**South Carolina General Assembly**

123rd Session, 2019-2020

**H. 4753**

**STATUS INFORMATION**

General Bill

Sponsors: Reps. Lucas, Allison, Chellis, Taylor, Oremus, McCravy, Robinson, Trantham, Kimmons, Calhoon, Yow, Thigpen, Henegan, Rivers, S. Williams, Wooten, Blackwell, Haddon, Hill and Govan

Document Path: l:\council\bills\agm\19661wab20.docx

Companion/Similar bill(s): 244, 3094

Introduced in the House on January 14, 2020

Introduced in the Senate on February 4, 2020

Currently residing in the Senate Committee on **Education**

Summary: Income tax credit

**HISTORY OF LEGISLATIVE ACTIONS**

Date Body Action Description with journal page number

12/11/2019 House Prefiled

12/11/2019 House Referred to Committee on **Education and Public Works**

1/14/2020 House Introduced and read first time ([House Journal‑page 90](file:///h:\hj\20200114.docx))

1/14/2020 House Referred to Committee on **Education and Public Works** ([House Journal‑page 90](file:///h:\hj\20200114.docx))

1/16/2020 House Member(s) request name added as sponsor: Trantham

1/29/2020 House Member(s) request name added as sponsor: Kimmons, Calhoon, Yow

1/29/2020 House Committee report: Favorable **Education and Public Works** ([House Journal‑page 2](file:///h:\hj\20200129.docx))

1/29/2020 House Member(s) request name added as sponsor: Thigpen, Henegan

1/30/2020 House Member(s) request name added as sponsor: Rivers, S.Williams, Wooten, Blackwell, Haddon, Hill, Govan

1/30/2020 House Read second time ([House Journal‑page 11](file:///h:\hj\20200130.docx))

1/30/2020 House Roll call Yeas‑107 Nays‑0 ([House Journal‑page 11](file:///h:\hj\20200130.docx))

1/30/2020 House Unanimous consent for third reading on next legislative day ([House Journal‑page 13](file:///h:\hj\20200130.docx))

1/31/2020 House Read third time and sent to Senate ([House Journal‑page 2](file:///h:\hj\20200131.docx))

2/4/2020 Senate Introduced and read first time ([Senate Journal‑page 4](file:///h:\sj\20200204.docx))

2/4/2020 Senate Referred to Committee on **Education** ([Senate Journal‑page 4](file:///h:\sj\20200204.docx))

View the latest [legislative information](http://www.scstatehouse.gov/billsearch.php?billnumbers=4753&session=123&summary=B) at the website

**VERSIONS OF THIS BILL**

[12/11/2019](file:///p:\pprever\2019-20\4753_20191211.docx)

[1/29/2020](file:///p:\pprever\2019-20\4753_20200129.docx)

COMMITTEE REPORT

January 29, 2020

**H. 4753**

Introduced by Reps. Lucas, Allison, Chellis, Taylor, Oremus, McCravy, Robinson, Trantham, Kimmons, Calhoon, Yow and Thigpen

S. Printed 1/29/20--H.

Read the first time January 14, 2020.

**THE COMMITTEE ON EDUCATION AND PUBLIC WORKS**

To whom was referred a Bill (H. 4753) to amend the Code of Laws of South Carolina, 1976, by adding Article 9 to Chapter 25, Title 59 so as to enact the “Teacher Bill of Rights”, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass:

MERITA A. ALLISON for Committee.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

**Explanation of Fiscal Impact**

**Introduced on January 14, 2020**

**State Expenditure**

The following sections will affect state expenditures as follows:

**Section 2.** This section allows each classroom teacher and full-time librarian to have at least a thirty-minute daily planning period free from the instruction and supervision of students. Each school district may set flexible or rotating schedules for each classroom teacher or full-time librarian in the district for the implementation of this duty-free planning period. Implementation of this section may not result in a lengthened school day. A teacher or librarian may report any violations to the State Department of Education’s Ombudsman.

**State Department of Education.** SDE indicates that this section of the bill does not create additional duties or responsibilities for the agency. Therefore, this section will have no expenditure impact on SDE.

**Section 3.** This section allows qualified taxpayers in a qualified county to receive a refundable income tax credit equal to 100 percent of the property taxes paid by the taxpayer on his legal residence and not more than one acre contiguous that he owns, which qualifies for the 4 percent assessment ratio pursuant to Section 12-43-220(c). This credit may only be claimed for five consecutive years. Also, the taxpayer’s legal residence for which he is receiving the credit allowed by this section must be located in a qualifying county. A qualified taxpayer is defined as an employee who is employed in a qualifying county as a teacher in a K-12 public school. A qualifying county is a county designated as a Tier IV county, pursuant to Section 12-6-3360 in the previous tax year. Once a teacher is allowed the credit, the teacher may continue to claim the credit for the five consecutive years regardless of the county’s tier designation in future years, so long as he continues to live and work in that same county. A taxpayer must claim the credit in the year in which the property taxes are paid. DOR must prescribe the form and manner of proof required to obtain the credit. DOR may consult with county tax officials to determine the amount of the credit. This section takes effect upon approval by the Governor and first applies to tax year 2020.

