

2019 REGULAR SESSION

**Acts and Joint Resolutions**

of the

GENERAL ASSEMBLY  
OF THE STATE OF SOUTH CAROLINA

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Ashley Harwell-Beach, Code Commissioner, P.O. Box 11489,  
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**ACTS**

**AND**

**JOINT RESOLUTIONS**

**OF THE**

**General Assembly**

**OF THE**

**State of South Carolina**

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**HENRY D. MCMASTER, Governor; PAMELA S. EVETTE, Lieutenant Governor; HARVEY S. PEELER, JR., President of the Senate; JAMES H. LUCAS, Speaker of the House of Representatives; THOMAS E. POPE, Speaker Pro Tempore of the House of Representatives; JEFFREY S. GOSSETT, Clerk of the Senate; PATRICK DENNIS, Clerk of the House of Representatives.**

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**PART I**

**GENERAL AND PERMANENT LAWS**

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## No. 1

(R1, S2)

AN ACT TO AMEND SECTIONS 1-3-120, 1-3-130, 1-6-30, 1-9-30, 1-11-425, 1-18-70, 1-23-280, 1-23-290, 2-1-230, 2-1-250, 2-2-30, 2-2-40, 2-3-20, 2-3-75, 2-3-105, 2-15-60, 2-17-90, 2-17-100, 2-19-10, 2-41-70, 2-59-10, 2-67-20, 2-69-20, 2-69-40, 2-75-10, 3-11-400, 5-1-26, 6-4-35, 6-29-1330, 8-13-540, 8-13-715, 8-13-1373, 9-4-10, 9-4-40, AS AMENDED, 9-16-90, 9-16-380, 10-1-168, 11-9-1140, AS AMENDED, 11-11-350, 11-43-140, 11-45-40, 11-50-50, 11-57-340, 13-1-25, 23-1-230, 24-22-150, 37-29-110, 38-3-110, 40-47-10, 41-27-710, 44-59-50, 44-128-50, 46-3-260, 48-52-440, 48-59-40, AS AMENDED, 51-13-720, 51-13-2120, 51-18-40, 51-18-115, 54-3-1300, 54-6-10, 59-6-10, 59-40-230, 59-46-40, 59-59-175, 59-150-40, 59-150-320, 59-150-325, 60-17-10, 63-1-50, 63-11-1720, AS AMENDED, 63-11-1930, AS AMENDED, 63-11-2110, AND 1-11-10, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, ALL RELATING TO APPOINTMENTS AND REPORTS RECEIVED BY THE PRESIDENT PRO TEMPORE, SO AS TO SUBSTITUTE THE "PRESIDENT OF THE SENATE" FOR THE "PRESIDENT PRO TEMPORE OF THE SENATE", "PRESIDENT PRO TEMPORE", OR "PRESIDENT OF THE SENATE PRO TEMPORE" IN ORDER TO CONFORM THE SOUTH CAROLINA CODE OF LAWS WITH AMENDMENTS TO THE SOUTH CAROLINA CONSTITUTION ACT 214 OF 2014; TO AMEND ACT 121 OF 2014, RELATING TO APPOINTMENTS MADE BY THE PRESIDENT PRO TEMPORE, SO AS TO MAKE THE SAME CONFORMING CHANGE; AND TO AMEND SECTIONS 1-17-20, 1-23-125, 2-3-30, 2-3-90, 7-11-30, 7-17-10, 10-1-40, 14-27-20, 14-27-30, 14-27-40, 14-27-80, 44-56-840, 54-7-100, AND 59-6-15, ALL RELATING TO APPOINTMENTS AND REPORTS RECEIVED BY THE LIEUTENANT GOVERNOR, SO AS TO SUBSTITUTE "PRESIDENT OF THE SENATE" FOR "LIEUTENANT GOVERNOR" OR TO STRIKE REFERENCES TO THE LIEUTENANT GOVERNOR IN ORDER TO CONFORM THE SOUTH CAROLINA CODE OF LAWS RELATED TO THE DUTIES OF THE LIEUTENANT GOVERNOR WITH AMENDMENTS TO THE SOUTH CAROLINA CONSTITUTION ACT 214 OF 2014.

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

**President Pro Tempore conforming change**

SECTION 1. Section 1-3-120 of the 1976 Code is amended to read:

“Section 1-3-120. In case of the removal, death, resignation or disability of both the Governor, and the Lieutenant Governor, the President of the Senate shall perform the duties and exercise the powers of Governor until such disability of the Governor or Lieutenant Governor has been removed or until the next general election, at which a Governor must be elected by the electors duly qualified, as prescribed by Section 3, Article IV of the Constitution and the general state statutory law.”

**President Pro Tempore conforming change**

SECTION 2. Section 1-3-130 of the 1976 Code is amended to read:

“Section 1-3-130. In case of the disability, from whatever cause, of the Governor, the Lieutenant Governor, and the President of the Senate, the Speaker of the House of Representatives shall perform the duties and exercise the powers of Governor, in like manner and upon like conditions as are prescribed in Section 1-3-120.”

**President Pro Tempore conforming change**

SECTION 3. Section 1-6-30(9) of the 1976 Code is amended to read:

“(9) annually submit a report to the Governor, President of the Senate, and Speaker of the House of Representatives detailing the State Inspector General’s activities.”

**President Pro Tempore conforming change**

SECTION 4. Section 1-9-30 of the 1976 Code is amended to read:

“Section 1-9-30. In the event that the Governor, for any of the reasons specified in the Constitution, is not able to exercise the powers and discharge the duties of his office, or is unavailable, and in the event the Lieutenant Governor, President of the Senate, and the Speaker of the House of Representatives, for any of the reasons specified in the

Constitution, are not able to exercise the powers and discharge the duties of the Office of Governor, or are unavailable, the Secretary of State, State Treasurer, or Attorney General, in the order named, if the preceding named officers are unavailable, shall exercise the powers and discharge the duties of the Office of Governor until a new Governor is elected and qualifies, or until a preceding named officer becomes available; provided, however, that no emergency interim successor to the aforementioned offices may serve as Governor.”

#### **President Pro Tempore conforming change**

SECTION 5. Section 1-11-425 of the 1976 Code is amended to read:

“Section 1-11-425. (A) All agencies using appropriated funds shall print on the last page of all bound publications the following information:

- (1) total printing cost;
- (2) total number of documents printed; and
- (3) cost per unit.

(B) The President of the Senate, the Speaker of the House, the Legislative Services Agency, the presidents of each institution of higher education, and the State Board for Technical and Comprehensive Education may exempt from this requirement documents published by their respective agencies. Agency publications that are produced for resale are also exempt from this requirement.

(C) Publications of public relations nature produced by Parks, Recreation and Tourism and the Division of State Development are exempt from this requirement.”

#### **President Pro Tempore conforming change**

SECTION 6. Section 1-18-70 of the 1976 Code is amended to read:

“Section 1-18-70. All recommendations formulated by the commission must be based upon evidence gathered by the commission in public hearings from testimony submitted orally or in writing by interested parties including the commission and upon evidence compiled by the commission in studies conducted by the commission. The recommendations of the commission must be made in writing and delivered to the chairman of the subcommittee of the standing committee of the House or the Senate to which a bill proposing to regulate an occupation has been referred. Copies of the commission’s

recommendations must also be delivered to the President of the Senate, the Speaker of the House of Representatives, and the Governor. Copies of the commission's recommendations must be mailed to any person who has made a request concerning occupational regulation that was considered by the commission. If the commission recommends no changes with respect to the regulation of an occupation, then the commission shall notify by mail any person who has requested that regulations or changes be recommended."

**President Pro Tempore conforming change**

SECTION 7. Section 1-23-280(B) of the 1976 Code is amended to read:

"(B) The committee shall consist of eleven members, appointed as follows:

- (1) five members to be appointed by the Governor;
- (2) three members to be appointed by the President of the Senate;

and

- (3) three members to be appointed by the Speaker of the House of Representatives."

**President Pro Tempore conforming change**

SECTION 8. Section 1-23-280(E) of the 1976 Code is amended to read:

"(E) The initial appointments to the committee must be made within sixty days from the effective date of this act. The department shall provide the name and address of each appointee to the Governor, the President of the Senate, the Speaker of the House of Representatives, and the Chairmen of the House and Senate Labor, Commerce and Industry Committees."

**President Pro Tempore conforming change**

SECTION 9. Section 1-23-290(D) of the 1976 Code is amended to read:

"(D) If the committee recommends that an agency initiate regulation proceedings for a reason provided in subsection (C), then the committee shall submit to the Speaker of the House of Representatives and the

President of the Senate an evaluation report and the agency's response as provided in Section 1-23-290(B). The General Assembly may take later action in response to the evaluation report and the agency's response as the General Assembly finds appropriate."

**President Pro Tempore conforming change**

SECTION 10. Section 2-1-230(C) of the 1976 Code is amended to read:

"(C) A report governed by the requirements of this section may be published in hard copy form for distribution to the General Assembly if authorized by the Speaker of the House and the President of the Senate."

**President Pro Tempore conforming change**

SECTION 11. Section 2-1-250(B) of the 1976 Code is amended to read:

"(B)(1) The commission shall consist of fifteen members. Of these members, five must be members of the House of Representatives to be appointed by the Speaker of the House; five must be members of the Senate to be appointed by the President of the Senate; and five must be nonlegislative members selected by the other legislative members. All members must be qualified electors of this State.

(2) Legislative members shall serve terms concurrent with their terms of office. Nonlegislative members shall serve for terms of four years each. Appointments to fill vacancies, other than by expiration of a term, must be for the unexpired terms. Legislative and nonlegislative members may be reappointed for successive terms. Vacancies must be filled in the same manner as the original appointments.

(3) The commission shall elect a chairman and vice chairman every two years from among its membership, who must be members of the General Assembly."

