this section.

(2)(a) If an audit by the Treasurer or department produces evidence that a nonprofit scholarship-funding organization is not being operated in a manner consistent with the requirements for operating an IRC Section 501(c)(3) organization or is not in compliance with any other substantial provision of this section, the Treasurer or the department immediately may revoke the organization’s participation in the program and shall notify the organization in writing of the revocation.

(b) Actual notice of revocation may be provided to the organization by personal delivery to the organization, by certified return receipt mail to the last known address of the organization, or by other means reasonably designed to provide actual notice to the organization.

(c) Any donations made following the date the actual notice of revocation are received by the organization do not qualify for the credit and the donated funds must be returned to the donor by the organization.

(d)(i) Within thirty days after the day on which the organization is provided actual notice of the revocation, the organization may request a contested hearing before the Administrative Law Court. Within seven days after a request for a contested case hearing is received by the Administrative Law Court, an administrative law judge shall hold the contested case hearing and determine whether the revocation was reasonable under the circumstances. The Treasurer or the department has the burden of proof of showing that the revocation was reasonable under the circumstances. The revocation is reasonable if the Treasurer or the department has substantial credible evidence that the organization is not being operated in a manner consistent with the requirements for operating an IRC Section 501(c)(3) organization or is not in compliance with other substantial provisions of this article. If the organization does not request a contested case hearing within thirty days of the immediate revocation, the revocation is permanent.

(ii) If the administrative law judge determines that the immediate revocation was reasonable, the administrative law judge shall remand the case to the Treasurer or the department to issue a Treasurer or department determination for permanent revocation within the time period determined by the judge. The organization may appeal this Treasurer or department determination in accordance with Section 12-60-460. At the contested case hearing on the Treasurer or department determination, the parties may raise new issues and arguments in addition to those issues and arguments previously presented at the immediate revocation hearing.

(iii) If the administrative law judge determines that immediate revocation is not reasonable, the revocation must be lifted, and the organization may resume accepting donations and award scholarships. The Treasurer or department may still issue a Treasurer or department determination in accordance with Section 12-60-450(E)(2).

(e) If at any time during the process, the Treasurer and department believes the organization is in compliance, the Treasurer may reinstate the organization.

(f) Following the permanent revocation of a nonprofit scholarship-funding organization, the Treasurer has the authority to oversee the transfer of donated funds of the revoked organization to other nonprofit scholarship-funding organizations.

(g) A scholarship-funding organization may transfer funds to another scholarship-funding organization if the organization ceases to exist. The funds that are transferred by one scholarship funding organization to another only may be considered by one organization when calculating its administrative expenses. The scholarship-funding organizations transferring and receiving the funds shall notify the Treasurer in writing within three days of the transfer. The notification may be made via electronic methodology.

SECTION 2. A. Section 12-6-3790 of the S.C. Code is repealed.

B. This SECTION takes effect upon the full implementation of this act as provided in SECTION 4.

SECTION 3. If any 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 section, subsection, paragraph, subparagraph, sentence, clause, phrase, and word thereof, irrespective of the fact that any one or more other sections, subsections, paragraphs, subparagraphs, sentences, clauses, phrases, or words hereof may be declared to be unconstitutional, invalid, or otherwise ineffective.

SECTION 4. This act takes effect upon approval by the Governor, provided that upon approval of this act by the Governor, the Treasurer shall begin undertaking and executing responsibilities incidental to the implementation of this act so that the provisions of this act may be fully implemented at the beginning of the 2024-2025 School Year.

Renumber sections to conform.

Amend title to conform.

Senator FANNING spoke on the committee amendment.

The question then was the adoption of the committee amendment.

The amendment was adopted.

**Amendment No. 2B**

Senator FANNING proposed the following amendment (SMIN-285.MW0057S), with was ruled out of order:

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

SECTION X. Section 59-6-10 of the S.C. Code is amended to read:

Section 59-6-10. (A)~~(1) In order to assist in, recommend, and supervise implementation of programs and expenditure of funds for the Education Accountability Act and the Education Improvement Act of 1984, the Education Oversight Committee is to serve as the oversight committee for these acts. The Education Oversight Committee shall:~~

~~(a) review and monitor the implementation and evaluation of the Education Accountability Act and Education Improvement Act programs and funding;~~

~~(b) make programmatic and funding recommendations to the General Assembly;~~

~~(c) report annually to the General Assembly, State Board of Education, and the public on the progress of the programs;~~

~~(d) recommend Education Accountability Act and EIA program changes to state agencies and other entities as it considers necessary.~~

~~(2) Each state agency and entity responsible for implementing the Education Accountability Act and the Education Improvement Act funded programs shall submit to the Education Oversight Committee programs and expenditure reports and budget requests as needed and in a manner prescribed by the Education Oversight Committee.~~

~~(3) The committee consists of the following persons:~~

~~(a) Speaker of the House of Representatives or his designee;~~

~~(b) President of the Senate or his designee;~~

~~(c) Chairman of the Education and Public Works Committee of the House of Representatives or his designee;~~

~~(d) Chairman of the Education Committee of the Senate or his designee;~~

~~(e) Governor or his designee;~~

~~(f) Chairman of the Ways and Means Committee of the House of Representatives or his designee;~~

~~(g) Chairman of the Finance Committee of the Senate or his designee;~~

~~(h) State Superintendent of Education or the superintendent's designee who shall be an ex officio nonvoting member;~~

~~(i) five members representing business and industry who must have experience in business, management, or policy to be appointed as follows: one by the Governor, one by the President of the Senate, one by the Speaker of the House, one by the Chairman of the Senate Education Committee, and one by the Chairman of the House Education and Public Works Committee; and~~

~~(j) five members representing public education teachers and principals to be appointed as follows: one by the Governor, one by the President of the Senate, one by the Speaker of the House, one by the Chairman of the Senate Education Committee, and one by the Chairman of the House Education and Public Works Committee.~~

~~(4) Initial appointment must be made by July 31, 1998, at which time the Governor or his designee shall call the first meeting. At the initial meeting, a chairman elected from the members representing the business and industry appointees and a vice chairman representing the education members shall be elected by a majority vote of the committee. The members appointed pursuant to items (1) through (8) may serve notwithstanding the provisions of Section 8-13-770. Their terms of office on the committee must be coterminous with their terms of office as Governor, Superintendent of Education, or members of the General Assembly.~~