**Department of Revenue.** DOR has processes in place to develop new tax forms annually, and therefore, this provision is not expected to have an expenditure impact for the agency.

**State Revenue**

Section 3 allows qualified taxpayers in a qualified county to receive a refundable income tax credit equal to 100 percent of the property taxes paid by the taxpayer on his legal residence and not more than one acre contiguous that he owns, which qualifies for the 4 percent assessment ration pursuant to Section 12-43-220(c). This credit may only be claimed for five consecutive years. Also, the taxpayer’s legal residence for which he is receiving the credit allowed by this section must be located in a qualifying county. A qualified taxpayer is defined as an employee who is employed in a qualifying county as a teacher in a K-12 public school. A qualifying county is a county designated as a Tier IV county, pursuant to Section 12-6-3360 in the previous tax year. Once a teacher is allowed the credit, the teacher may continue to claim the credit for the five consecutive years regardless of the county’s tier designation in future years, so long as he continues to live and work in that same county. A taxpayer must claim the credit in the year in which the property taxes are paid. This section takes effect upon approval by the Governor and first applies to tax year 2020.

For tax year 2020, Tier IV counties include Allendale, Bamberg, Barnwell, Chester, Clarendon, Dillion, Lee, Marion, Marlboro, Orangeburg, Union, and Williamsburg. To determine the refundable income tax credit, we estimated the property taxes paid by school teachers in each of these twelve Tier IV counties for tax year 2018 and applied a growth rate to determine the impact beginning in tax year 2020.

Revenue and Fiscal Affairs used data provided by the Department of Revenue for 2018 legal residence parcels and assessed values to determine the average assessed value for owner occupied properties in each county. The average assessed value is multiplied by the applicable millage rate to determine the average property taxes paid for owner occupied property. Each county has its own millage rate. As owner occupied property is exempt from school operating millage, it is not included in the calculation. Also, for this analysis, we used the FY 2018-19 Professional Certified Staff data provided by SDE to determine the number of K-12 teachers in the Tier IV counties. The language in the bill does not specify if this tax credit will apply to only full-time teachers, or if part-time teachers will also be included. Additionally, since the bill does not specify which position codes will be included in the tax credit, we assume that teachers who qualify for teacher supply funds will be eligible to receive this tax credit. Depending upon how teachers are defined, the estimates may change.

Based on the United States Census Bureau quick facts for South Carolina, 68.6 percent of the residences in the state qualify as legal residences and receive the 4 percent assessment. Therefore, we estimate 68.6 percent of the total teachers own a home and would qualify for the refundable income tax credit. The owner-occupied property taxes paid multiplied by the estimated number of qualifying teachers results in the estimated total refundable income tax credit allowed by this section. The table below shows the calculations to estimate the total owner-occupied property taxes paid by teachers for tax year 2018.

**ESTIMATED OWNER-OCCUPIED PROPERTY TAXES PAID BY TEACHERS**

**TAX YEAR 2018**

TIER IV AVERAGE NON- AVERAGE ESTIMATED TOTAL

COUNTY OWNER SCHOOL PROPERTY NUMBER OF PROPERTY

(§12-6-3360) OCCUPIED OPERATING TAX QUALIFYING TAX

ASSESSED MILLAGE TEACHERS

VALUE RATE

a b c d e

(a x b/1000) (c x d)

Allendale $1,238 342.80 $424 64 $27,160

Bamberg $1,879 353.24 $664 114 $75,647

Barnwell $2,483 254.76 $633 198 $125,268

Chester $3,011 274.25 $826 287 $236,973

Clarendon $2,953 242.23 $715 254 $181,662

Dillon $2,785 181.88 $507 255 $129,190

Lee $2,105 255.63 $538 80 $43,050

Marion $2,250 191.37 $431 237 $102,063

Marlboro $1,958 204.11 $400 200 $79,934

Orangeburg $2,987 197.51 $590 665 $392,321

Union $2,404 238.50 $573 202 $115,837

Williamsburg $2,276 251.60 $573 183 $104,811

Total $1,613,917

Data Sources: Department of Revenue, 2020 Index of Taxpaying Ability; Tax Year 2020 Job Tax Credit County Designations; Department of Education FY 2018-19 Professional Certified Staff (positions eligible for teacher supply funds)

Calculations by Revenue and Fiscal Affairs

Based upon the figures above, teachers in these counties paid property taxes on a home of approximately $1,614,000 for TY 2018. Using historical data, we estimate owner occupied property taxes will grow by 6.2 percent per year from tax year 2018 to tax year 2020. Therefore, this section will reduce general fund individual income tax revenue by up to $1,820,000 beginning in FY 2020-21. This amount may vary in future years as Tier IV counties change.