**President Pro Tempore conforming change**

SECTION 12. Section 2-2-30(B)(1) of the 1976 Code is amended to read:

"(1) The President of the Senate, upon consulting with the chairmen of the standing committees in the Senate and the Clerk of the Senate,

shall determine the agencies for which each standing committee must conduct oversight studies and investigations. A proposed seven-year review schedule must be published in the Senate Journal on the first day of session each year.”

**President Pro Tempore conforming change**

SECTION 13. Section 2-2-40(B) of the 1976 Code is amended to read:

“(B) Nothing in the provisions of this chapter prohibits or restricts the President of the Senate, the Speaker of the House of Representatives, or chairmen of standing committees from fulfilling their constitutional obligations by authorizing and conducting legislative investigations into agencies’ functions, duties, and activities.”

**President Pro Tempore conforming change**

SECTION 14. Section 2-3-20 of the 1976 Code is amended to read:

“Section 2-3-20. (A) Members of the General Assembly shall annually receive as compensation for their services such sum as may be provided by law and mileage at the rate provided for by law for the actual distance traveled in the most direct route going to and returning from their homes on weekend adjournments of the General Assembly at the place where the sessions of the General Assembly are held. The terms of this provision shall be subject to limitations imposed by the State Constitution.

(B) The President of the Senate, the Speaker of the House, and the Speaker Pro Tempore of the House shall receive, in addition, such amounts as may annually appear in the State appropriation act.”

**President Pro Tempore conforming change**

SECTION 15. Section 2-3-75(B)(3) of the 1976 Code is amended to read:

“(3) Legislative Services Agency may sell by means of electronic transmission or by other means as it considers appropriate any legislative document or report which may be obtained under the provisions of Chapter 4, Title 30. This sale is with the approval of the Clerks of the



House and Senate upon their prior consultation with the Speaker of the House and the President of the Senate.”

**President Pro Tempore conforming change**

SECTION 16. Section 2-3-105(A)(4) of the 1976 Code is amended to read:

“(4) those designated by the President of the Senate or the Speaker of the House of Representatives.”

**President Pro Tempore conforming change**

SECTION 17. Section 2-15-60(b) of the 1976 Code is amended to read:

“(b) To conduct audits, if authorized by the council, upon request of the General Assembly or either of its respective bodies, a standing committee, the Speaker of the House, the President of the Senate, or not less than five members of the General Assembly, and to submit a report containing its findings and recommendations to the requesting entity or persons and to any member of the General Assembly who may request a copy.”

**President of the Senate conforming change**

SECTION 18. Section 2-17-90(A)(1) of the 1976 Code is amended to read:

“(1) as to members of the General Assembly, a function to which a member of the General Assembly is invited if the entire membership of the House, the Senate, or the General Assembly is invited, or one of the committees, subcommittees, joint committees, legislative caucuses or their committees or subcommittees, or county legislative delegations of the General Assembly of which the legislator is a member is invited. However, the President of the Senate, the Speaker of the House, and the Speaker Pro Tempore of the House may be included in an invitation to one of the above groups. In addition, invitations may be extended and accepted when the invitation is extended to all members in attendance at (a) national and regional conventions and conferences of organizations for which the General Assembly pays annual dues as a membership

requirement and (b) American Legislative Exchange Council conventions and conferences;”

**President Pro Tempore conforming change**

SECTION 19. Section 2-17-90(A)(6)(c) of the 1976 Code is amended to read:

“(c) the President of the Senate, in the case of any member of the Senate or its employees; or”

**President Pro Tempore conforming change**

SECTION 20. Section 2-17-100(3) of the 1976 Code is amended to read:

“(3) the President of the Senate, in the case of a member of the Senate;”

**President Pro Tempore conforming change**

SECTION 21. Section 2-19-10(B)(2) of the 1976 Code is amended to read:

“(2) three members, appointed by the Chairman of the Senate Judiciary Committee, who must be serving members of the Senate; and  
(3) two members, appointed by the President of the Senate, who must be selected from the general public.”

**President Pro Tempore conforming change**

SECTION 22. Section 2-41-70 of the 1976 Code is amended to read:

“Section 2-41-70. The members of the committee are entitled to receive the per diem, mileage, and subsistence as is allowed by law for members of boards, committees, and commissions when engaged in the exercise of their duties as members of the committee. These expenses must be paid from approved accounts of their respective appointing authority. All other costs and expenses of the committee must be paid in equal proportion by the Senate, the House of Representatives, and the Office of the Governor, but only after the expenditures have been

approved in advance by the President of the Senate, the Speaker of the House, and the Governor.”

**President Pro Tempore conforming change**

SECTION 23. Section 2-59-10 of the 1976 Code is amended to read:

“Section 2-59-10. (A) There is hereby created a permanent Senate Operations and Management Committee composed of nine members of the Senate appointed by the President whose duties shall include, but not be limited to, the following:

(1) management of the L. Marion Gressette Building and the Senate areas of the State House with sole authority to formulate and implement policies and procedures for the effective utilization of personnel, equipment, and space within the L. Marion Gressette Building and the Senate areas of the State House;

(2) develop and implement policies for a Senate Personnel Plan which shall include:

(a) establishment of policies and procedures for the employment and dismissal of Senate employees;

(b) establishment of guidelines for the effective management and supervision of Senate employees; and

(c) review requirements and needs of members and committees of the Senate for staff support.

(B) The personnel policies and procedures established by the committee shall be the controlling policies and procedures for management of Senate personnel.

(C) In furtherance of the requirements of this section, the committee is authorized to continue work during the interim to secure such information and make such investigations as it may deem necessary. The members shall be paid the regular per diem, mileage, and subsistence allowance provided by law to be paid from approved accounts of the Senate.”

**President Pro Tempore conforming change**

SECTION 24. Section 2-67-20(E)(1)(a) of the 1976 Code is amended to read:

“(a) the President of the Senate; or”

**President Pro Tempore conforming change**

SECTION 25. Section 2-69-20 of the 1976 Code is amended to read:

“Section 2-69-20. Every joint study committee created by act or resolution of the General Assembly, in the discharge of its duties, including, but not limited to, the conducting of studies or investigations, is, by majority vote of the committee, authorized to request a standing committee of the Senate or House of Representatives to issue subpoenas and subpoenas duces tecum on behalf of the joint study committee to any agency, department, board, or commission of this State or of any political subdivision of this State or to any representative of any agency, department, board, or commission of this State or of any political subdivision of this State to compel the attendance of witnesses and production of documents, books, papers, correspondence, memoranda, and other relevant records to its work, investigation, or study. The committee shall have the right to receive the subpoenaed evidence in executive session. The committee must seek instructions from the President of the Senate and the Speaker of the House of Representatives as to which standing committee shall issue the subpoena. The standing committee that issues a subpoena on behalf of a joint study committee must comply with the procedures prescribed Section 2-69-40.”

**President Pro Tempore conforming change**

SECTION 26. Section 2-69-40 of the 1976 Code is amended to read:

“Section 2-69-40. Subpoenas and subpoenas duces tecum may only be issued upon a majority vote of the members of the committee, must be issued in the name of the committee, and must be signed by the committee chairman or the presiding officer who may administer oaths to witnesses. Subpoenas and subpoenas duces tecum which are issued for a joint study committee of the General Assembly must be co-signed by both the President of the Senate and the Speaker of the House of Representatives. Subpoenas and subpoenas duces tecum which are issued by a standing committee of the Senate must be co-signed by the President of the Senate. Subpoenas and subpoenas duces tecum which are issued by the House of Representatives must be co-signed by the Speaker of the House of Representatives. If the President of the Senate refuses to co-sign the subpoena or subpoena duces tecum, the requirement that the subpoena or subpoena duces tecum must be

co-signed by the President of the Senate may be suspended as to that particular subpoena or subpoena duces tecum by a majority vote of the members of the Senate present and voting. If the Speaker of the House of Representatives refuses to co-sign the subpoena or subpoena duces tecum, the requirement that the subpoena or subpoena duces tecum must be co-signed by the Speaker of the House of Representatives may be suspended as to that particular subpoena or subpoena duces tecum by a majority vote of the members of the House of Representatives present and voting. In determining whether or not to co-sign the subpoena or subpoena duces tecum, the President of the Senate or the Speaker of the House of Representatives must conclude that:

- (1) the information sought by the subpoena is within the scope of the committee's jurisdiction;
- (2) the information is relevant to a legitimate legislative purpose;
- (3) the nature of the information sought is as clearly described as possible in the subpoena or the authorizing resolution;
- (4) the subpoena does not intrude impermissibly upon civil liberties;
- (5) the revelation of the information subpoenaed would not unduly intrude into the decision-making processes of other branches of government; and
- (6) a subpoena issued to a local government does not violate the provisions of Articles VII and VIII of the Constitution of South Carolina, 1895, and Title 4 of the Code of Laws of South Carolina, 1976."

#### **President Pro Tempore conforming change**

SECTION 27. Section 2-75-10 of the 1976 Code is amended to read:

"Section 2-75-10. There is created the Research Centers of Excellence Review Board. The review board shall consist of eleven members. Of the eleven members, three must be appointed by the Governor, three must be appointed by the President of the Senate, three must be appointed by the Speaker of the House of Representatives, one by the Chairman of the Senate Finance Committee, and one by the Chairman of the House Ways and Means Committee. The terms of members are three years and members are eligible to be appointed for no more than two additional terms. Of the members initially appointed by the Governor, the President of the Senate, and the Speaker of the House, one shall be appointed for a term of one year, one for a term of two years, and one for a term of three years, the initial term of each member to be designated by the Governor, President of the Senate, and Speaker of the House when making the appointments. The Governor, the President of

the Senate, and the Speaker of the House shall appoint persons with substantial experience in business, law, accounting, technology, manufacturing, engineering, or other professions and experience which provide an understanding of the purposes of this chapter. The review board shall be responsible for providing annually to the Commission on Higher Education a schedule by which applications for funding are received and awarded on a competitive basis, the awarding of matching funds as provided in Section 2-75-60, and for oversight and operation of the fund created by Section 2-75-30. Members of the review board shall serve without compensation and must provide an annual report by November thirtieth of each calendar year to the General Assembly as well as the State Fiscal Accountability Authority, Revenue and Fiscal Affairs Office, and Executive Budget Office, which shall include an audit performed by an independent auditor. This annual report must include, but not be limited to, a complete accounting for total state appropriations to the endowment and total proposals awarded up to the previous fiscal year.”

