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Indicates New Matter

COMMITTEE REPORT

March 31, 2022

**H. 3252**

Introduced by Reps. White, Blackwell, Whitmire and W. Cox

S. Printed 3/31/22--H.

Read the first time January 12, 2021.

**THE COMMITTEE ON**

**LABOR, COMMERCE AND INDUSTRY**

To whom was referred a Bill (H. 3252) to amend Section 23‑9‑25, Code of Laws of South Carolina, 1976, relating to the V-SAFE program, so as to simplify the definition of, etc., respectfully

**REPORT:**

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

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

/ SECTION 1. Section 23‑9‑25 of the 1976 Code is amended to read:

“Section 23‑9‑25. (A) It is the purpose of this section to create the ‘Volunteer Strategic Assistance and Fire Equipment Program’ (V‑SAFE) within the Division of State Fire Marshal.

(B) This section is contingent upon the General Assembly appropriating funds for the offering of grants ~~of not more than thirty thousand dollars~~ to eligible volunteer and combination fire departments for the purpose of protecting local communities and regional response areas from incidents of fire, hazardous materials, terrorism, and to provide for the safety of volunteer firefighters.

(C)(1) As contained in this section:

(a) ‘~~chartered~~ Fire department’ means a public or governmental sponsored organization providing fire suppression activities with a minimum of a Class 9 rating from the Insurance Services Office;

(b) ‘~~chartered~~ Volunteer fire department’ means a fire department whose personnel serve for no compensation or are paid on a per‑call basis; and

~~(~~c) ‘~~chartered~~ Combination fire department’ means a fire department with both members who are paid and members who serve as volunteer firefighters.

(2) ~~Chartered~~ Volunteer fire departments and ~~chartered~~ combination fire departments with a staffing level that is at least fifty percent volunteer are eligible to receive grants pursuant to this section. A ~~chartered~~ fire department that receives a grant must comply with the firefighter registration provisions of Act 60 of 2001 and sign the statewide mutual aid agreement with the South Carolina Emergency Management Division.

(D) ~~The amount of the grants awarded shall not exceed thirty thousand dollars per year for each eligible chartered fire department, with no matching or in‑kind money required. A chartered~~ An eligible fire department may be awarded only one grant ~~in a three‑year period~~ annually.

(E) The grant money received by a ~~chartered~~ fire department must be used for the following purposes:

(1) fire suppression equipment;

(2) self‑contained breathing apparatus;

(3) portable air refilling systems;

(4) hazardous materials spill leak detection, repair, and recovery equipment;

(5) protective clothing and equipment;

(6) new and used fire apparatus;

(7) incident command vehicles;

(8) special operations vehicles;

(9) training;

(10) rescue equipment;

(11) medical equipment;

(12) decontamination equipment; ~~and~~

(13) safety equipment;

(14) real properties or improvements thereto including upgrades and rehabilitations; and

(15) communications equipment.

(F)(1) The State Fire Marshal shall administer the grants in conjunction with a peer‑review panel.

(2) The peer‑review panel shall consist of nine voting members who shall serve without compensation. Seven members must be fire chiefs from each of the seven regions of the State as defined by the State Fire Marshal. The Chairman of the House Ways and Means Committee shall appoint fire chiefs from Regions 1, 2, and 7. The Chairman of the Senate Finance Committee shall appoint fire chiefs from Regions 3, 4, and 6. The Governor shall appoint one fire chief from Region 5 and one fire chief from the State at large. The State Fire Marshal also shall serve as a member. The President of the South Carolina State Firefighters’ Association shall serve as a nonvoting member and chairman of the committee. The peer-review panel shall act as an oversight panel and act to ensure compliance, relevance, and adherence to the prescribed intent of the grants as set forth in this section.