~~(B)(1) The terms of office of the members of the Education Oversight Committee, except for the legislative members, Governor, and State Superintendent of Education, are four years and until their successors are appointed and qualify except of those first appointed the terms must be staggered as follows:~~

~~(a) initial terms of two years shall be served by the two members of the business and industry community appointed by the chairmen of the Education Committees;~~

~~(b) initial terms of three years shall be served by the members of the education community appointed by the President of the Senate and the Speaker of the House; and~~

~~(c) all other voting members shall serve initial four-year terms. The terms of chairman and vice chairman shall be two years. At the end of each two-year term, an election must be held for the chairmanship and vice chairmanship by majority vote of the members attending with quorum present. No member shall serve more than four consecutive years as chairman or vice chairman.~~

~~(2) Members of the committee shall meet no less than once a quarter and annually shall submit their findings and recommendations to the General Assembly before March first of each fiscal year. The staff positions of the Education Oversight Committee and the people presently in those positions initially shall be transferred to the Education Oversight Committee as administrative staff to carry out its functions.~~Effective July 1, 2023, the Education Oversight Committee is abolished and its functions, powers and duties, responsibilities, and authority are devolved upon the State Department of Education.

(B)(1) A joint committee must be appointed to review and make recommendations as to which of the functions, powers, duties, responsibilities, and authority of the Education Oversight Committee are to be devolved upon the State Department of Education and which functions, powers, duties, responsibilities, and authority of the Education Oversight Committee are to be devolved upon the State Board of Education.

(2) The joint committee shall consist of five members appointed by the Chairman of the House Education and Public Works Committee and five members appointed by the Chairman of the Senate Education Committee. The committee must be co-chaired by one member of the House and one member of the Senate.

(3) A report must be provided to Speaker of the House and the President of the Senate within ninety days after the first meeting of the joint committee, for the purpose of developing legislation to implement the requirements of subsection (A).

Renumber sections to conform.

Amend title to conform.

Senator FANNING explained the amendment.

**Point of Order**

Senator BENNETT raised a Point of Order under Rule 24A that the amendment was out of order inasmuch as it was not germane to the Bill.

Senator FANNING spoke on the Point of Order.

The PRESIDENT sustained the Point of Order.

The amendment was ruled out of order.

**Amendment No. 3**

Senators SABB and SETZLER proposed the following amendment (SMIN-285.AA0013S), which was adopted:

Amend the bill, as and if amended, SECTION 1, by striking Section 12-6-3850(7) and inserting:

(7) “General child” means a child who is a South Carolina resident who, immediately before receiving a scholarship under this article and enrolling in an eligible school or program, was enrolled in a South Carolina secondary or primary public school or who is eligible to enroll in a qualified first grade, kindergarten, or a three or four year old prekindergarten program or received a scholarship pursuant to this article for the previous school year; provided, however, that if a student is considered to be an eligible student pursuant to this item, he shall continue to qualify as such until he graduates, reaches the age of twenty, or returns to a public school, whichever occurs first.

Renumber sections to conform.

Amend title to conform.

Senator SABB explained the amendment.

The amendment was adopted.

**Amendment No. 4**

Senator SABB proposed the following amendment (SMIN-285.MW0052S), which was adopted:

Amend the bill, as and if amended, SECTION 1, by striking Section 12-6-3850(15)(a) and inserting:

(a) the total amount of money charged for the cost of an eligible student to attend an eligible school including, but not limited to, fees for attending the school, textbook fees, tutoring, parental engagement programs involving a three- or four-year-old prekindergarten student, and/or transportation to and from school that is provided by the school. These costs may not be in excess of what is currently provided; and

Renumber sections to conform.

Amend title to conform.

Senator SABB explained the amendment.

The amendment was adopted.

**Amendment No. 5**

Senator FANNING proposed the following amendment (SMIN-285.MW0021S), which was adopted:

Amend the bill, as and if amended, SECTION 1, by striking Section 12-6-3865(7)(e) and inserting:

(e) it does not have as a volunteer, contractor, consultant, fundraiser, or member of its governing board, any parent, legal guardian, or member of his immediate family who has a child or ward who is currently receiving or has received a scholarship authorized by this article from the organization within one year of the date the parent, legal guardian, or member of his immediate family became a board member. A person serving on the governing board of a nonprofit scholarship funding organization shall have a fiduciary duty to the donors and eligible students at schools served by the organization and shall resign if any conflicts of interest develop with the organization and those it serves;

Renumber sections to conform.

Amend title to conform.

Senator FANNING explained the amendment.

The amendment was adopted.

**Amendment No. 6**

Senator BENNETT proposed the following amendment (LC-285.SA0047S), which was adopted:

Amend the bill, as and if amended, SECTION 1, by striking Section 12-6-3855(B)(3) and inserting:

(3) Scholarships may be awarded by a scholarship funding organization to an eligible student qualifying and defined under Section 12-6-3850(5)(d) [Home School Child] for a school year in an amount not exceeding twenty percent of the amount of subsection (B)(1) above or the total cost of qualifying expenses, whichever is less. A scholarship funding organization may reimburse a parent directly for expenditures actually paid for qualifying expenses or pay vendors directly for qualifying expenses at the direction of the parent and on behalf of the home school child.

Renumber sections to conform.

Amend title to conform.

Senator BENNETT explained the amendment.

The amendment was adopted.

**Amendment No. 7**

Senator MARTIN proposed the following amendment (LC-285.SA0015S), which was tabled:

Amend the bill, as and if amended, SECTION 1, by deleting Section 12-6-3850(5)(d).

Amend the bill further, SECTION 1, by deleting Section 12-6-3850(8) and (9).

Amend the bill further, SECTION 1, by striking Section 12-6-3850(15) and inserting:

(15) “Qualifying expense” means the total amount of money charged for the cost of an eligible student to attend an eligible school including, but not limited to, fees for attending the school, textbook fees, tutoring, and/or transportation to and from school that is provided by the school. These costs may not be in excess of what is currently provided.

Amend the bill further, SECTION 1, by deleting Section 12-6-3855(3).

Amend the bill further, SECTION 1, by deleting Section 12-6-3870(D)(2).