**President Pro Tempore conforming change**

SECTION 28. Section 3-11-400(C)(3)(b)(iii) of the 1976 Code is amended to read:

“(iii)The department must make this information available, on a quarterly basis, to the governing body of the county or municipality from which the gambling vessel originates and to the general public. In addition, quarterly reports must be submitted to the Governor, the President of the Senate, and the Speaker of the House of Representatives.”

**President Pro Tempore conforming change**

SECTION 29. A. Section 5-1-26(B)(1) of the 1976 Code is amended to read:

“(1) two Senators appointed by the President of the Senate;”

B. Section 5-1-26(B)(4) of the 1976 Code is amended to read:

“(4) one city manager or elected city official appointed by the President of the Senate from a list of three persons recommended by the Municipal Association of South Carolina; and”

**President Pro Tempore conforming change**

SECTION 30. Section 5-1-26(F) of the 1976 Code is amended to read:

“(F) Staff for the committee must be provided by the President of the Senate and Speaker of the House of Representatives.”

**President Pro Tempore conforming change**

SECTION 31. Section 6-4-35(A)(2) of the 1976 Code is amended to read:

“(2) one member appointed by the President of the Senate;”

**President Pro Tempore conforming change**

SECTION 32. Section 6-29-1330(D)(3) of the 1976 Code is amended to read:

“(3) make an annual report to the President of the Senate and Speaker of the House of Representatives, no later than April fifteenth of each year, providing a detailed account of the advisory committee’s:

- (a) activities;
- (b) expenses;
- (c) fees collected; and
- (d) determinations concerning approved education programs and categories of exemption.”

**President Pro Tempore conforming change**

SECTION 33. Section 6-29-1330(G) of the 1976 Code is amended to read:

“(G) The advisory committee may assess by majority vote of at least a quorum of the members a nominal fee to each entity applying for approval of an orientation or continuing education program; however, any fees charged must be applied to the operating expenses of the advisory committee and must not result in a net profit to the groups or associations that recommend the members of the advisory committee. An accounting of any fees collected by the advisory committee must be

made in the advisory committee's annual report to the President of the Senate and Speaker of the House of Representatives.”

**President Pro Tempore conforming change**

SECTION 34. Section 8-13-540(D)(6)(d) of the 1976 Code is amended to read:

“(d) The ethics committee shall report its findings in writing to the Speaker of the House of Representatives or President of the Senate, as appropriate. The report must be accompanied by an order of punishment or dismissal and supported and signed by a majority of the ethics committee members.”

**President Pro Tempore conforming change**

SECTION 35. Section 8-13-715 of the 1976 Code is amended to read:

“Section 8-13-715. (A) A public official, public member, or public employee acting in an official capacity may not receive anything of value for speaking before a public or private group. A public official, public member, or public employee is not prohibited by this section from accepting a meal provided in conjunction with a speaking engagement where all participants are entitled to the same meal and the meal is incidental to the speaking engagement. Notwithstanding the limitations of Section 2-17-90, a public official, public member, or public employee may receive payment or reimbursement for actual expenses incurred for a speaking engagement. The expenses must be reasonable and must be incurred in a reasonable time and manner in which to accomplish the purpose of the engagement. A public official, public member, or public employee required to file a statement of economic interests under Section 8-13-1110 must report on his statement of economic interests the organization which paid for or reimbursed actual expenses, the amount of such payment or reimbursement, and the purpose, date, and location of the speaking engagement. A public official, public member, or public employee who is not required to file a statement of economic interests but who is paid or reimbursed actual expenses for a speaking engagement must report this same information in writing to the chief administrative official or employee of the agency with which the public official, public member, or public employee is associated.



(B) If the expenses are incurred out of state, the public official, public member, or public employee incurring the expenses must receive prior written approval for the payment or reimbursement from:

- (1) the Governor, in the case of a public official of a state agency who is not listed in an item in this section;
- (2) a statewide constitutional officer, in the case of himself;
- (3) the President of the Senate, in the case of a member of the Senate;
- (4) the Speaker of the House, in the case of a member of the House of Representatives; or
- (5) the chief executive of the governmental entity in all other cases.”

#### **President Pro Tempore conforming change**

SECTION 36. Section 8-13-1373 of the 1976 Code is amended to read:

“Section 8-13-1373. If the Attorney General, after request by the State or any of its political subdivisions, refuses to defend an action brought in a court of competent jurisdiction challenging any provision of this chapter, the State Fiscal Accountability Authority, using funds appropriated to the civil contingency fund, must defend the action brought against the State or the political subdivision. In cases where the Attorney General refuses to defend such an action, the State Fiscal Accountability Authority must consult with the President of the Senate and the Speaker of the House of Representatives in the selection of counsel and in other matters relating to the management of the litigation.”

#### **President Pro Tempore conforming change**

SECTION 37. Section 9-4-10(B)(1)(b) of the 1976 Code is amended to read:

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

**President Pro Tempore conforming change**

SECTION 38. Section 9-4-40 of the 1976 Code, as last amended by Act 148 of 2018, is further amended to read:

“Section 9-4-40. Every four years the State Auditor shall employ a private audit firm to perform a fiduciary audit on the South Carolina Public Employee Benefit Authority. The audit firm must be selected by the State Auditor. A report from the private audit firm must be completed by January 15, 2020, and every four years after that time. Upon completion, the report must be submitted to the Governor, the President of the Senate, the Speaker of the House of Representatives, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee.”

**President Pro Tempore conforming change**

SECTION 39. Section 9-16-90 of the 1976 Code is amended to read:

“Section 9-16-90. (A)(1) The commission shall provide investment reports at least quarterly during the fiscal year to the State Fiscal Accountability Authority, Revenue and Fiscal Affairs Office, and the Executive Budget Office, the Speaker of the House of Representatives, the President of the Senate, and other appropriate officials and entities.

(2) In addition to the quarterly reports provided in subsection (A), the commission shall provide an annual report to the State Fiscal Accountability Authority, Revenue and Fiscal Affairs Office, and the Executive Budget Office, the Speaker of the House of Representatives, members of the House of Representatives or Senate, but only upon their request, the President of the Senate, and other appropriate officials and entities of the investment status of the retirement systems. The report must contain:

(a) a description of a material interest held by a trustee, fiduciary, or an employee who is a fiduciary with respect to the investment and management of assets of the system, or by a related person, in a material transaction with the system within the last three years or proposed to be effected;

(b) a schedule of the rates of return, net of total investment expense, on assets of the system overall and on assets aggregated by category over the most recent one-year, three-year, five-year, and ten-year periods, to the extent available, and the rates of return on

appropriate benchmarks for assets of the system overall and for each category over each period;

(c) a schedule of the sum of total investment expense, manager fees and expenses, and general administrative expenses for the fiscal year expressed as a percentage of the fair value of assets of the system on the last day of the fiscal year, and an equivalent percentage for the preceding five fiscal years;

(d) a schedule of the net manager fees and expenses for each asset class for the fiscal year, including the total amount of manager fee and expense for each asset class and the amount of manager fee and expense for each asset class divided into the amounts attributable to management fees, performance fees or carried interest, and other expenses charged to the managed investment vehicle. The amount of manager fees and expenses must be expressed in total, and in each category of fee and expense, as a dollar amount and a percentage of the fair value of assets of the system on the last day of the fiscal year. The schedule also must include the net investment return for each asset class. In addition to being included in the annual report required by this subsection, the schedule of manager fees and expenses required by this item also must be published in a conspicuous location on the commission's website;

(e) a schedule of all assets held for investment purposes on the last day of the fiscal year aggregated and identified by issuer, borrower, lessor, or similar party to the transaction stating, if relevant, the asset's maturity date, rate of interest, par or maturity value, number of shares, costs, and fair value and identifying an asset that is in default or classified as uncollectible; and

(f) a schedule of investment decisions that have been delegated from the commission to the chief investment officer to include the name, asset class, asset value, fees paid, and performance since inception by the manager.

(B) These disclosure requirements are cumulative to and do not replace other reporting requirements provided by law."

### **President Pro Tempore conforming change**

SECTION 40. Section 9-16-380 of the 1976 Code is amended to read:

"Section 9-16-380. Every four years the State Auditor shall employ a private audit firm to perform a fiduciary audit on the Retirement System Investment Commission. The audit firm must be selected by the State Auditor. A report from the private audit firm must be completed by

January 15, 2019, and every four years after that time. Upon completion, the report must be submitted to the Governor, the President of the Senate, the Speaker of the House of Representatives, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee.”

**President Pro Tempore conforming change**

SECTION 41. Section 10-1-168(I) of the 1976 Code is amended to read:

“(I) An advisory committee is established to make recommendations to the General Assembly and the Department of Archives and History regarding the public representations of the Foundations of American Law and Government display documents, the appropriate information to be included in the display, and recommendations concerning other documents to be added to the list for the display. The committee must submit an annual report to the Commission for the Department of Archives and History, the President of the Senate, and Speaker of the House of Representatives. The committee shall be appointed by the Commission of the Department of Archives and History to consist of:

(1) a member appointed upon the recommendation of the South Carolina Attorney General;

(2) a member appointed upon the recommendation of the South Carolina Historical Association;

(3) a member appointed upon the recommendation of the South Carolina History Society;

(4) a member with expertise in legal history to be appointed upon the recommendation of the Dean of the University of South Carolina School of Law and the Dean of the Charleston School of Law; and

(5) a member with expertise in United States or South Carolina history appointed upon the recommendation of the presidents of the research universities of South Carolina.”