(3) An applicant for grant money must submit justification for their project that provides details regarding the project and the project’s budget, ~~the benefits to be derived from the project, the applicant’s financial need, and how the project would affect the applicant’s daily operations in protecting lives and property within their community. Each application must be judged on its own merit. The panelists must consider all expenses budgeted, including administrative or indirect costs, as part of the cost‑benefit review. An applicant may demonstrate cost‑benefit by describing, as applicable, how the grant award will:~~

~~(a) enhance a regional approach that is consistent with current capabilities and requests of neighboring organizations or otherwise benefits other organizations in the region;~~

~~(b) implement interoperable communications capabilities with other local, state, and federal first responders and other organizations;~~

~~(c) allow first responder organizations to respond to all hazards, including incidents involving seismic, atmospheric, or technological events, or chemical, biological, radiological, nuclear, or explosive incidents, as well as fire prevention and suppression.~~

~~Applications that best address the grant funding priorities shall score higher than applications that are inconsistent with the priorities. During the panel review process, panelists shall provide a subjective but qualitative judgment on the merit of each request.~~

~~Panelists shall evaluate and score the proposed project’s clarity, including the project’s budget detail, the organization’s financial need, the benefits that would result from an award relative to the cost, and the extent to which the grant would enhance daily operations or how the grant will positively impact an organization’s ability to protect life and property. Each element shall be equally important for purposes of the panelists’ scores. Panelists must review each application in its entirety and rate the application according to the evaluation criteria.~~

~~Applications shall be evaluated by the panelists relative to the critical infrastructure within the applicant’s area of first‑due response. Critical infrastructure includes any system or asset that, if attacked or impacted by a hazardous event, would result in catastrophic loss of life or catastrophic economic loss. Critical infrastructure includes public water or power systems, major business centers, chemical facilities, nuclear power plants, major rail and highway bridges, petroleum and natural gas transmission pipelines or storage facilities, telecommunications facilities, or facilities that support large public gatherings such as sporting events or concerts. Panelists shall assess the infrastructure and the hazards confronting the community to determine the benefits to be realized from a grant to the applicant.~~

Applicants that falsify their application, or misrepresent their organization in any material manner, shall have their applications deemed ineligible and referred to the Attorney General for further action, as the Attorney General deems appropriate.

(4) The project period for any award grant shall be twelve months from the date of the award. Any equipment purchased with the grant must meet all mandatory regulatory requirements, as well as, all state, national, and Department of Homeland Security adopted standards.

Award recipients must agree to:

(a) perform, within the designated period of performance, all approved tasks as outlined in the application;

(b) retain grant files and supporting documentation for three years after the conclusion and close out of the grant or any audit subsequent to close out;

(c) ensure all procurement actions are conducted in a manner that provides, to the maximum extent possible, open and free competition. In doing so, the recipient must follow its established procurement law when purchasing vehicles, equipment, and services with the grant. If possible, the recipient must obtain at least two quotes or bids for the items being procured and document the process used in the grant files. Sole‑source purchasing is not an acceptable procurement method except in circumstances allowed by law;

(d) submit a performance report to the peer‑review panel six months after the grant is awarded. If a grant’s period of performance is extended for any reason, the recipient must submit performance reports every six months until the grant is closed out. At grant closeout, the recipient must report how the grant funding was used and the benefits realized from the award in a detailed final report. An accounting of the funds also must be included; and

(e) Any fire department that fails to submit the required progress and close-out reports shall be deemed ineligible for future grants until the required reports are submitted and for a period of not less than one grant cycle. Any fire department that is found to have fraudulently expended funds or misrepresented how the funds were utilized will be referred to the Attorney General for further action.

(f) make grant files, books, and records available, if requested by any person, for inspection to ensure compliance with any requirement of the grant program.