Amend the bill further, SECTION 1, by striking Section 12-6-3870(F)(2) and inserting:

(2) Notwithstanding the maximum credit limits set forth in this article, if one of the eligible student-qualifying categories listed in subsection (D) reaches its limits but another eligible student-qualifying category has not reached its limit by October first of each tax year, then the department may transfer the unused credits to the eligible student qualifying category that has reached its limit. However, the credit only may be transferred and may not cumulatively allow more than the authorized annual cumulative total provided in this section. In considering a credit transfer under this item, those eligible student qualifying categories listed in subsection 12-6-3850(5)(b) [Disadvantaged Child], (c) [Exceptional Needs Child], and (a) [General Child] must have priority order when transferring credits.

Renumber sections to conform.

Amend title to conform.

Senator MARTIN explained the amendment.

Senator CASH spoke on the amendment.

Senator DAVIS moved to lay the amendment on the table.

The amendment was laid on the table.

**Recorded Vote**

Senator MARTIN desired to be recorded as voting against the motion to table the amendment.

Senator SETZLER asked unanimous consent to proceed to Amendment No. 10.

**Amendment No. 10**

Senator SETZLER proposed the following amendment (SF-285.CH0043S), which was adopted:

Amend the bill, as and if amended, SECTION 1, by striking Section 12-6-3870(D)(3) and inserting:

(3) If the South Carolina Department of Revenue determines that the total of the credits claimed in this section by all taxpayers exceeds the limit amount, it shall allow credits only up to those amounts on a first-come, first-served basis. Within the first forty-five days that the credits are available, persons as defined in SECTION 1 are only allowed to claim a total amount of ten thousand dollars in tax credits per person. After the forty fifth day, any remaining tax credits are available to all persons.

Renumber sections to conform.

Amend title to conform.

Senator SETZLER explained the amendment.

Senator DAVIS spoke on the amendment.

The amendment was adopted.

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

On motion of Senator DAVIS, with unanimous consent, Amendment No. 1 was withdrawn.

**Amendment No. 8A**

Senator MASSEY proposed the following amendment (SR-285.KM0061S), which was carried over and subsequently withdrawn:

Amend the bill, as and if amended, SECTION 1, by striking Sections 12-6-3850 and 12-6-3855 and inserting:

(3) “Disadvantaged child” means a child or his family who meets the qualifications for federal Medicaid benefits, or whose family has an annual adjusted gross income of four hundred percent or less of the federal poverty guidelines as promulgated annually by the United States Department of Health and Human Services.

(4) “Eligible school” means an independent school, including those religious in nature, other than a public school, at which the compulsory attendance requirements of Section 59-65-10 may be met, that:

(a) offers a general education to primary or secondary school students;

(b) does not discriminate on the basis of race, color, or national origin;

(c) is located in this State;

(d) has an educational curriculum that includes courses set forth in the state’s diploma requirements;

(e) has school facilities that are subject to applicable federal, state, and local laws; and

(f) is a member in good standing of the South Carolina Association of Christian Schools, the South Carolina Independent Schools Association, the Palmetto Association of Independent Schools, the American Montessori Society, the International Montessori Council, or the National Association of Private Schools, or alternatively accredited by Cognia or the National Council for Private School Accreditation.

(5) “Eligible student” means a student who:

(a) meets the definition of “disadvantaged child”; or

(b) meets the definition of “home school child”; and

(c) is not a recipient of an Education Scholarship Trust Fund.

(6) “Home school” means a home, residence, or location where a parent or legal guardian teaches one or more children as authorized pursuant to Section 59-65-40, Section 59- 65-45, or Section 59-65-47.

(7) “Home school child” means any child attending an eligible home school.

(8) “Nonprofit scholarship funding organization” or “scholarship funding organization” means a charitable organization that:

(a) is registered and in good standing with the South Carolina Secretary of State;

(b) is exempt from federal tax pursuant to Section 501(a) of the Internal Revenue Code by being listed as an exempt organization in Section 501(c)(3) of the tax code; and

(c) is approved annually by the Treasurer and listed on the Treasurer’s approved list, which must be published on the Treasurer’s website;

(9) “Parent” means a resident of this State who is the natural or adoptive parent, legal guardian, custodian, or other person with legal authority to act on behalf of an eligible student.

(10) “Person” means an individual, partnership, corporation, or other similar entity.

(11) “Program” means the ACE scholarship program created by this article.

(12) “Public School” means a school operated by publicly elected or appointed school officials in which the program and activities are under the control of these officials and which is supported by public funds.

(13) “Qualifying expense” means:

(a) the total amount of money charged for the cost of an eligible student to attend an eligible school including, but not limited to, fees for attending the school, textbook fees, tutoring, or transportation to and from school that is provided by the school, or any combination thereof. These costs may not be in excess of what is currently provided; and

(b) in the case of an eligible home school student, the total amount of money charged for instruction-related expenditures to attend an eligible home school provider including, but not limited to, curriculum packages, textbooks, digital education, and testing materials.

(14) “Resident school district” means the public school district in which the student is domiciled.

(15) “Scholarship” means education funding allocated from an account established on a student’s behalf pursuant to this article.

(16) “Treasurer” means the Office of the State Treasurer.

Section 12-6-3855. (A) A person is entitled to a tax credit against income taxes imposed pursuant to this chapter, or bank taxes imposed pursuant to Chapter 11 of this title, for the amount of cash and the monetary value of any publicly traded securities the person contributes to a nonprofit scholarship funding organization up to the limits of this section if:

(1) the contribution is used to provide scholarships for qualifying expenses to an eligible student enrolled in an eligible school; and

(2) the taxpayer does not designate a specific child or school as the beneficiary of the contribution.

(B)(1) Scholarships may be awarded by a scholarship funding organization to an eligible student qualifying and defined under Section 12-6-3850(5)(a)[Disadvantaged Child ] for a school year in an amount not exceeding the actual state-allocated revenue for each pupil as calculated by the Revenue and Fiscal Affairs Office and required to be published by the annual appropriations act or the total amount of qualifying expenses, whichever is less.

(2) Scholarships may be awarded by a scholarship funding organization to an eligible student qualifying and defined under Section 12-6-3850(5)(b) [Home School Child] for a school year in an amount not exceeding twenty percent of the amount of subsection (B)(1) above or the total cost of home school curriculum fees, whichever is less. A scholarship funding organization may reimburse a parent directly for expenditures actually paid for home school curriculum fees or pay vendors directly for home school curriculum fees at the direction of the parent and on behalf of the home school child.

(3) Once an eligible student receives a scholarship, he must receive priority status for future scholarships; provided, however, that the eligible student is in good standing with the school.