**President Pro Tempore conforming change**

SECTION 42. Section 11-9-1140(B)(2) of the 1976 Code is amended to read:

“(2) If at the end of the first, second, or third quarter of any fiscal year the Board of Economic Advisors reduces the revenue forecast for the fiscal year by more than three percent below the amount projected for

the fiscal year in the forecast in effect at the time the general appropriations bill for the fiscal year is ratified, then the President of the Senate and the Speaker of the House of Representatives may call each respective house into session to take action to avoid a year-end deficit. If the General Assembly has not taken action within twenty days of the determination of the Board of Economic Advisors, then the Director of the Executive Budget Office must reduce general fund appropriations by the requisite amount in the manner prescribed by law and in accordance with item (1).”

#### **President Pro Tempore conforming change**

SECTION 43. Section 11-11-350 of the 1976 Code is amended to read:

“Section 11-11-350. Each state agency, department, institution, or entity receiving in the aggregate one percent or more of the state’s general fund appropriations for any fiscal year shall provide to the Revenue and Fiscal Affairs Office and the Executive Budget Office an estimate of its planned general fund expenditures for the next three fiscal years. This data, in conjunction with the Board of Economic Advisors’ long-term revenue estimate, must be compiled by the Revenue and Fiscal Affairs Office and the Executive Budget Office into a three-year financial plan that will assist the State in determining and planning for its long-term financial commitments. The plan must be updated annually and prepared for submission to the State Fiscal Accountability Authority and the Governor, the Speaker of the House of Representatives, and the President of the Senate during the second quarter of each fiscal year.”

#### **President Pro Tempore conforming change**

SECTION 44. Section 11-43-140 of the 1976 Code is amended to read:

“Section 11-43-140. The board of directors is the governing board of the bank. The board consists of seven voting directors as follows: the Chairman of the Department of Transportation Commission, ex officio; one director appointed by the Governor who shall serve as chairman; one director appointed by the Governor; one director appointed by the Speaker of the House of Representatives; one member of the House of Representatives appointed by the Speaker, ex officio; one director appointed by the President of the Senate; and one member of the Senate

appointed by the President of the Senate, ex officio. Directors appointed by the Governor, the Speaker of the House, and the President of the Senate shall serve terms coterminous with those of their appointing authority. The terms for the legislative members are coterminous with their terms of office. The vice chairman must be elected by the board. Any person appointed to fill a vacancy must be appointed in the same manner as the original appointee for the remainder of the unexpired term.”

#### **President Pro Tempore conforming change**

SECTION 45. Section 11-45-40(B)(1) of the 1976 Code is amended to read:

“(1) The authority must be governed by a board composed of seven directors, one of whom must be appointed by the Speaker of the House of Representatives, one of whom must be appointed by the Chairman of the House Ways and Means Committee, one of whom must be appointed by the President of the Senate, one of whom must be appointed by the Chairman of the Senate Finance Committee, and three of whom must be appointed by the Governor, one of whom shall serve as chairman. No sitting member of the General Assembly may be appointed to serve on the board in any capacity including an ex officio capacity. Directors must be selected based upon outstanding knowledge and leadership, must be knowledgeable in the management of money and finance, and must possess experience in the management of investments similar in nature and in value to those of the designated investor groups. Directors serve for a term of office of four years and until their successors are appointed and qualify, except that, of the initial directors appointed, the member appointed by the Speaker of the House of Representatives shall serve for an initial term of two years, the member appointed by the President of the Senate shall serve for an initial term of two years, and one member appointed by the Governor shall serve for an initial term of two years as designated by the Governor so as to allow the terms of the directors to be staggered. Any appointments to the governing board of the South Carolina Venture Capital Fund made prior to the effective date of the creation of the South Carolina Venture Capital Authority as established by this chapter shall expire on the effective date of the creation of the authority, and appointments to the governing board of the authority shall be made as provided in this section and shall supercede these prior appointments.”

**President Pro Tempore conforming change**

SECTION 46. Section 11-50-50 of the 1976 Code is amended to read:

“Section 11-50-50. (A) The board of directors is the governing board of the authority. The board consists of seven voting directors appointed as follows:

(1) six members who reside in or represent all or some portion of the counties designated as distressed or least developed pursuant to Section 12-6-3360 for 2009 or a county designated as such at the time of appointment; one appointed by the President of the Senate, one appointed by the Speaker of the House of Representatives, one appointed by the Chairman of the Senate Finance Committee, one appointed by the Chairman of the House Ways and Means Committee, and two appointed by the Governor. Notwithstanding the provisions of Section 8-13-770, the members appointed pursuant to this item (1) by the President of the Senate, Speaker of the House of Representatives, Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee may be members of the General Assembly and, if so appointed, shall serve ex officio; and

(2) the Secretary of Commerce, ex officio, who shall serve as chairman.

(B) Members not serving ex officio shall serve for terms of four years and until their successors are appointed and qualify except that of the members first appointed by the Speaker of the House, President of the Senate, and one of the members first appointed by the Governor, the member shall serve for a term of two years and the term must be noted on the appointment. Vacancies must be filled in the manner of original appointment for the unexpired portion of the term. Members shall serve without compensation, but are allowed mileage, subsistence, and per diem allowed by law for members of state boards, committees, and commissions.”

**President Pro Tempore conforming change**

SECTION 47. Section 11-57-340 of the 1976 Code is amended to read:

“Section 11-57-340. The executive director shall report to the President of the Senate, the Speaker of the House of Representatives, and the Governor annually by October first, on the status of the federal ‘Comprehensive Iran Sanctions, Accountability, and Divestment Act of

2010' (Public Law 111-195), the 'Iran Divestment Act of 2014', and any rules or regulations adopted thereunder.”

**President Pro Tempore conforming change**

SECTION 48. Section 13-1-25(B) of the 1976 Code is amended to read:

“(B) In addition to all other required audits, reviews, and reports, by January first of each year the director must submit to the Governor, the President of the Senate, the Speaker of the House of Representatives, the members of the Senate Finance Committee, and the members of the House Ways and Means Committee a detailed written report of all expenditures for each fund during the previous calendar year. This report must include an explanation of the specific purpose of each expenditure including recreational or entertainment purposes. Expenditures made pursuant to negotiations with an industry or business and which are ongoing as of December thirty-first of the previous year may be excluded from that calendar year’s report and reported the following January or January of the year following public announcement by the company.”

**President Pro Tempore conforming change**

SECTION 49. Section 23-1-230(G) of the 1976 Code is amended to read:

“(G) The authority and responsibilities of the committee are to research, study, analyze, determine, and report annually by January first to the President of the Senate and the Speaker of the House concerning the needs of the first responders, including personnel involved with fire, law enforcement, emergency medical, emergency planning and coordinating, and 911 and other emergency communications. The issues to be studied with regard to first responders include, but are not limited to:

- (1) performance of their duties, rendering of their services to the public in general, and to the individuals involved in an emergency, including the other first responders involved;
- (2) preparing for the performance of those duties, including equipping, training, planning, and coordinating;
- (3) funding their operations;
- (4) preserving and enhancing their personal fitness, well-being, morale, and welfare;



(5) the appropriate role the State should play in continuing to assess and address the identified needs, including whether, and in what form, a new or existing state agency could and should be authorized and funded to assist in that role; and

(6) the consideration of legislation to address the identified needs and providing the General Assembly with draft legislation with regard to these issues.”

#### **President Pro Tempore conforming change**

SECTION 50. Section 24-22-150 of the 1976 Code is amended to read:

“Section 24-22-150. (A) The offender management system must not be initiated and offenders shall not be enrolled in the offender management system unless appropriately funded out of the general funds of the State.

(B) During periods when the offender management system is in operation and either the South Carolina Department of Corrections or the South Carolina Department of Probation, Parole and Pardon Services determines that its funding for the system has been exhausted, the commissioner for the department having made the determination that funds are exhausted shall notify the commissioner of the other department, the Governor, the Speaker of the House of Representatives, and the President of the Senate. The offender management system shall then terminate until appropriate funding has been provided from the general funds of the State.”

#### **President Pro Tempore conforming change**

SECTION 51. Section 37-29-110 of the 1976 Code is amended to read:

“Section 37-29-110. Palmetto Pride is governed by a board of directors composed of eleven members to be appointed as follows: five members of the public must be appointed by the Governor; three members must be appointed by the President of the Senate, to include one Senator and two members of the public; three members must be appointed by the Speaker of the House of Representatives, to include one member of the House of Representatives and two members of the public. The members of the board shall elect the chairman of the board from among the public members. The board members shall serve terms of four

years. A vacancy that occurs on the board must be filled by appointment by the Governor, the President of the Senate, or the Speaker of the House of Representatives, as appropriate, for the remainder of the unexpired term.”

**President Pro Tempore conforming change**

SECTION 52. Section 38-3-110(5)(c) of the 1976 Code is amended to read:

“(c) The director must submit a report to the President of the Senate, the Speaker of the House of Representatives, the Chairman of the Senate Banking and Insurance Committee, and the Chairman of the House Labor, Commerce and Industry Committee by January thirty-first of each year regarding the status of the coastal property insurance market. The report shall be posted in an electronic format on the department’s website within five days of its submission. The report shall include, but not be limited to, the following:

(i) status of the South Carolina Wind and Hail Underwriting Association, including any recommended modifications to statutory or regulatory law regarding the operation of the South Carolina Wind and Hail Underwriting Association and its territory;

(ii) status of operations and grants issued under the South Carolina Hurricane Damage Mitigation Program as provided for in Section 38-75-485;

(iii) availability and affordability of coverage in the coastal area as defined in Section 38-75-310(5), including any portion of the area as it may be expanded pursuant to Section 38-75-460;

(iv) consumer outreach and education efforts relating to coastal property insurance issues, including, but not limited to:

(a) summary of the annual meeting as required pursuant to item (5)(a); and

(b) specific projects and efforts undertaken pursuant to item (5)(b).”