(5) A recipient that completes the approved scope of work prior to the end of the performance period, and still has grant funds available, may:

(a) use the greater of one percent of their award amount or three hundred dollars to continue or expand, the activities for which they received the award without submitting an application to amend the grant request;

(b) use excess funds to create or expand, a fire or injury prevention program. Excess funds above the amounts discussed in subitem (a) must be used for fire or injury prevention activities or returned to the program. In order to use excess funds for fire or injury prevention activities, a recipient must submit an amendment to its grant. The amendment request must explain fire or injury prevention efforts currently underway within the organization, where the use of excess funds would fit within the existing efforts, the target audience for the fire or injury prevention project and how this audience was identified, and how the effectiveness of the requested fire or injury prevention project will be evaluated;

(c) use a combination of subitems (a) and (b); ~~or~~

(d) submit an application to the peer-review panel to amend the grant request to redirect funds to another eligible project; or

(e) return excess funds to the program. To return the excess funds, a recipient must close out its award and state in the final performance report that the remaining funds are not necessary for the fulfillment of grant obligations. The recipient also must indicate that it understands that the funds will be unavailable for future expenses.

(6) The State Fire Marshal shall:

(a) develop a grant application package utilizing the established guidelines;

(b) establish and market a written and electronic version of the grant application package;

(c) provide an annual report of all grant awards and corresponding chartered fire department purchases to the Chairman of the Senate Finance Committee, the Chairman of the House Ways and Means Committee, and the Governor;

(d) provide all administrative support to the peer‑review panel; ~~and~~

(e) provide a grants web page for electronic applications; and

(f) determine the annual maximum amount of grant funding an eligible fire department may receive based on the total amount of grant funding received divided by the total number of eligible fire departments.

(G) Two percent of these funds may be awarded to the South Carolina State Firefighters’ Association annually for the express purpose of establishing and maintaining a recruitment and retention program for volunteer firefighters. The association must apply for the grant to the peer‑review panel.

(H) Up to three percent of these funds must be retained by the State Fire Marshal for the express purpose of funding costs associated with the administration of the program.

(I) The State Fire Marshal has the authority to receive and distribute to eligible fire departments all grant funds according to this section.

(J) Grant funds that are not distributed may be carried forward to the next fiscal year to be used for the same purposes.”

SECTION 2. Section 38‑7‑20(B)(2) of the 1976 Code, as last amended by Act 149 of 2020, is further amended to read:

“(2) ~~one~~ four percent must be transferred to the V‑SAFE program pursuant to Section 23‑9‑25;”

SECTION 3. A. Section 12‑37‑935(B) of the 1976 Code is amended to read:

“(B) Annually as provided in Section 11‑11‑150, there is credited to the Trust Fund for Tax Relief an amount sufficient to reimburse all local taxing entities the amount of revenue not collected as a result of the additional depreciation more than eighty percent allowed for manufacturer’s machinery and equipment pursuant to this section; however, one percent of such funds must be credited to the V‑SAFE program, established pursuant to Section 23‑9‑25. No reimbursement is allowed for any depreciation allowed in connection with custom molds and dies used in the conduct of manufacturing electronic interconnection component assembly devices for computers and computer peripherals and equipment used in the manufacture of tires by manufacturers who employ more than five thousand employees in this State and have over one billion dollars in capital investment in this State. Reimbursements must be paid from the fund in the manner provided in Section 12‑37‑270, mutatis mutandis.”

B. Section 11‑11‑150(A)(3) of the 1976 Code is amended to read:

“(3) Section 12‑37‑935(B) for manufacturer’s additional depreciation, including such amounts credited to the V‑SAFE program;”

SECTION 4. This act takes effect July 1, 2022. /

Renumber sections to conform.

Amend title to conform.

WILLIAM E. SANDIFER III for Committee.