(C) Except as otherwise provided, the Department of Education, the Department of Revenue, the Treasurer, or any other state agency may not regulate the educational programs of a school that accepts eligible students receiving scholarships pursuant to this article.

Amend the bill further, SECTION 1, by striking Section 12-6-3870 and inserting:

(D)(1) The tax credits authorized for an eligible student qualified and defined under Section 12-6-3850(5)(a) [Disadvantaged Child] may not exceed a total of forty-five million dollars, each calendar year.

(2) The tax credits authorized for an eligible student qualified and defined under Section 12-6-3850 (5)(b) [Home School Child] may not exceed cumulatively a total of ten million dollars each calendar year.

(3) If the South Carolina Department of Revenue determines that the total of the credits claimed in this section by all taxpayers exceeds the limit amount, it shall allow credits only up to those amounts on a first-come, first-served basis. However before October first of each tax year, no taxpayer may claim more than fifty percent of the allotment for any of the tax credits allowed in this section. After October first, a taxpayer that has claimed the maximum allotment may reapply to claim additional credits. For purposes of determining priority, the subsequent application must be placed in order with all other applications received.

(4) The tax credits authorized pursuant to this section remain the same unless an increased or decreased limit is authorized in the annual general appropriations act.

(E) The department shall establish an application process to determine the amount of credit available to be claimed. The receipt of the application by the department shall determine priority for the credit.

(1) The tax credit must be claimed on the return for the tax year that the contribution is made.

(2) A taxpayer may not claim more than one hundred percent of his total tax liability for the tax year in contributions toward the tax credits authorized by section. This credit is not refundable. If the credit exceeds the taxpayer’s tax liability for the taxable year, the excess amount may be carried forward for credit against the next ten succeeding taxable years.

(3) If a taxpayer deducts the amount of the contribution on the taxpayer’s federal return and claims the credit allowed by this section, then the taxpayer shall add back the amount of the deduction for purposes of South Carolina income or bank taxes.

(F) The department shall prescribe the form and manner of proof required to obtain the credits authorized by this article. Also the department shall develop a method of informing taxpayers and scholarship-funding organizations if the credit limit is met at any time during the year.

(1) A corporation or entity entitled to a credit under this section may not convey, assign, or transfer the credit authorized by this section to another entity unless all assets of the entity are conveyed, assigned, or transferred in the same transaction.

(2) Notwithstanding the maximum credit limits set forth in this article, if one of the eligible student-qualifying categories listed in subsection (D) reaches its limits but another eligible student-qualifying category has not reached its limit by October first of each tax year, then the department may transfer the unused credits to the eligible student qualifying category that has reached its limit. However, the credit only may be transferred and may not cumulatively allow more than the authorized annual cumulative total provided in this section. In considering a credit transfer under this item, those eligible student qualifying categories listed in subsection 12-6-3850(5)(a) [Disadvantaged Child], and (b) [Home School Child], must have priority order when transferring credits.

Renumber sections to conform.

Amend title to conform.

Senator MASSEY explained the amendment.

Senator DAVIS spoke on the amendment.

On motion of Senator DAVIS, the amendment was carried over.

**Amendment No. 9**

Senator FANNING proposed the following amendment (LC-285.SA0038S), which was tabled:

Amend the bill, as and if amended, by striking SECTION 4 and inserting:

SECTION 4. This act takes effect upon approval by the Governor and expires on June 30, 2030, unless reauthorized by the General Assembly, provided that upon approval of this act by the Governor, the Treasurer shall begin undertaking and executing responsibilities incidental to the implementation of this act so that the provisions of this act may be fully implemented at the beginning of the 2024-2025 School Year.

Renumber sections to conform.

Amend title to conform.

Senator FANNING explained the amendment.

Senator BENNETT spoke on the amendment.

Senator BENNETT moved to lay the amendment on the table.

The amendment was laid on the table.

**Amendment No. 12**

Senator FANNING proposed the following amendment (SMIN-285.MW0018S), which was tabled:

Amend the bill, as and if amended, SECTION 1, by striking Section 12-6-3865(b) and inserting:

(b) it allocates at least ninety-eight percent of its annual contributions received during a particular year to provide scholarships to schools on behalf of eligible enrolled children and incurs administrative expenses annually of no more than two percent of its annual contributions for a particular year to cover operational costs;

Renumber sections to conform.

Amend title to conform.

Senator FANNING explained the amendment.

Senator DAVIS moved to lay the amendment on the table.

The amendment was laid on the table.

**Amendment No. 14**

Senator FANNING proposed the following amendment (SMIN-285.MW0020S), which was adopted:

Amend the bill, as and if amended, SECTION 1, by striking Section 12-6-3850(15)(b) and inserting:

(b) in the case of an eligible home school student, the total amount of money charged for instruction-related expenditures to attend an eligible home school provider including, but not limited to, curriculum packages, textbooks, digital education, tutoring, and testing materials.

Renumber sections to conform.

Amend title to conform.

Senator FANNING explained the amendment.

The amendment was adopted.

**Amendment No. 15**

Senator MASSEY proposed the following amendment (SR-285.KM0070S), which was adopted:

Amend the bill, as and if amended, SECTION 1, by striking Section 12-6-3850(7) and inserting:

(7) “General child” means a child whose family has an adjusted gross income of four hundred percent or less of the federal poverty guidelines and who is a South Carolina resident who, immediately before receiving a scholarship under this article and enrolling in an eligible school or program, was enrolled in a South Carolina secondary or primary public school or who is eligible to enroll in a qualified first grade, kindergarten, or prekindergarten program or received a scholarship pursuant to this article for the previous school year; provided, however, that if a student is considered to be an eligible student pursuant to this item, he shall continue to qualify as such until he graduates, reaches the age of twenty, or returns to a public school, whichever occurs first.

Renumber sections to conform.

Amend title to conform.

Senator MASSEY explained the amendment.

The amendment was adopted.

On motion of Senator MASSEY, with unanimous consent, Amendment No. 8A was withdrawn.

Senator FANNING spoke on the Bill.

The question then was second reading of the Bill.

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

**Ayes 28; Nays 9**

**AYES**

Adams Alexander Bennett

Campsen Cash Climer

Corbin Cromer Davis

Garrett Grooms Gustafson

Hembree Jackson *Johnson, Michael*

Kimbrell Loftis Malloy

Martin Massey Peeler

Rankin Reichenbach Rice

Shealy Turner Verdin

Young

**Total--28**

**NAYS**

Allen Fanning Matthews

McElveen McLeod Sabb

Scott Stephens Williams

**Total--9**

There being no further amendments, the Bill, as amended, was read the second time, passed and ordered to a third reading.