**President Pro Tempore conforming change**

SECTION 53. Section 40-47-10(A)(4) of the 1976 Code is amended to read:

“(4) The one lay member and one physician from the State at large must be appointed by the Governor, with the advice and consent of the

Senate. Two lay members must be appointed by the Governor, with the advice and consent of the Senate, one upon the recommendation of the President of the Senate and one upon the recommendation of the Speaker of the House of Representatives.”

**President Pro Tempore conforming change**

SECTION 54. Section 41-27-710(A) of the 1976 Code is amended to read:

“(A)The committee must be composed of nine members, three of whom must be members of the House of Representatives appointed by the Speaker, at least one of whom must be a member of the minority party; three of whom must be members of the Senate appointed by the President of the Senate, at least one of whom must be a member of the minority party; and three of whom shall be appointed by the Governor from the general public at large, of which one must represent businesses with fewer than fifty employees and one of whom must represent businesses with fewer than five hundred employees. A member of the general public appointed by the Governor may not be a member of the General Assembly.”

**President Pro Tempore conforming change**

SECTION 55. Section 44-59-50 of the 1976 Code is amended to read:

“Section 44-59-50. (A) The Catawba/Wateree Commission shall be composed of fifteen members who reside in counties which abut the Catawba/Wateree River Basin as follows:

(1) two members of the North Carolina House of Representatives, to be appointed by the Speaker of the North Carolina House of Representatives;

(2) two members of the North Carolina Senate, to be appointed by the President Pro Tempore of the North Carolina Senate;

(3) two members of the South Carolina House of Representatives, to be appointed by the Speaker of the South Carolina House of Representatives;

(4) two members of the South Carolina Senate, to be appointed by the President of the South Carolina Senate;

(5) one member from South Carolina representing a water or sewer municipal utility to be appointed by the South Carolina legislative members of the commission;

(6) one person from a nonprofit land conservation trust operating within the North Carolina portion of the basin, appointed by the Governor of North Carolina;

(7) the President of Duke Power or his designee;

(8) the Chairman of the Bi-State Catawba River Task Force or his designee;

(9) the Chief Executive Officer of the Carolina's Partnership, Inc. or his designee;

(10) one person to represent the commissions referenced below, appointed jointly by the three chief executive officers of the commissions: the Lake Wylie Marine Commission established pursuant to Article 4 of Chapter 77 of the North Carolina General Statutes, the Mountain Island Lake Marine Commission established pursuant to Article 6 of Chapter 77 of the North Carolina General Statutes, and the Lake Norman Marine Commission established pursuant to Chapter 1089 of the 1969 North Carolina Session Laws;

(11) one member from a lake homeowner's association located on the Catawba/Wateree River whose members reside in South Carolina, to be appointed by the President of the South Carolina Senate.

(B) The Yadkin/Pee Dee Commission shall be composed of fifteen members who reside in counties which abut the Yadkin/Pee Dee River Basin as follows:

(1) two members of the North Carolina House of Representatives, to be appointed by the Speaker of the North Carolina House of Representatives;

(2) two members of the North Carolina Senate, to be appointed by the President Pro Tempore of the North Carolina Senate;

(3) two members of the South Carolina House of Representatives, to be appointed by the Speaker of the South Carolina House of Representatives;

(4) two members of the South Carolina Senate, to be appointed by the President of the South Carolina Senate;

(5) one member from South Carolina representing a water or sewer municipal utility to be appointed by the South Carolina legislative members of the commission;

(6) one member from South Carolina representing the agricultural community to be appointed by the South Carolina legislative members of the commission;

(7) one person from a water or sewer municipal authority, appointed by the Governor of North Carolina;

(8) the President of Progress Energy or his designee;

(9) the President of Alcoa Power Generating, Incorporated (APGI) or his designee;

(10) the President of Weyerhaeuser or his designee;

(11) a representative of the land development industry, whose organization does business within the Yadkin/Pee Dee River Basin and who shall be appointed by the chairman of the commission.

(C) The legislative members of the commission may appoint as they consider necessary additional members to the commission to serve as advisory members.

(D) State legislative members appointed to the commission shall serve ex officio and shall have terms coterminous with their terms of office. All other members shall serve for a period of two years. Appointments to fill vacancies must be made for the remainder of the unexpired terms. Vacancies shall be filled in the same manner as the original appointment.”

#### **President Pro Tempore conforming change**

SECTION 56. Section 44-128-50(B)(2) of the 1976 Code is amended to read:

“(2) two members appointed by the President of the Senate from the membership of the Senate; and”

#### **President Pro Tempore conforming change**

SECTION 57. Section 46-3-260(A) of the 1976 Code is amended to read:

“(A) There is established in the state treasury a separate and distinct fund known as the ‘South Carolina Renewable Energy Infrastructure Development Fund’. The revenues of the fund must be distributed by the South Carolina Renewable Energy Revolving Loan Program and the South Carolina Renewable Energy Grant Program. Disbursement of these funds by the loan and grant programs must be approved by the South Carolina Renewable Energy Oversight Committee. The committee shall consist of seven members, one appointed by each of the following persons: the Governor, the Commissioner of Agriculture, the Secretary of Commerce, the President of the Senate, the Speaker of the House of Representatives, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee.

(1) The South Carolina Renewable Energy Revolving Loan Program shall provide low interest loans, with a rate not to exceed the Wall Street Journal prime interest rate, to an individual or organization that plans to build a qualified renewable energy production facility. A renewable energy production facility is a facility that produces energy or transportation fuels from biomass, solar, or wind resources. A loan from the program may provide up to fifty percent of the total cost of a project, but must not exceed two hundred fifty thousand dollars for each project. The Department of Agriculture shall administer the South Carolina Renewable Energy Revolving Loan Program, in cooperation with the South Carolina Institute of Energy Studies.

(2) The South Carolina Renewable Energy Grant Program shall provide grants to a private and public entity located in South Carolina for the purpose of assisting the entity to be more competitive in obtaining federal and other available grants that may generate renewable energy-related research and projects to directly benefit the State. The Department of Agriculture shall administer the South Carolina Renewable Energy Grant Program, in cooperation with the South Carolina Institute of Energy Studies and the South Carolina Research Authority. Grants are available in the following three categories:

(a) planning grants up to ten thousand dollars are available to a research institution or private organization to develop proposals to obtain federal grants and other funding sources for biomass, solar, and wind energy projects in South Carolina;

(b) matching grants up to two hundred thousand dollars are available for research and development projects that relate to development of South Carolina biomass, solar, and wind energy resources, provided that the grant does not exceed fifty percent of the total cost of the project; and

(c) matching grants up to two hundred thousand dollars are available for demonstration projects that validate the effectiveness of new and future biomass, solar, geothermal, wind energy, and small hydropower technologies and products, provided that the grant does not exceed fifty percent of the total cost of the demonstration project.”

#### **President Pro Tempore conforming change**

SECTION 58. Section 48-52-440(D)(2) of the 1976 Code is amended to read:

“(2) three appointed by the President of the Senate, one of whom must have a substantial background in environmental or consumer protection matters; and”

**President Pro Tempore conforming change**

SECTION 59. Section 48-59-40(A)(4) of the 1976 Code is amended to read:

“(4) four members appointed by the President of the Senate, one each from the First, Second, Fifth, and Seventh Congressional Districts.”

**President Pro Tempore conforming change**

SECTION 60. Section 51-13-720 of the 1976 Code is amended to read:

“Section 51-13-720. (A) Members of the authority must be appointed by the Governor as follows: one upon the joint recommendation of the Chairman of the House Ways and Means Committee and the Speaker of the House, one upon the joint recommendation of the Chairman of the Senate Finance Committee and the President of the Senate, and three to be appointed by the Governor. The Governor shall appoint the chairman. The terms of the members are for four years and until their successors are appointed and qualify. Members may succeed themselves. Vacancies must be filled in the same manner of the original appointment for the remainder of the unexpired term.

(B) In addition to the members of the board provided in subsection (A), there shall be three additional members of the board appointed by the Governor, one appointed upon recommendation of the President of the Senate, one appointed upon recommendation of the Speaker of the House of Representatives, and one appointed upon recommendation of the State Adjutant General. These three members shall serve for four years and until their successors are appointed and qualify, and vacancies must be filled in the manner of original appointment for the remainder of the unexpired term.”

**President Pro Tempore conforming change**

SECTION 61. Section 51-13-2120(3) of the 1976 Code is amended to read:

“(3) one member appointed by the President of the Senate;”

**President Pro Tempore conforming change**

SECTION 62. Section 51-18-40 of the 1976 Code is amended to read:

“Section 51-18-40. There is created a War Between the States Heritage Trust Commission which must consist of nine members. Three members must be appointed from the Senate by the President of the Senate; three members must be appointed from the House of Representatives by the Speaker of the House; and three members must be appointed by the Governor, one at the recommendation of War Between the States historical groups such as Sons of Confederate Veterans and Daughters of the Confederacy, one at the recommendation of African-American historical groups such as Avery Institute, and one from historical, preservation, and archeological groups such as the South Carolina Historical Society and Daughters of the American Revolution. The terms of the members shall be coterminous with the term of their appointing authority. The commission shall elect a chairman from among its membership and such other officers as it shall deem necessary.”