**A** **BILL**

TO AMEND SECTION 23‑9‑25, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE V‑SAFE PROGRAM, SO AS TO SIMPLIFY THE DEFINITION OF FIRE DEPARTMENTS AND THE PROJECTS ON WHICH GRANT FUNDS MAY BE EXPENDED, TO INCREASE GRANT AMOUNTS, AND TO SPECIFY PROJECTS FOR WHICH GRANTS MAY BE AWARDED; TO AMEND SECTION 38‑7‑20, AS AMENDED, RELATING TO INSURANCE PREMIUM TAXES, SO AS TO DIRECT ADDITIONAL FUNDS TO THE V‑SAFE PROGRAM; TO AMEND SECTION 12‑37‑935, RELATING TO THE ADDITIONAL DEPRECIATION REIMBURSEMENT, SO AS TO DIRECT A PERCENTAGE OF SUCH FUNDS TO THE V‑SAFE PROGRAM; AND TO AMEND SECTION 11‑11‑150, RELATING TO DEDUCTIONS FROM THE ESTIMATE OF REVENUES, SO AS TO MAKE A CONFORMING CHANGE.

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

SECTION 1. Section 23‑9‑25 of the 1976 Code is amended to read:

“Section 23‑9‑25. (A) It is the purpose of this section to create the ‘Volunteer Strategic Assistance and Fire Equipment Program’ (V‑SAFE) within the Division of State Fire Marshal.

(B)(1) This section is contingent upon the General Assembly appropriating funds for the offering of grants of not more than ~~thirty~~ forty thousand dollars to eligible ~~volunteer and combination~~ chartered fire departments for the purpose of protecting local communities and regional response areas from incidents of fire, hazardous materials, terrorism, and to provide for the safety of volunteer firefighters.

(2) Beginning in Fiscal Year 2022‑2023, the maximum grant amount set forth in item (1) must be permanently and cumulatively increased by a percentage equal to the increase in the average of the twelve monthly consumer price indices for the most recent twelve‑month period consisting of January through December of the preceding calendar year, plus the percentage increase in the previous year in the population of the State. The Revenue and Fiscal Affairs Office shall determine the percentage increase amount and report the increase amount to the Division of State Fire Marshal by May first of each year.

(C)(1) As contained in this section~~:~~,

~~(a)~~ ~~“~~chartered fire department~~” means a public or governmental sponsored organization providing fire suppression activities with a minimum of a Class 9 rating from the Insurance Services Office;~~

~~(b)~~ ~~“chartered volunteer fire department” means a fire department whose personnel serve for no compensation or are paid on a per‑call basis; and~~

~~(c)~~ ~~“chartered combination fire department” means a fire department with both members who are paid and members who serve as volunteer firefighters~~ includes any fire department that has a charter from the Division of State Fire Marshal.

(2) Chartered ~~volunteer~~ fire departments ~~and chartered combination fire departments~~ with a staffing level that is at least ~~fifty~~ seventy‑five percent volunteer are eligible to receive grants pursuant to this section. ~~A chartered fire department that receives a grant must comply with the firefighter registration provisions of Act 60 of 2001 and sign the statewide mutual aid agreement with the South Carolina Emergency Management Division.~~

(D) The amount of the grants awarded shall not exceed ~~thirty~~ forty thousand dollars per year for each eligible chartered fire department, with no matching or in‑kind money required, except that if the grant is for real property or improvements thereto, the chartered fire department must provide at least five percent in matching funds or in in‑kind money, such as building plans. A chartered fire department may be awarded only one grant in a three‑year period.

(E) The grant money received by a chartered fire department must be used for equipment, vehicles, and training. The grant money also may be used on real property, and improvements thereto, including upgrades and rehabilitations, that aid in the purposes set forth in subsection (B) or make health‑ and safety‑related modifications to the fire station. ~~the following purposes:~~

~~(1)~~ ~~fire suppression equipment;~~

~~(2)~~ ~~self‑contained breathing apparatus;~~

~~(3)~~ ~~portable air refilling systems;~~

~~(4)~~ ~~hazardous materials spill leak detection, repair, and recovery equipment;~~

~~(5)~~ ~~protective clothing and equipment;~~

~~(6)~~ ~~new and used fire apparatus;~~

~~(7)~~ ~~incident command vehicles;~~

~~(8)~~ ~~special operations vehicles;~~

~~(9)~~ ~~training;~~

~~(10)~~ ~~rescue equipment;~~

~~(11)~~ ~~medical equipment;~~

~~(12)~~ ~~decontamination equipment; and~~

~~(13)~~ ~~safety equipment.~~

(F)(1) The State Fire Marshal shall administer the grants in conjunction with a peer‑review panel.