**REPORT RECEIVED**

Subcommittee Report and Recommendations

The Constitutional Subcommittee of the Senate Finance Committee convened on four occasions to investigate the FY2022 Annual Comprehensive Financial Report (ACFR) $3.5 billion restatement: February 9, 2023, February 16, 2023, February 23, 2023, and March 7, 2023. The subcommittee consists of Chairman LAWRENCE K. “LARRY” GROOMS, Senator J. THOMAS McELVEEN III, Senator MIKE FANNING, Senator STEPHEN L. GOLDFINCH, and Senator TOM YOUNG, Jr.

February 9, 2023

Comptroller General Richard Eckstrom appeared before the Subcommittee to present Fiscal Year 2023-2024 budget requests for his office. After stating he had no requests, he notified the subcommittee of the ACFR restatement. He stated that the ACFR overstated the amount of cash the State had in its General Fund for the past 10 years, attributing it to a “mapping error” in the state’s conversion to the South Carolina Enterprise Information System (SCEIS) beginning in 2007. However, subcommittee members found that his timeline of events leading to the restatement was unclear, and he could not adequately and succinctly explain exactly what happened. Therefore, the subcommittee carried over his testimony.

February 16, 2023

The subcommittee called General Eckstrom back for questioning under oath. Members found that he was still incapable of coherently articulating the reason for the $3.5 billion restatement, despite knowing the subcommittee wanted a succinct explanation and having a week to prepare, and that he either would not, or categorically, could not answer very direct and specific questions. Only when he called for aid from his staff were questions more clearly answered.

General Eckstrom’s staff reported that the restatement stems from a mistake in how state agencies with Audited Financial Statements (AFS) were classified in SCEIS, causing the ACFR to omit transfers of funds out from these agencies.  The reported restatement is a result of the Office of the Comptroller General’s failure to incorporate a recurring solution to a $1.3 billion conversion adjustment that occurred in 2017 when SCEIS became fully implemented. The Office of the Comptroller General believed the error that required the 2017 adjustment had been corrected, but because of a lack of oversight, the overstatement of general funds grew to a purported $3.5 billion in 2022.

February 23, 2023

The subcommittee heard from the Office of the State Treasurer (STO), the Department of Administration (DOA), the Office of the State Auditor (OSA), and CliftonLarsonAllen LLP (CLA), an independent accounting firm contracted by the State to aid in audits. Testimony under oath from Treasurer Curtis Loftis and DOA Director Marcia Adams confirmed that the preparation, compilation, completion, and accuracy of the state’s ACFR is solely the responsibility of the Comptroller General. Remi Omisore, Principal Auditor of CliftonLarsonAllen LLP testified under oath that a restatement in the amount of $3.5 billion is uncommon, and likely connected to a staffing shortage in the Office of the Comptroller General. The State Auditor, George Kennedy, reported under oath that the internal controls in the Office of the Comptroller General were insufficient to detect errors. Both Mr. Kennedy and Mr. Omisore noted that weakness in internal controls was a recurring concern in their audits of the office over the last 10 years. The State Auditor informed the Comptroller General of these concerns in 2012, 2013, 2014, 2015, 2016, 2017, 2019, 2020, 2021, and 2022.

March 7, 2023

The subcommittee requested that General Eckstrom appear before the subcommittee to respond under oath to the testimony provided on February 23rd. After having almost two weeks to prepare clear testimony and rebuttal, subcommittee members found that he continued to testify circuitously and avoided answering questions directly, continued to rely upon his staff for explanations, and deflected blame on to other offices and officers of the State. He testified that the OSA is responsible for both the accuracy of the ACFR and fund reconciliation, contrary not only to prior testimony from the STO, DOA, and OSA, but also to his own testimony on February 9th and 16th. He testified that he was “surprised” that the auditors felt his “internal controls were consistently weak,” despite being informed of those weaknesses over the vast majority of the last ten years in the form of Internal Controls Reports, which also contained his responses to those weaknesses.  He later testified that the 2007 DOA “SCEIS team” was responsible for the original misclassification of AFS agencies, even though DOA Director Adams unequivocally testified that only General Eckstrom’s office had access to account classification. When asked if there were any other offices of the State better suited to prepare the ACFR, and General Eckstrom responded no.

Among other notably troubling testimony was when General Eckstrom was directly asked whether he had hired a lawyer. He was evasive and explicitly denied having done so despite clear evidence in the possession of the subcommittee. The subcommittee read to General Eckstrom an email from an attorney dated that same day, notifying Senate staff that General Eckstrom had hired him. When given an opportunity to clarify, General Eckstrom insisted that the attorney was hired only for communication assistance.

March 9, 2023

In a written response to General Eckstrom’s testimony from March 7th, State Auditor George Kennedy and Remi Omisore of CliftonLarsonAllen LLP stated that cash reconciliations are the duty of the CGO to provide a control in the compilation of the ACFR. They also noted that performing the duties of the Comptroller General would inhibit their capacity to be objective and independent in their audits. They also reported not having the system access necessary to perform cash reconciliations.

The auditors agreed in part that the CGO doesn’t have a responsibility for reconciling cash. However, they stated that General Eckstrom could have specified the two types of cash reconciliations necessary for the successful compilation of the ACFR: reconciliation to the banks and reconciliation to the ACFR itself. Reconciliations to the banks are managed by the STO, and reconciliations to the ACFR are managed by the CGO. However, a reconciliation to the ACFR is achieved through collaboration between the CGO and STO.

The State Auditor also supplied the subcommittee with Internal Control Reports dating from 2012 to 2022. “Reconciliation of cash and cash equivalents” was noted as a “material weakness” in auditing the CGO in 2013, 2014, 2015, 2017, and 2022. In 2012 it was reported as a “significant deficiency.” In auditing the STO, “reconciliation of cash and cash equivalents” was reported as a “material weakness” in 2013 and 2015, and as a “significant deficiency” in 2017. “Reconciliations of cash and cash equivalents” wasn’t reported as a deficiency or a weakness in audits of the STO once SCEIS was fully implemented in 2017.