**President Pro Tempore conforming change**

SECTION 63. Section 51-18-115 of the 1976 Code is amended to read:

“Section 51-18-115. (A) There is created the War Between the States Heritage Preserve Trust Fund, which must be kept separate from other funds of the State. The fund must be administered by the commission for the purpose of acquiring fee simple or lesser interest in priority areas, legal fees, appraisals, surveys, or other costs involved in the acquisition of interest in priority areas and for the development of minimal facilities and management necessary for the protection of the essential character of priority areas.

(B) Unexpended balances, including interest derived from the fund, must be carried forward each year and used only for the purposes provided in this chapter.

(C) No fund money may be expended to acquire interest in property by eminent domain and no funds may be expended to acquire interest in property without the approval of a majority of the War Between the



States Heritage Trust Commission. The commission shall report by letter to the Speaker of the House of Representatives and the President of the Senate not later than January fifteenth each year all funds expended pursuant to this chapter for the previous year, including the amount of funds expended and the uses to which the expenditures were applied. The trust fund is eligible to receive appropriations of state general funds, federal funds, donations, gifts, bond issue receipts, securities, and other monetary instruments of value. Reimbursement for monies expended from this fund must be deposited in this fund. Funds received through sale, exchange, or otherwise of any War Between the States Heritage Preserve acquired under this section, or products of the preserve such as timber, utility easement rights, and the like, accrue to the fund.”

**President Pro Tempore conforming change**

SECTION 64. Section 54-3-1300(B)(1)(d) of the 1976 Code is amended to read:

“(d) two members appointed by the President of the Senate, one member upon the recommendation of the Senate Majority Leader and one member upon the recommendation of the Senate Minority Leader;”

**President Pro Tempore conforming change**

SECTION 65. Section 54-6-10(B)(3) of the 1976 Code is amended to read:

“(3) the President of the Senate or his designee;”

**President Pro Tempore conforming change**

SECTION 66. Section 59-6-10 of the 1976 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.”

#### **President Pro Tempore conforming change**

SECTION 67. Section 59-40-230(A) of the 1976 Code is amended to read:

“(A)(1) The South Carolina Public Charter School District must be governed by a board of trustees consisting of not more than nine members:

(a) two appointed by the Governor;

(b) one appointed by the Speaker of the House of Representatives;

(c) one appointed by the President of the Senate; and

(d) five to be appointed by the Governor upon the recommendation of the:

- (i) South Carolina Association of School Administrators;
- (ii) South Carolina Chamber of Commerce;
- (iii) South Carolina Education Oversight Committee;
- (iv) South Carolina School Boards Association; and
- (v) South Carolina Alliance of Black Educators.

(2) The seven members appointed by the Governor pursuant to this subsection are subject to advice and consent of the Senate. Membership of the committee must reflect representatives from each of the entities in item (4) or their designee as reflected in their recommendation.

(3) Each member of the board of trustees shall serve terms of three years, except that, for the initial members, two appointed by the Governor, one by the Speaker of the House, and one by the President of the Senate, shall serve terms of one year and three appointed by the Governor shall serve terms of two years. A member of the board may be removed after appointment pursuant to Section 1-3-240. In making appointments, every effort must be made to ensure that all geographic areas of the State are represented and that the membership reflects urban and rural areas of the State as well as the ethnic diversity of the State.”

**President Pro Tempore conforming change**

SECTION 68. Section 59-46-40(A)(4) of the 1976 Code is amended to read:

“(4) two members of the Senate appointed by the President of the Senate;”

**President Pro Tempore conforming change**

SECTION 69. Section 59-59-175(A)(14) of the 1976 Code is amended to read:

“(14) a member from the Senate appointed by the President of the Senate.”

**President Pro Tempore conforming change**

SECTION 70. Section 59-150-40(A) of the 1976 Code is amended to read:

“(A)The commission is governed by a board composed of nine members to be appointed as follows: three members must be appointed by the Governor, three members must be appointed by the President of the Senate, and three members must be appointed by the Speaker of the House of Representatives.”

**President Pro Tempore conforming change**

SECTION 71. Section 59-150-40(C) of the 1976 Code is amended to read:

“(C) In making appointments to the board, the Governor, the President of the Senate, and the Speaker of the House of Representatives, as appropriate, shall consider legal, financial, accounting, and marketing experience and race, gender, and other demographic factors to ensure nondiscrimination, inclusion, and representation of all segments of the State to the greatest extent possible.”

**President Pro Tempore conforming change**

SECTION 72. Section 59-150-40(D) of the 1976 Code is amended to read:

“(D) The members shall serve terms of three years, except that of the initial appointments the Governor shall appoint two members, each to serve a two-year term, and one member to serve a four-year term; the Speaker of the House of Representatives shall appoint three members, each to serve a two-year term, coterminous with the Speaker; and the President of the Senate shall appoint three members, each to serve an initial four-year term. A vacancy that occurs on the board must be filled by appointment by the Governor, the President of the Senate, or the Speaker of the House of Representatives, as appropriate, for the remainder of the unexpired term.”

**President Pro Tempore conforming change**

SECTION 73. Section 59-150-320 of the 1976 Code is amended to read:

“Section 59-150-320. To ensure the financial integrity of the lottery, the commission, through its board, shall:

(1) submit quarterly and annual reports to the Governor, the President of the Senate, the Speaker of the House of Representatives, the Comptroller General, the State Treasurer, and the Chairmen of the House Ways and Means Committee, the Senate Finance Committee, and the oversight committee created by Section 59-150-325 disclosing the total lottery revenues, prize disbursements, operating expenses, and administrative expenses of the commission during the reporting period. The annual report additionally must describe the organizational structure of the commission, summarize the functions performed by each organizational division within the commission, and contain a detailed budget for the next fiscal year. The quarterly reports must be submitted within fifteen days of the end of the quarter, and the annual report must be submitted by October fifteenth;

(2) adopt a system of internal audits;

(3) maintain weekly or more frequently records of lottery transactions including the distribution of lottery game tickets or shares to a lottery retailer, revenues received, claims for prizes, prizes paid, prizes forfeited, and other financial transactions of the commission;

(4) authorize the State Auditor to contract with a certified public accountant or firm for an independently audited financial statement prepared in accordance with generally accepted accounting principles, to be submitted to the Comptroller General's office each year no later than October fifteenth. The certified public accountant or firm shall not have a financial interest in a lottery vendor with whom the commission is under contract. The certified public accountant or firm shall evaluate the internal auditing controls in effect during the audit period. The cost of this annual financial audit is an operating expense of the commission. The State Auditor may at any time audit, or cause to be audited, any phase of the operations of the commission at the expense of the State and shall receive a copy of the annual independent financial audit. A copy of an interim audit performed by the certified public accountant or firm or the State Auditor must be transmitted after the close of the commission's fiscal year to the Governor, the President of the Senate, the Speaker of the House of Representatives, the State Treasurer, the Comptroller General, and the Chairmen of the House Ways and Means Committee and the Senate Finance Committee, and the oversight committee co-chairmen;

(5) submit, for informational purposes only, to the Office of State Budget of the Executive Budget Office and Revenue and Fiscal Affairs Office by June thirtieth of each year a copy of the annual operating budget for the commission for the next fiscal year. This annual operating

budget must be approved by the South Carolina Lottery Commission Board;

(6) submit, for informational purposes only, to the Office of State Budget on November tenth of each year a proposed operating budget for the commission for the upcoming fiscal year; this budget proposal also must be accompanied by an estimate of the net proceeds to be deposited into the Education Lottery Account during the upcoming fiscal year;

(7) adopt the same fiscal year as that used by state government; and

(8) authorize the Legislative Audit Council to contract with an independent firm experienced in security procedures including, but not limited to, computer security and systems security, to periodically conduct a comprehensive study and evaluation of all aspects of security in the operation of the commission and the lottery. This firm shall not have a financial interest in a lottery vendor with whom the commission is under contract. The cost of this evaluation is an operating expense of the commission. The commission shall pay directly to the Legislative Audit Council the cost of the evaluation.”

#### **President Pro Tempore conforming change**

SECTION 74. Section 59-150-325(A) of the 1976 Code is amended to read:

“(A)(1) There is created as a committee, the South Carolina Education Lottery Oversight Committee, to be composed of twelve members. The members of the committee must be appointed as follows: the Speaker of the House of Representatives appoints three members, one of whom must be the Chairman of the House Education and Public Works Committee; the President of the Senate appoints three members, one of whom must be the Chairman of the Senate Education Committee; the Chairman of the South Carolina Commission on Higher Education appoints three members; and the Chairman of the South Carolina Education Oversight Committee appoints three members. The Speaker of the House of Representatives and the President of the Senate must each appoint one co-chairman from the membership of the South Carolina Education Lottery Oversight Committee. The oversight committee must periodically, but at least annually, inquire into and review the operations of the commission and review and evaluate the success with which the commission is accomplishing its statutory duties and functions as provided in this chapter. The oversight committee must also hold an annual public hearing and may conduct an independent audit or investigation of the commission as necessary.

(2) The South Carolina Education Lottery Oversight Committee may initiate and propose changes in the laws of this State so as to prevent abuses and evasions of this chapter or its regulations or to rectify undesirable conditions in connection with the administration or operation of the lottery.

(3) If the funds available for distribution pursuant to Section 59-150-350 fall below seventy-five million dollars for any fiscal year, the oversight committee must immediately conduct an investigation into the reasons for the shortfall and, upon conclusion of their investigation, report their findings along with recommendations for changes in the laws or regulations governing the conduct of the lottery to the executive director, the board, the Governor, the President of the Senate, and the Speaker of the House of Representatives. The investigation must be completed and the reports delivered to the appropriate officials within one hundred and eighty days of the end of the fiscal year for the shortfall.”

