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**HOUSE WEEK IN REVIEW**

The General Assembly returned to the State House on Tuesday, October 27, 2009, to approve a law change that allows South Carolinians to receive the maximum available unemployment insurance benefits. On October 28, lawmakers also approved an economic development incentives package. As a consequence, Boeing announced that it will construct a second production line for its 787 Dreamliner aircraft adjacent to the company’s existing facilities in North Charleston.

The General Assembly approved **S.374** to revise the statutory measure of unemployment in a way that allows South Carolinians to be eligible for all extensions in **UNEMPLOYMENT BENEFITS** that are available under federal stimulus initiatives. Prior to the passage of the legislation, South Carolina used the insured unemployment rate as the only index for determining when unemployment benefits were to be extended beyond the maximum of 59 weeks. When the state’s insured unemployment rate recently fell below 5%, South Carolina lost its eligibility for 13 additional weeks of federally-funded extended benefits beyond the 59-week maximum. The new legislation adds the total unemployment rate as an index for determining the extension of benefits so as to provide that when the state’s total unemployment rate exceeds 6.5%, available federal stimulus funds may be used to extend benefits to 72 weeks. Moreover, when the state’s total unemployment rate is above 8%, available federal stimulus may be used to fund an additional 7 weeks, bringing the maximum number of weeks an eligible individual may receive to 79. The legislation provides retroactive eligibility for those who were otherwise qualified to receive extensions in unemployment benefits.

The General Assembly approved **H.3130** to establish new **ECONOMIC DEVELOPMENT INCENTIVES** for businesses that meet heightened criteria for capital investment and job creation. Under the legislation, a business that meets the enhanced criteria of at least $750 million in capital investment and least 3,800 newly-created jobs is eligible for: (1) a sales tax exemption for computer equipment purchases that is currently allowed for technology intensive facilities; (2) an accelerated phase-out of sales tax liability on qualifying construction materials; (3) a sales tax exemption on fuel used for test flights and the transportation of aircraft between manufacturing facilities; and (4) the authority to negotiate a special apportionment agreement on corporate income taxes. The legislation also authorizes the General Assembly to issue additional economic development bonds in an amount that is not to exceed $170 million at any one time. The Boeing announcement of its plan to build a manufacturing facility in North Charleston meets the criteria for the incentives established through the passage of H.3130.

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