March 13, 2023

The STO submitted a written response to General Eckstrom’s testimony regarding reconciliations of cash on March 7th. The STO indicated that it is not aware of requests from the CGO to perform reconciliations differently. They also affirmed that “reconciliation of cash and cash equivalents” was reported as deficient by the SAO in 2013 and between 2015 and 2017, but that it was related to the legacy conversion from STARS to SCEIS and hasn’t been featured in Internal Control Reports since then.

Information Requests

During the investigation, the subcommittee sent letters to General Eckstrom requesting correspondence surrounding the $3.5 billion restatement. The responses provided by General Eckstrom were either incomplete or not related to the request at all.

In response to the letter sent on February 17th, 2023, requesting correspondence related to the restatement itself, he replied by furnishing emails dated between October 2022 and January 2023. Based on prior testimony from General Eckstrom, it was the belief of the subcommittee that there was additional correspondence prior to October 2022 and after January 2023. Subsequently, an additional letter was sent requesting correspondence before October 2022 and until February 2023 on February 24th. To date, General Eckstrom has not responded to that request.

On March 9th, the subcommittee sent General Eckstrom a letter requesting all correspondence to the STO or any other agency showing that the CGO communicated its needs and expectations as to closing packages and reconciliations necessary to prepare an accurate ACFR. Further, the subcommittee asked for any correspondence from the CGO to the STO indicating that the STO’s reconciliation methods and packages were inadequate or insufficient for the CGO to successfully compile the ACFR. On March 13th, General Eckstrom responded that he was “unable to locate” any pertinent correspondence dating back ten years and the information he provided was unrelated to the subcommittee’s request.

Also in his March 13th response, the CGO provided a 2014 email between General Eckstrom and Mr. Rich Gilbert, the state’s Interim auditor at that time. In the email Mr. Gilbert cites proviso 96.2, in which the General Assembly directs the Comptroller General “as the State Accounting Officer, to maintain a Statewide Accounting and Reporting System that will result in proper authorization and control of agency expenditures… and in the preparation and issuance of the official financial reports for the State of South Carolina.  [T]he Comptroller General is given full power and authority to issue accounting policy directives to state agencies in order to comply with GAAP. The Comptroller General is also given full authority to conduct surveys, acquire consulting services, and implement new procedures required to implement fully changes required by GAAP”. This proviso has been in place since FY2004.

Recommendations

Given the findings of this investigation, the subcommittee makes the following recommendations:

Whereas, the Comptroller General of the State is statutorily charged with implementing appropriate accounting procedures to consolidate accounts, in connection with lump-sum agencies, as necessary for proper accounting and for financial reporting in accordance with Generally Accepted Accounting Principles; for establishing rules and regulations for the uniform reimbursement, remittance, and transfers of funds to the general fund of the State as required by law; and for the oversight, operation, and implementation of The South Carolina Enterprise Information System Oversight Committee; and,

Whereas, the Comptroller General provides a detailed report of the state’s spending in the Annual Comprehensive Financial Report, which is used by investors and rating agencies to judge the financial health of the State and is certified by the Comptroller General’s signature as true and accurate; and,

Whereas, it is undisputed that Comptroller General Eckstrom, over the span of ten years, overstated the general fund of this State by a purported three billion five hundred thirty million and no/100ths ($3,530,000,000.00) dollars in previous Annual Comprehensive Financial Reports; and,

Whereas, in Note 15 of the FY2022 Annual Comprehensive Financial Report, released in December 2022, General Eckstrom provided a restatement explaining the three billion five hundred thirty million and no/100ths ($3,530,000,000.00) dollars overstatement, describing it to be a result of a “mapping error,” having origins in the state’s conversion to the South Carolina Enterprise Information System; and,

Whereas, General Eckstrom addressed the restatement on January 17th, 2023, before the Constitutional Subcommittee of the House Ways & Means Committee; and,

Whereas, General Eckstrom addressed the restatement on February 9th, 2023, during a budget hearing of the Constitutional Subcommittee of the Senate Finance Committee testifying that he notified rating agencies of the overstatement; that the rating agencies are only concerned with numbers “ten times bigger”; that he described the issue of the restatement as “troubling times,” but denied needing neither additional staff nor funding from the State when asked directly; and,

Whereas, on the same afternoon, Senate Finance Committee Chairman Harvey Peeler charged the Constitutional Subcommittee with investigating the restatement further; and,

Whereas, the Constitutional Subcommittee reconvened on February 16, 2023, to again hear from General Eckstrom, whose sworn testimony that day was described by subcommittee members as “confusing”, “obfuscated”, “bizarre”, “concealed”, “nonchalant”, “cavalier”, “evasive”, and “incoherent”; that subcommittee members found him incapable of answering any questions posited with confidence of certainty; that General Eckstrom did not take responsibility for a decade- long error wholly under his statutory purview; that at the request of the subcommittee, General Eckstrom provided a timeline of events leading to the restatement which contradicted his verbal testimony that he “knew of a problem” Summer 2022; that General Eckstrom demonstrated conclusively he knew of the issue at least as early as October 2022, but did not inform appropriate state leaders until December 2022; that the Chairman of the Senate Finance Committee was not directly informed of the restatement prior to the February 9th budget hearing; that the subcommittee determined General Eckstrom to be “detached from the severity” of the restatement, and “deflecting blame” onto other offices and officers of the State; and,

Whereas, on February 17, 2023, the subcommittee sent General Eckstrom a letter requesting correspondence related to the Fiscal Year 2022 Annual Comprehensive Financial Report and the three billion five hundred thirty million and no/100ths ($3,530,000,000.00) dollars restatement; that the Office of the Comptroller General replied to that request on February 17, 2023, and furnished related emails dated between October 2022 and January 2023; and,

Whereas, in email correspondence submitted to the subcommittee, staff of the Office of the Comptroller General reported that deadlines to complete the Annual Comprehensive Financial Report impeded the capacity to properly perform an analysis of the document; that there was confusion over the dollar amount to report in the restatement; that there was a five hundred five million and no/100ths dollars ($505,000,000.00) “cash issue” for the South Carolina Department of Transportation, which was not mentioned in Note 15 of the Annual Comprehensive Financial Report, nor presented as testimony until March 7; that General Eckstrom referred to the restatement error as a “long standing riddle”; that there was discussion between General Eckstrom and staff regarding disclosing the restatement to the Electronic Municipal Market Access division of the Municipal Securities Rulemaking Board; and that Moody’s Analytics had serious questions and concerns related to the restatement, despite General Eckstrom’s testimony to the contrary.