#### **President Pro Tempore conforming change**

SECTION 75. Section 60-17-10 of the 1976 Code is amended to read:

“Section 60-17-10. (A) The South Carolina Confederate Relic Room and Military Museum Commission is established and must be composed of nine voting members who shall be appointed for terms of four years and until their successors are appointed and qualify, except as specified in subsection (B) for initial terms. The members of the board shall be appointed as follows:

- (1) three members appointed by the Governor;
- (2) two members appointed by the President of the Senate;
- (3) one member appointed by the President of the Senate upon the recommendation of the South Carolina Division Commander of the Sons of Confederate Veterans;
- (4) two members appointed by the Speaker of the House of Representatives; and
- (5) one member appointed by the Speaker of the House of Representatives upon the recommendation of the President of the South Carolina Division of the United Daughters of the Confederacy.

(B)(1) Initially, in order to stagger terms:

- (a) one member appointed by the Governor shall serve a term of one year;
- (b) one member appointed by the Governor shall serve a term of two years;



- (c) one member appointed by the Governor shall serve for three years;
  - (d) one member appointed by the President of the Senate shall serve for one year;
  - (e) one member appointed by the President of the Senate shall serve for two years;
  - (f) one member appointed by the President of the Senate shall serve for three years;
  - (g) one member appointed by the Speaker of the House of Representatives shall serve for one year;
  - (h) one member appointed by the Speaker of the House of Representatives shall serve for two years; and
  - (i) one member appointed by the Speaker of the House of Representatives shall serve for three years.
- (2) At the expiration of these initial terms, successors must be appointed for terms of four years.”

#### **President Pro Tempore conforming change**

SECTION 76. Section 63-1-50(A) and (B) of the 1976 Code is amended to read:

“(A) There is established the Joint Citizens and Legislative Committee on Children to be composed of three members of the House of Representatives appointed by the Speaker of the House, three members of the Senate to be appointed by the President of the Senate, and three members to be appointed by the Governor. The Director of the Department of Juvenile Justice, the Director of the Department of Social Services, the Director of the Department of Disabilities and Special Needs, the Superintendent of the Department of Education, and the Director of the Department of Mental Health serve as ex officio, nonvoting members of the committee. Members appointed by the Governor must not be employees of the State. Members serve at the pleasure of the appointing authority. The committee shall study issues relating to children as the committee may undertake or as may be requested or directed by the General Assembly. The committee may contract for all necessary legal research and support services, subject to funding as provided in subsection (E).

(B) The committee shall submit an annual report to the Governor, the President of the Senate, and the Speaker of the House no later than the first of February. The report must detail the work of the committee, account for the committee’s expenditures, and provide findings and

recommendations the committee develops relating to children's issues it has studied.”

### **President Pro Tempore conforming change**

SECTION 77. Section 63-11-1720(B) and (C) of the 1976 Code, as last amended by Act 152 of 2018, is further amended to read:

“(B) In making the appointments specified in subsection (C)(1), (2), and (3) of this section, the Governor, President of the Senate, and the Speaker of the House of Representatives shall seek to ensure diverse geographical representation on the board by appointing individuals from each congressional district as possible.

(C) The board shall include members appointed in the following manner:

(1) the Governor shall appoint one member from each of the following sectors:

- (a) parents of young children;
- (b) business community;
- (c) early childhood educators;
- (d) medical providers;
- (e) child care and development providers; and
- (f) the General Assembly, one member from the Senate and one member from the House of Representatives;

(2) the President of the Senate shall appoint one member from each of the following sectors:

- (a) parents of young children;
- (b) business community;
- (c) early childhood educators; and
- (d) medical or child care and development providers;

(3) the Speaker of the House of Representatives shall appoint one member from each of the following sectors:

- (a) parents of young children;
- (b) business community;
- (c) early childhood educators; and
- (d) medical or child care and development;

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

(5) the Chairman of the House Education and Public Works Committee or his designee; and

(6) the chief executive officer of each of the following shall serve as an ex officio voting member:

- (a) Department of Social Services;
- (b) Department of Health and Environmental Control;
- (c) Department of Health and Human Services;
- (d) Department of Disabilities and Special Needs;
- (e) State Head Start Collaboration Officer; and
- (f) Children's Trust of South Carolina.”

**President Pro Tempore conforming change**

SECTION 78. Section 63-11-1930(A)(11) of the 1976 Code is amended to read:

“(11) one senator to be appointed by the President of the Senate;”

**President Pro Tempore conforming change**

SECTION 79. Section 63-11-2110(B)(4) of the 1976 Code is amended to read:

“(4) the President of the Senate, or his designee; and”

**President Pro Tempore conforming change**

SECTION 80. SECTION 22(A) of Act 121 of 2014 is amended to read:

“(A)Notwithstanding any other provision of law, in addition to the present members of the Charleston Naval Complex Redevelopment Authority, as created by gubernatorial executive order pursuant to Section 31-12-40 of the 1976 Code, there shall be four additional members, two appointed by the Speaker of the House of Representatives and two appointed by the President of the Senate. These four additional members shall each serve for terms of four years and until their successors are appointed and qualify. Vacancies shall be filled for the remainder of the unexpired term by appointment in the same manner of original appointment.”

**Lieutenant Governor conforming change**

SECTION 81. Section 1-17-20 of the 1976 Code is amended to read:

“Section 1-17-20. The standing Committee on Interstate Cooperation of the Senate shall consist of five Senators. The members and chairman of this committee shall be designated in the same manner as is customary in the case of the members and chairmen of other standing committees of the Senate.”

**Lieutenant Governor conforming change**

SECTION 82. Section 1-23-125(B) of the 1976 Code is amended to read:

“(B) If a majority of a committee determines that it cannot approve a regulation in the form submitted, it shall notify the promulgating agency in writing along with its recommendations as to changes that would be necessary to obtain committee approval. The agency may:

(1) withdraw the regulation from the General Assembly and resubmit it with the recommended changes to the Speaker and the President of the Senate, but any regulation not resubmitted within thirty days is considered permanently withdrawn;

(2) withdraw the regulation permanently; or

(3) take no action and abide by whatever action is taken or not taken by the General Assembly on the regulation concerned.”

**Lieutenant Governor conforming change**

SECTION 83. Section 1-23-125(D) of the 1976 Code is amended to read:

“(D) This section, as it applies to approval, disapproval, or modification of regulations, only applies to joint resolutions introduced by the committees to which regulations are submitted.”

**Lieutenant Governor conforming change**

SECTION 84. Section 2-3-30 of the 1976 Code is amended to read:

“Section 2-3-30. Except for legislative days which, by Senate or House action, are designated for consideration only of local and uncontested matters, members of the General Assembly must be paid subsistence expenses as may be provided for by law for each legislative day. Provided, such subsistence allowance must be paid for each

calendar day occurring within the same legislative day to members of that body in session on each calendar day.”

#### **Lieutenant Governor conforming change**

SECTION 85. Section 2-3-90 of the 1976 Code is amended to read:

“Section 2-3-90. The Senate and House of Representatives shall also, at the same time, each for itself elect a reading clerk and a sergeant at arms. Should a vacancy occur in the sergeant at arms while the General Assembly is not in session, the President of the Senate or the Speaker of the House is authorized to appoint for their respective Houses a sergeant at arms until the convening of the next General Assembly.”

#### **Lieutenant Governor conforming change**

SECTION 86. Section 7-11-30(A) of the 1976 Code is amended to read:

“(A) A party may choose to change from nomination of candidates by primary to a method to nominate candidates by convention for all offices including, but not limited to, Governor, United States Senator, United States House of Representatives, Circuit Solicitor, State Senator, and members of the State House of Representatives if:

- (1) there is a three-fourths vote of the total membership of the convention to use the convention nomination process; and
- (2) a majority of voters in that party’s next primary election approve the use of the convention nomination process.”

#### **Governor and Lieutenant Governor conforming change**

SECTION 87. Section 7-17-10 of the 1976 Code is amended to read:

“Section 7-17-10. The commissioners of election for Governor and Lieutenant Governor, state officers, circuit solicitors, members of the General Assembly, and county officers or any of these officers shall meet in some convenient place at the county seat on the Friday next following the election, before one o’clock in the afternoon of that day, and shall proceed to organize as the county board of canvassers. They may appoint some competent person as secretary. The chairman then shall proceed to administer the constitutional oath to each member of the board, as canvassers, and shall administer the constitutional oath to the

secretary, and the secretary shall administer to the chairman the same oath that he has administered to the other members of the board. The commissioners of election for members of Congress and presidential electors or any of these officers likewise shall meet at the same time at the county seat and in the same manner shall proceed to organize as the county board of canvassers for the election of the federal officers.”

#### **Lieutenant Governor conforming change**

SECTION 88. Section 10-1-40 of the 1976 Code is amended to read:

“Section 10-1-40. There is hereby established a committee to be known as the ‘State House Committee’, consisting of five members of the Senate, appointed by the President of the Senate, and five members of the House of Representatives, appointed by the Speaker, whose duties shall be to review all proposals for alterations and/or renovations to the State House. No alterations or renovations shall be undertaken without the approval of this committee.”

#### **Lieutenant Governor conforming change**

SECTION 89. Section 14-27-20(10) of the 1976 Code is amended to read:

“(10) the President of the Senate or his designee;”

#### **Lieutenant Governor conforming change**

SECTION 90. Section 14-27-30 of the 1976 Code is amended to read:

“Section 14-27-30. (A) The Chief Justice of the Supreme Court shall appoint the following members to the Judicial Council: the two circuit court judges; the two family court judges; the two probate judges; the two summary court judges; the two masters-in-equity; the Attorney General or one of the Assistant Attorneys General or one of the circuit solicitors; the Dean or member of the faculty of the Law School of the University of South Carolina; one person recommended by the Charleston School of Law; and the six remaining members of the Judicial Council.