(2) The peer‑review panel shall consist of nine voting members who shall serve without compensation. Seven members must be fire chiefs from each of the seven regions of the State as defined by the State Fire Marshal. The Chairman of the House Ways and Means Committee shall appoint fire chiefs from Regions 1, 2, and 7. The Chairman of the Senate Finance Committee shall appoint fire chiefs from Regions 3, 4, and 6. The Governor shall appoint one fire chief from Region 5 and one fire chief from the State at large. The State Fire Marshal also shall serve as a member. The President of the South Carolina State Firefighters’ Association shall serve as a nonvoting member and chairman of the committee.

(3) An applicant for grant money must submit justification for their project that provides details regarding the project and the project’s budget, the benefits to be derived from the project, the applicant’s financial need, and how the project would affect the applicant’s daily operations in protecting lives and property within their community. Each application must be judged on its own merit. The panelists must consider all expenses budgeted, including administrative or indirect costs, as part of the cost‑benefit review. An applicant may demonstrate cost‑benefit by describing, as applicable, how the grant award will:

(a) enhance a regional approach that is consistent with current capabilities and requests of neighboring organizations or otherwise benefits other organizations in the region;

(b) implement interoperable communications capabilities with other local, state, and federal first responders and other organizations;

(c) allow first responder organizations to respond to all hazards, including incidents involving seismic, atmospheric, or technological events, or chemical, biological, radiological, nuclear, or explosive incidents, as well as fire prevention and suppression.

Applications that best address the grant funding priorities shall score higher than applications that are inconsistent with the priorities. During the panel review process, panelists shall provide a subjective but qualitative judgment on the merit of each request.

Panelists shall evaluate and score the proposed project’s clarity, including the project’s budget detail, the organization’s financial need, the benefits that would result from an award relative to the cost, and the extent to which the grant would enhance daily operations or how the grant will positively impact an organization’s ability to protect life and property. Each element shall be equally important for purposes of the panelists’ scores. Panelists must review each application in its entirety and rate the application according to the evaluation criteria.

Applications shall be evaluated by the panelists relative to the critical infrastructure within the applicant’s area of first‑due response. Critical infrastructure includes any system or asset that, if attacked or impacted by a hazardous event, would result in catastrophic loss of life or catastrophic economic loss. Critical infrastructure includes public water or power systems, major business centers, chemical facilities, nuclear power plants, major rail and highway bridges, petroleum and natural gas transmission pipelines or storage facilities, telecommunications facilities, or facilities that support large public gatherings such as sporting events or concerts. Panelists shall assess the infrastructure and the hazards confronting the community to determine the benefits to be realized from a grant to the applicant.

Applicants that falsify their application, or misrepresent their organization in any material manner, shall have their applications deemed ineligible and referred to the Attorney General for further action, as the Attorney General deems appropriate.

(4) The project period for any award grant shall be twelve months from the date of the award. Any equipment purchased with the grant must meet all mandatory regulatory requirements, as well as, all state, national, and Department of Homeland Security adopted standards.

Award recipients must agree to:

(a) perform, within the designated period of performance, all approved tasks as outlined in the application;

(b) retain grant files and supporting documentation for three years after the conclusion and close out of the grant or any audit subsequent to close out;

(c) ensure all procurement actions are conducted in a manner that provides, to the maximum extent possible, open and free competition. In doing so, the recipient must follow its established procurement law when purchasing vehicles, equipment, and services with the grant. If possible, the recipient must obtain at least two quotes or bids for the items being procured and document the process used in the grant files. Sole‑source purchasing is not an acceptable procurement method except in circumstances allowed by law;

(d) submit a performance report to the peer‑review panel six months after the grant is awarded. If a grant’s period of performance is extended for any reason, the recipient must submit performance reports every six months until the grant is closed out. At grant closeout, the recipient must report how the grant funding was used and the benefits realized from the award in a detailed final report. An accounting of the funds also must be included; and

(e) make grant files, books, and records available, if requested by any person, for inspection to ensure compliance with any requirement of the grant program.