Whereas, it was the belief of the subcommittee based on testimony provided on February 9, 2023, and February 16, 2023, that there was correspondence in addition to what was provided by the Office of the Comptroller General on February 17th, 2023; that on February 24, 2023, the subcommittee sent a letter to General Eckstrom requesting further correspondence dated before October 2022 and until February 2023 correlating with the Fiscal Year 2022 Annual Comprehensive Financial Report and the three billion five hundred thirty million and no/100ths ($3,530,000,000.00) dollars restatement, and that General Eckstrom has yet as of the date of this report to respond to this request; and,

Whereas, the Constitutional Subcommittee reconvened on February 23, 2023, to hear testimony from the Office of the State Treasurer, the Department of Administration, the Office of the State Auditor, and CliftonLarsonAllen, LLP; and,

Whereas, on February 23, 2023, State Treasurer Curtis Loftis testified under oath that the preparation and responsibilities of the Annual Comprehensive Financial Report lies entirely within the Office of the Comptroller General; that the office imposed tight, artificial deadlines in compiling the report in pursuit of unjustified accolades from professional associations; that the Office of the State Treasurer provides to the Office of the Comptroller General information in the form of closing packages for report compilation, and that the Office of the Comptroller General is responsible for specifying what information it needs in those packages; and,

Whereas, on February 23, 2023, Director Marcia Adams of the Department of Administration testified under oath that the restatement error is a result of  misclassifying Audited Financial Statement agencies within the South Carolina Enterprise Information System; that this misclassification caused an exclusion of these agencies’ transactions in the Annual Comprehensive Financial Report; that the Office of the Comptroller General is responsible for the proper classification of agencies within the South Carolina Enterprise Information System; that the Office of the Comptroller General notified the Department of Administration on December 5, 2022, of the error, and further requested the formation of a multi-agency working group between the Office of the Comptroller General, the Office of the State Treasurer, and staff of the South Carolina Enterprise Information System; that on January 6th, 2023, the Office of the Comptroller General identified a solution to prevent future restatements, which included properly reclassifying accounts in the South Carolina Enterprise Information System, as well as performing routine cash reconciliations; and,

Whereas, on February 23, 2023, State Auditor George Kennedy and Remi Omisore of CliftonLarsonAllen LLP testified under oath jointly, noting the disclosure of material weaknesses in their audits of the Office of the Comptroller General over the past ten years, citing weak internal controls as thematic; that, in their audits of the office, the lack of an appropriately robust quality control process in Annual Comprehensive Financial Report compilation was repeatedly noted, and that the lack of quality assurances processes inhibits the ability of the office to adequately review the document for accuracy and consistency; that there has been a recurring need to perform reconciliations of the state’s pooled cash and investment so as to provide an appropriate control in supporting the allocation of cash and investments presented in the Annual Comprehensive Financial Report; and,

Whereas, on February 23, 2023, State Auditor George Kennedy also testified that had the Office of the Comptroller General regularly performed cash reconciliations, and had more staff members to ensure proper financial reporting, the error would have likely been prevented; and,

Whereas, on March 7, 2023, the Constitutional Subcommittee reconvened to provide General Eckstrom an opportunity to respond to testimony provided under oath from February 23rd, 2023; and,

Whereas, on March 7, 2023, General Eckstrom’s testimony under oath was perceived as oblique by subcommittee members, and he continued to be incapable of answering questions directly; that General Eckstrom testified that the Office of the State Auditor and CliftonLarsonAllen LLP shared responsibility for the Annual Comprehensive Financial Report, which contradicted prior testimony from the Office of the State Treasurer, the Department of Administration, the Office of the State Auditor, and CliftonLarsonAllen LLP, who all affirmed that the responsibility of the Annual Comprehensive Financial Report belongs exclusively to the Comptroller General; that General Eckstrom continued to deny responsibility for the original account misclassifications in the South Carolina Enterprise Information System, which not only contradicts prior testimony heard from the State Treasurer’s Office and the Department of Administration, but also his agency’s website that affirms his responsibility as “chief fiscal watchdog” to “properly” classify accounts and their transactions; and,

Whereas, on March 7, 2023, General Eckstrom testified under oath that he was “surprised” that the State Auditor testified that his office had “weak internal controls” over the course of ten years, when in fact he had been informed annually of those weaknesses in the form of “Independent Auditors’ Reports”, and provided written responses acknowledging and addressing each of them to the Office of the State Auditor and CliftonLarsonAllen LLP; that the Office of State Treasurer was responsible for reconciling funds to the Annual Comprehensive Financial Report even though the State Treasurer previously testified having neither the authority nor the ability to do so; that General Eckstrom testified that he was responsible for subjecting his staff to strict deadlines, and speculated the error would have been intercepted sooner had he allotted them more time; that General Eckstrom, only when asked directly by subcommittee members, testified that there was a separate error in reporting the amount of funds for the South Carolina Department of Transportation, and that this separate error “netted out” the restatement amount to three billion five hundred thirty million and no/100ths ($3,530,000,000.00) dollars;

Whereas, the subcommittee members described the testimony General Eckstrom provided  under oath on March 7, 2023, as “confusing”, “unreliable”, “inaccurate”, “deceptive”, and “opaque” testimony under oath on March 7, 2023; that General Eckstrom admitted the restatement amount exceeded three billion five hundred thirty million and no/100ths ($3,530,000,000.00) dollars, inconsistent with not only the amount reported in the Fiscal Year 2022 Annual Comprehensive Financial Report, but also his own testimony on February 9th and February 16th; that General Eckstrom absolutely denied having hired a lawyer, and when confronted with documentary proof of having done so, he testified under oath that it was for “communication” purposes only; and,

Whereas, on March 9, 2023, State Auditor George Kennedy provided the subcommittee a written response to the testimony of General Eckstrom on March 7, stating that cash reconciliations are the duty of the Office of the Comptroller General to provide a control in the compilation of the Annual Comprehensive Financial Report; that the duties General Eckstrom stated were the responsibilities of the Office of the State Auditor were instead the responsibilities of the Office of the Comptroller General; that performing the duties of the Office of the Comptroller General would inhibit the auditors’ capacity to be objective and independent in their audits; that they do not have the system access necessary in the South Carolina Enterprise Information System; and,