**Local Expenditure**

Section 2 allows each classroom teacher and full-time librarian to have at least a thirty-minute daily planning period free from the instruction and supervision of students. Each school district may set flexible or rotating schedules for each classroom teacher or full-time librarian in the district for the implementation of this duty-free planning period. Implementation of this section may not result in a lengthened school day.

**Local School Districts.** SDE surveyed the seventy-nine regular school districts and received responses from thirty-four districts. These thirty-four school districts represent about 48 percent of the students in the regular school districts. The responding districts estimate that costs will range from $0 to $5,100,000, which is $0 to $322 per student. Twelve of the responding districts indicate that they currently have planning periods in place that meet the criteria of the duty-free planning period listed in this section of the bill. The remaining twenty-two responding districts indicate the need to hire additional teachers, instructional aides, or substitutes to ensure coverage during duty-free planning times. The expenses from the responding districts total $19,465,929. Expenses vary by district and are dependent upon the size of the district. If the remaining districts experience a similar cost per student, this would equate to a cost of approximately $40,554,000 statewide. However, expenses vary widely by district, and the total expenditure may vary depending on staffing in non-responding districts. Therefore, the overall expenditure impact on local school districts is undetermined.

*Please see the table on the next page for more detail on expenses by school district.*

**SURVEY OF ESTIMATED COST BY DISTRICT FOR THIRTY MINUTE PLANNING TIME FOR TEACHERS AND LIBRARIANS - H. 4753 OF 2020**

District District Number of Cost Per Percent of

Response Students Student Total

Students

Abbeville $149,760 2,916 $51 0.4%

Aiken $1,200,000 23,247 $52 3.2%

Anderson 1 $500,000 9,875 $51 1.4%

Anderson 3 $0 2,479 $0 0.3%

Anderson 4 $476,816 2,744 $174 0.4%

Bamberg 1 $0 1,257 $0 0.2%

Bamberg 2 $50,882 638 $80 0.1%

Barnwell 19 $25,000 587 $43 0.1%

Calhoun $0 1,587 $0 0.2%

Charleston $1,404,253 46,485 $30 6.4%

Chester $725,220 4,970 $146 0.7%

Darlington $0 9,607 $0 1.3%

Fairfield $0 2,373 $0 0.3%

Florence 2 $117,000 1,091 $107 0.2%

Florence 5 $0 1,182 $0 0.2%

Greenville $3,100,000 74,162 $42 10.3%

Greenwood 51 $276,866 899 $308 0.1%

Greenwood 52 $60,118 1,516 $40 0.2%

Hampton 1 $0 2,088 $0 0.3%

Lancaster $858,600 13,258 $65 1.8%

Laurens 56 $125,000 2,980 $42 0.4%

Lexington 1 $1,000,000 25,999 $38 3.6%

Marlboro $0 3,684 $0 0.5%

Pickens $0 15,618 $0 2.2%

Richland 1 $1,500,000 22,502 $67 3.1%

Spartanburg 2 $150,000 9,921 $15 1.4%

Spartanburg 3 $130,000 2,737 $47 0.4%

Spartanburg 4 $0 2,669 $0 0.4%

Spartanburg 5 $281,000 8,533 $33 1.2%

Sumter $5,109,108 15,889 $322 2.2%

Union $0 3,787 $0 0.5%

Williamsburg $0 3,426 $0 0.5%

York 2 $726,306 7,694 $94 1.1%

York 3 $1,500,000 17,132 $88 2.4%

Total from

Responding

Districts $19,465,929 345,534

Total # of Students

from Regular Districts 721,122

% of Students from

Responding Districts       47.9%

Data Sources: District survey by State Department of Education; FY 2018-19 135-day student count