(5) A recipient that completes the approved scope of work prior to the end of the performance period, and still has grant funds available, may:

(a) use the greater of one percent of their award amount or three hundred dollars to continue or expand, the activities for which they received the award;

(b) use excess funds to create or expand, a fire or injury prevention program. Excess funds above the amounts discussed in subitem (a) must be used for fire or injury prevention activities or returned to the program. In order to use excess funds for fire or injury prevention activities, a recipient must submit an amendment to its grant. The amendment request must explain fire or injury prevention efforts currently underway within the organization, where the use of excess funds would fit within the existing efforts, the target audience for the fire or injury prevention project and how this audience was identified, and how the effectiveness of the requested fire or injury prevention project will be evaluated;

(c) use a combination of subitems (a) and (b); or

(d) return excess funds to the program. To return the excess funds, a recipient must close out its award and state in the final performance report that the remaining funds are not necessary for the fulfillment of grant obligations. The recipient also must indicate that it understands that the funds will be unavailable for future expenses.

(6) The State Fire Marshal shall:

(a) develop a grant application package utilizing the established guidelines;

(b) establish and market a written and electronic version of the grant application package;

(c) provide an annual report of all grant awards and corresponding chartered fire department purchases to the Chairman of the Senate Finance Committee, the Chairman of the House Ways and Means Committee, and the Governor;

(d) provide all administrative support to the peer‑review panel; and

(e) provide a grants web page for electronic applications.

(G) Two percent of these funds may be awarded to the South Carolina State Firefighters’ Association annually for the express purpose of establishing and maintaining a recruitment and retention program for volunteer firefighters; however, the amount awarded may not exceed the amount awarded in Fiscal Year 2020‑2021. The association must apply for the grant to the peer‑review panel.”

SECTION 2. Section 38‑7‑20(B)(2) of the 1976 Code, as last amended by Act 149 of 2020, is further amended to read:

“(2) ~~one~~ four percent must be transferred to the V‑SAFE program pursuant to Section 23‑9‑25. However, in a fiscal year when the General Assembly in the annual general appropriations act provides less appropriations than what was provided for the previous year to at least one‑half of the state agencies or departments contained in the act or in any fiscal year in which across the board cuts are made to state agencies and departments pursuant to Section 11‑9‑1140, no further transfers of these funds may be made to the V‑SAFE program in that fiscal year;”

SECTION 3. A. Section 12‑37‑935(B) of the 1976 Code is amended to read:

“(B) Annually as provided in Section 11‑11‑150, there is credited to the Trust Fund for Tax Relief an amount sufficient to reimburse all local taxing entities the amount of revenue not collected as a result of the additional depreciation more than eighty percent allowed for manufacturer’s machinery and equipment pursuant to this section; however, one percent of such funds must be credited to the V‑SAFE program, established pursuant to Section 23‑9‑25. No reimbursement is allowed for any depreciation allowed in connection with custom molds and dies used in the conduct of manufacturing electronic interconnection component assembly devices for computers and computer peripherals and equipment used in the manufacture of tires by manufacturers who employ more than five thousand employees in this State and have over one billion dollars in capital investment in this State. Reimbursements must be paid from the fund in the manner provided in Section 12‑37‑270, mutatis mutandis.”

B. Section 11‑11‑150(A)(3) of the 1976 Code is amended to read:

“(3) Section 12‑37‑935(B) for manufacturer’s additional depreciation, including such amounts credited to the V‑SAFE program;”

SECTION 4. This act takes effect July 1, 2021.

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