Whereas, State Auditor George Kennedy stated in his written response on March 9, 2023, to the testimony General Eckstrom provided under oath on March 7, 2023, that the Office of the State Treasurer manages cash reconciliations to the bank and the Office of the Comptroller General manages cash reconciliations to the Annual Comprehensive Financial Report itself; that both types of reconciliations are necessary for the successful compilation of an accurate Annual Comprehensive Financial Report and that a full reconciliation is only achieved through collaboration between the Office of the Comptroller General and the Office of the State Treasurer; and,

Whereas, on March 13, 2023, the Office of the State Treasurer submitted a written response to the testimony General Eckstrom provided under oath on March 7, 2023, indicating that the Office of the State Treasurer was not aware of any requests from the Office of the Comptroller General to perform reconciliations differently; that reconciliations of cash and cash equivalents on behalf of the Office of the State Treasurer were found to be material weaknesses in 2013 and 2015, and as a significant deficiency in 2017, but that the material weaknesses and the significant deficiency was related to the transition from the legacy accounting system to the South Carolina Enterprise Information System, and was not found as a deficiency in audits after 2017 when the South Carolina Enterprise Information System was fully implemented; and,

Whereas, on March 9, 2023, in view of the testimony General Eckstrom provided the subcommittee that the State Treasurer was responsible for reconciling funds to the Annual Comprehensive Financial Report, the subcommittee sent a letter to General Eckstrom requesting that he supply correspondence with the Office of the State Treasurer or any other agency of the State delineating their needs and expectations concerning necessary closing packages and reconciliations to prepare an accurate Annual Comprehensive Financial Report; that he also provide correspondence that communicated the manner in which the Office of the State Treasurer reconciled cash was insufficient or inadequate for the Office of the Comptroller General to successfully compile the Annual Comprehensive Financial Report; and,

Whereas, on March 13, 2023, General Eckstrom provided a written response to the March 9 request of the subcommittee, stating that he was “unable to locate” any associated correspondence dating back ten years; that the subcommittee found the information General Eckstrom provided was either unrelated to the actual request, or was information previously received in the form of testimony; and,

Whereas, General Eckstrom supplied the subcommittee in his written response on March 13, 2023, with an email from 2014 between himself and Mr. Rich Gilbert, South Carolina Interim State Auditor for that year; and,

Whereas, in the 2014 email Mr. Gilbert cited proviso 96.2 of the Fiscal Year 2014 Appropriations Act, in which the General Assembly directs the Comptroller General “as the State Accounting Officer, to maintain a Statewide Accounting and Reporting System that will result in proper authorization and control of agency expenditure  and in the preparation and issuance of the official financial reports for the State of South Carolina”; and,

Whereas, per Proviso 96.2 of the Fiscal Year 2014 Appropriations Act, “The Comptroller General is given full power and authority to issue accounting policy directives to state agencies in order to comply with Generally Accepted Accounting Principles; that “the Comptroller General is also given full authority to conduct surveys, acquire consulting services, and implement new procedures required to implement fully changes required by Generally Accepted Accounting Principles”; and,

Whereas, Proviso 96.2 has been placed in the Appropriations Act each fiscal year since 2014, and can be found in the most recent Appropriations Act as Proviso 97.2.

Therefore, in view of the above, it is the collective opinion of the subcommittee that:

1. Comptroller General Richard Eckstrom has repeatedly demonstrated his inability to perform statutory duties of the office to which he was elected;
2. That Comptroller General Richard Eckstrom should be relieved of his duties of his office;
3. That the General Assembly begin proceedings to remove Comptroller General Richard Eckstrom from office “for willful neglect of duty or other reasonable cause, which shall not be sufficient ground of impeachment” pursuant to Title XV Section 3 of the Constitution of the State of South Carolina;
4. That the responsibilities of the Office of the Comptroller General be transferred to other appropriate offices of the State;
5. That the Senate Finance Committee recommend which offices of the State receive those responsibilities;
6. That the General Assembly advance an amendment to the Constitution of the State of South Carolina, to remove the Comptroller General as an elected office.

A copy of the full report, including attachments, can be found here: <https://www.scstatehouse.gov/CommitteeInfo/SenateFinanceConstitutionalSubComm/Sub%20Report%20PDF%203.15.pdf>

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**LOCAL APPOINTMENT**

**Confirmation**

Having received a favorable report from the Senate, the following appointment was confirmed in open session:

Initial Appointment, Richland County Magistrate, with the term to commence April 30, 2023, and to expire April 30, 2027

John R. McLeod, 32 Braddock Point, Columbia, SC 29209-0809 *VICE* Tobias Ward

**Motion Adopted**

On motion of Senator MASSEY, the Senate agreed to stand adjourned.

**MOTION ADOPTED**

On motion of Senator MATTHEWS, with unanimous consent, the Senate stood adjourned out of respect to the memory of Judge Richard E. Fields of Charleston, S.C. Judge Fields was a graduate of Avery Institute, West Virginia State College and Howard University School of Law. He was the first African American to open a law practice and become a litigator in Charleston. He was the first African American elected to a judicial office in the southeast and served as a City of Charleston Municipal Judge. Judge Fields served as a Family Court Judge for five years and as Circuit Court Judge, Ninth Judicial Circuit from 1980 until his retirement in 1992. He was a dedicated member of Centenary Methodist Episcopal Church. Judge Fields served on numerous boards including the Charleston County Chamber of Commerce, Bon Secours St. Francis Hospital, Florence Crittenden Home and Charleston School of Law to mention a few. He received many awards and honors including the South Carolina Voter Education Project award, Cent for Heirs Property award, Harvey Gantt Triumph award, Major for Justice award and the Order of the Palmetto to mention a few. Judge Fields was a loving father and dedicated South Carolinian who will be dearly missed.

and

**MOTION ADOPTED**

On motion of Senators SHEALY, SETZLER, MASSEY, CROMER and HARPOOTLIAN with unanimous consent, the Senate stood adjourned out of respect to the memory of Mr. Howard Neal Rawl of Lexington, S.C. Howard graduated from Clemson Agricultural College and was a member of many agricultural associations including Future Farmers of America. He was a partner in Walter P. Rawl & Sons. He enjoyed spending time with his family and attending Clemson football games. He was a lifetime member of IPTAY and served on the Clemson University Board of Visitors. He was a member of the Lexington Masonic Lodge, Clover Leafs Square Dance Club, the Hollow Creek Community Club and Lakeals men’s group. Howard was a loving father and doting grandfather who will be dearly missed.

**ADJOURNMENT**

At 6:26 P.M., on motion of Senator MASSEY, the Senate adjourned to meet tomorrow at 11:00 A.M.

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