Frank A. Rainwater, Executive Director

Revenue and Fiscal Affairs Office

**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING ARTICLE 9 TO CHAPTER 25, TITLE 59 SO AS TO ENACT THE “TEACHER BILL OF RIGHTS”, AND TO ENUMERATE THE BASIC RIGHTS TO WHICH ALL CERTIFIED PUBLIC SCHOOL TEACHERS IN THIS STATE ARE ENTITLED; BY ADDING SECTION 59‑25‑60 SO AS TO PROVIDE PUBLIC SCHOOL CLASSROOM TEACHERS AND FULL‑TIME LIBRARIANS ARE ENTITLED TO AT LEAST A THIRTY‑MINUTE DAILY PLANNING PERIOD FREE FROM THE INSTRUCTION AND SUPERVISION OF STUDENTS, TO PROVIDE EACH SCHOOL DISTRICT MAY SET FLEXIBLE OR ROTATING SCHEDULES FOR THE IMPLEMENTATION OF THESE DUTY‑FREE PLANNING PERIODS, TO PROVIDE IMPLEMENTATION OF THESE PROVISIONS MAY NOT RESULT IN A LENGTHENED SCHOOL DAY, AND TO PROVIDE TEACHERS OR LIBRARIANS MAY REPORT ALLEGATIONS OF VIOLATIONS TO THE OMBUDSMAN OF THE STATE DEPARTMENT OF EDUCATION; AND BY ADDING SECTION 12‑6‑3810 SO AS TO PROVIDE CERTAIN PUBLIC SCHOOL TEACHERS WITH INCOME TAX CREDITS FOR RESIDENTIAL PROPERTY TAXES PAID.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Chapter 25, Title 59 of the 1976 Code is amended by adding:

“Article 9

Teacher Bill of Rights

Section 59‑25‑910. This act must be known and may be cited as the ‘Teacher Bill of Rights’.

Section 59‑25‑920. All certified public school teachers in South Carolina should be able to expect the following:

(1) have their professional judgment and discretion included in regard to disciplinary actions or instructional decisions in the classroom made in accordance with school and district policy;

(2) teach free from fear of frivolous lawsuits;

(3) take appropriate disciplinary measures, pursuant to federal law, school policy and district policy, to facilitate a learning environment developed through a culture of respect between teacher and students;

(4) work in an environment that is conducive to learning;

(5) an unencumbered daily planning time that is coordinated with school administration;

(6) a recognition that the goal of the State should be a competitive salary commensurate with that of other professionals with similar years of experience, and educational degrees;

(7) have the State and district take all necessary steps to ensure that teachers are not burdened with unnecessary paperwork that prevents the fulfillment of the teacher’s primary directive to implement effective instruction for their students;

(8) additional compensation or time for work time above and beyond contracted days; and

(9) receive, as teachers under induction contracts, leadership and support from school and district personnel, including the assignment of qualified mentors who:

(a) commit to helping them become competent and confident professionals in the classroom; and

(b) offer support and assistance as needed to meet performance standards and professional expectations.

Section 59‑25‑930. The provisions of this article do not create or imply a private cause of action for a violation of its provisions.”

SECTION 2. Article 1, Chapter 25, Title 59 of the 1976 Code is amended by adding:

“Section 59‑25‑60. (A) Each classroom teacher and full‑time librarian is entitled to at least a thirty‑minute daily planning period free from the instruction and supervision of students. Each school district may set flexible or rotating schedules for each classroom teacher or full‑time librarian in the district for the implementation of this duty‑free planning period. Implementation of this section may not result in a lengthened school day. A teacher or librarian who feels that the provisions of this item have not been followed may report the violations to the department’s Ombudsman.”

SECTION 3.A. Article 25, Chapter 6, Title 12 of the 1976 Code is amended by adding:

“Section 12‑6‑3810. (A) A qualified taxpayer in a qualified county is allowed a refundable income tax credit equal to one hundred percent of the property taxes paid by the taxpayer on his legal residence and not more than one contiguous acre that he owns, which qualifies for the four percent assessment ratio pursuant to Section 12‑43‑220(c). The credit allowed by this section only may be claimed for five consecutive years. To claim the credit allowed by this section, the taxpayer’s legal residence for which he is receiving the credit allowed by this section must be located in a qualifying county. For purposes of this section, a qualified taxpayer means an employee who is employed in a qualifying county as a teacher in a K‑12 public school. For purposes of this section, a qualifying county is a county designated as a Tier IV county, pursuant to Section 12‑6‑3360, in the previous tax year; however, once a taxpayer is allowed the credit pursuant to this section, the taxpayer may continue to claim the credit regardless of a county’s designation, so long as the county of employment and the county of residency remains the same as the year the taxpayer was initially allowed the credit.

(B) A taxpayer shall claim the credit in the year in which the property taxes are paid.

(C) The department shall prescribe the form and manner of proof required to obtain the credit. The department may consult with county tax officials to determine the amount of the credit.”

B. This SECTION applies to tax years beginning after 2019.

SECTION 4. This act takes effect upon approval by the Governor.

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