(B) The President of the Senate, the Speaker of the House or their designees, the Chairmen of the Senate Finance Committee, House Ways and Means Committee, Senate Judiciary Committee, and House

Judiciary Committee or their designees, the Director of the Legislative Council, and the President of the South Carolina Bar or his designee all serve ex officio.”

#### **Lieutenant Governor conforming change**

SECTION 91. Section 14-27-40(2) of the 1976 Code is amended to read:

“(2) The President of the Senate, Speaker of the House or their designees, and the Chairmen of the Senate Finance Committee, House Ways and Means Committee, Senate Judiciary Committee, and House Judiciary Committee or their designees serve during their respective terms as those officers.”

#### **Lieutenant Governor conforming change**

SECTION 92. Section 14-27-80 of the 1976 Code is amended to read:

“Section 14-27-80. The duties performed by the Chief Justice of the Supreme Court, or other member of that court designated by him, by the circuit judges, inferior court judges and probate judges, by members of the legal department of the State, and by the President of the Senate, Speaker of the House, legislative members, Director of the Legislative Council, and Dean of the Law School of the University of South Carolina shall be performed as a part of the duties of their respective offices.”

#### **Lieutenant Governor conforming change**

SECTION 93. Section 44-56-840(A) of the 1976 Code is amended to read:

“(A) There is created a Hazardous Waste Management Select Oversight Committee to monitor funds generated from the fees imposed under Section 44-56-170(C) and (E) and designated for the fund under Section 44-56-810. The committee shall oversee the research efforts and projects approved for funding by the foundation. Notwithstanding any other provision of law, the committee is composed of:

- (1) the Governor or his designee;
- (2) the chairman of the House Agriculture and Natural Resources Committee or his designee;

- (3) the chairman of the Senate Agriculture and Natural Resources Committee or his designee;
- (4) the chairman of the House Labor, Commerce and Industry Committee or his designee;
- (5) the chairman of the Senate Labor, Commerce and Industry Committee or his designee;
- (6) the Director of the Department of Health and Environmental Control or his designee;
- (7) one member representing business and industry appointed by the Governor;
- (8) one public member appointed by the Governor; and
- (9) one member representing environmental interests appointed by the Governor.”

### **Lieutenant Governor conforming change**

SECTION 94. Section 54-7-100 of the 1976 Code is amended to read:

“Section 54-7-100. (A) A committee of nine members of the ‘Hunley Commission’ shall be appointed, three of whom must be members of the House of Representatives to be appointed by the Speaker, three of whom must be members of the Senate to be appointed by the President of the Senate, and three members to be appointed by the Governor. The committee shall make a study of the law regarding the rights to the salvage of the Hunley and any claim that a person or entity may assert with regard to ownership or control of the vessel. The committee is authorized to negotiate with appropriate representatives of the United States government concerning the recovery, curation, siting, and exhibition of the H.L. Hunley. Provided, inasmuch as actual locations or geographical coordinates of submerged archaeological historic properties are now exempt from disclosure as public records pursuant to Section 54-7-820(A), the geographical coordinates of the Hunley’s location, regardless of the custodian, upon receipt from the Navy or receipt otherwise are expressly made exempt from disclosure pursuant to the Freedom of Information Act or any other law and no remedy for the disclosure of such coordinates exists pursuant to the Freedom of Information Act; and provided further, that with respect to the Hunley project, as described herein, the applicable duties and responsibilities contained in Article 5, Chapter 7 of this title shall be vested in the Hunley Commission; and provided further, that with respect to the Hunley project that the Hunley Commission shall be exempt from compliance with the provisions of Chapter 35, Title 11. However, the committee may



not negotiate any agreement which would result in the siting outside South Carolina of any remains, not claimed by direct descendants, found in the Hunley or which would relinquish South Carolina's claim of title to the Hunley unless perpetual siting of the submarine in South Carolina is assured by the federal government in the agreement.

(B) The committee shall make recommendations regarding the appropriate method of preservation of this historic vessel and is also authorized to direct the Attorney General on behalf of South Carolina to take appropriate steps to enforce and protect the rights of the State of South Carolina to the salvage of the Hunley and to defend the State against claims regarding this vessel. The committee shall submit a recommendation for an appropriate site in South Carolina for the permanent display and exhibition of the H.L. Hunley to the General Assembly for its review and approval.

(C) The committee members shall not receive the subsistence, mileage, and per diem as may be provided by law for members of boards, committees, and commissions."

#### **Lieutenant Governor conforming change**

SECTION 95. Section 59-6-15(A) of the 1976 Code is amended to read:

"(A)(1) There is created the Business-Education Partnership for Excellence in Education and a permanent standing subcommittee of the partnership for the purpose of reviewing the implementation of the South Carolina Education Improvement Act of 1984 and recommending other major education initiatives.

(2) The Business-Education Partnership for Excellence in Education consists of the following persons:

(a) Thirty-two prominent civic and business leaders of which fourteen are appointed by the Governor; six appointed by the State Superintendent of Education; three appointed by the Speaker of the House of Representatives; three appointed by the President of the Senate; three appointed by the Chairman of the Education and Public Works Committee of the House of Representatives; and three appointed by the Chairman of the Education Committee of the Senate;

(b) Twenty educators of which eight are appointed by the State Superintendent of Education; four appointed by the Governor; two appointed by the Speaker of the House of Representatives; two appointed by the President of the Senate; two appointed by the Chairman of the Education and Public Works Committee of the House of

Representatives; and two appointed by the Chairman of the Education Committee of the Senate;

(c) Chairman of the Committee on Children or his designee;

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

(e) The Governor and State Superintendent of Education shall serve as ex officio members.

(3) The term of office of the members of the Business-Education Partnership must be four years except that of those first appointed an equal number must serve terms of two, three, and four years respectively as determined by lot. Except in those cases where the term of a member of the Business-Education Subcommittee has not expired, no member of the Business-Education Partnership may serve more than two consecutive terms. The number of appointments provided for in subitems (a) and (b) above must be reduced proportionately by the membership requirements of subsection (B).

(4) The chairman of the Business-Education Partnership for Excellence in Education must be elected by the members of the partnership and must be chosen from among the thirty-two business and civic leaders serving on the partnership. The Business-Education Partnership must meet at the call of the chairman but not less than quarterly. The Governor must preside at all regular and special meetings of the partnership in which he is in attendance; at those meetings at which the Governor is not in attendance the State Superintendent of Education must preside, and in the absence of the Superintendent, the chairman of the partnership must preside.

(5) The partnership in conjunction with the State Department of Education may cause to be held statewide public forums for the purpose of fostering open discussions regarding the impact of the Education Improvement Act on the state's education system and education reform in general."

#### **President Pro Tempore conforming change**

SECTION 96. Section 1-11-10(D) of the 1976 Code is amended to read:

“(D) No later than December 31, 2015, the department's director shall submit a report to the President of the Senate and the Speaker of the House of Representatives that contains an analysis of and recommendations regarding the most appropriate organizational placement for each component of the Office of Executive Policy and

Programs as of the effective date of this act. The department shall solicit input from and consider the recommendation of affected constituencies while developing its report.”

#### **Code Commissioner to conform references**

SECTION 97. The Code Commissioner is directed to change all references to “President Pro Tempore”, “President Pro Tempore of the Senate”, or “President of the Senate Pro Tempore” not specifically addressed in this act to “President of the Senate”.

#### **Duties devolved upon President of the Senate**

SECTION 98. In any non-codified acts and joint resolutions that are not otherwise contained herein and that identify the duties or authority of the President Pro Tempore of the Senate relating to appointments, the receipt of reports, or otherwise, such duties or authority are hereby devolved upon the President of the Senate.

#### **One subject**

SECTION 99. The General Assembly finds that the sections presented in this act constitute one subject as required by Section 17, Article III of the South Carolina Constitution, 1895, in particular finding that each change and each topic relates directly to or in conjunction with other sections to the subject of statutory changes to conform the South Carolina Code of Laws related to the duties of the Lieutenant Governor and the President Pro Tempore of the Senate with amendments to the South Carolina Constitution Act 214 of 2014 as clearly enumerated in the title.

The General Assembly further finds that a common purpose or relationship exists among the sections, representing a potential plurality but not disunity of topics, notwithstanding that reasonable minds might differ in identifying more than one topic contained in the act.

#### **Severability**

SECTION 100. If any section, subsection, paragraph, subparagraph, sentence, clause, phrase, or word of this act is for any reason held to be unconstitutional or invalid, then 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.

**Time effective**

SECTION 101. This act takes effect upon approval by the Governor.

Ratified the 30<sup>th</sup> day of January, 2019.

Approved the 31<sup>st</sup> day of January, 2019.

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**No. 2**

(R3, S228)

**AN ACT TO AMEND SECTION 59-53-2410, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE TECHNICAL COLLEGE ENTERPRISE CAMPUS AUTHORITIES, SO AS TO CREATE THE TRI-COUNTY TECHNICAL COLLEGE ENTERPRISE CAMPUS AUTHORITY.**

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

**Authority created**

SECTION 1. Section 59-53-2410(A) of the 1976 Code is amended to read:

“(A)There are created bodies politic and corporate known as the Aiken Technical College Enterprise Campus Authority, the Greenville Technical College Enterprise Campus Authority, the Orangeburg-Calhoun Technical College Enterprise Campus Authority, the Spartanburg Community College Enterprise Campus Authority, the Technical College of the Lowcountry Enterprise Campus Authority, the Horry-Georgetown Technical College Enterprise Campus Authority, the Tri-County Technical College Enterprise Campus Authority, and the York Technical College Enterprise Campus Authority. The authorities

are public instrumentalities of the State and the exercise by them of a power conferred in this article is the performance of an essential public function. The authorities are governed by a board, which consists of members of the respective commissions. All members serve ex officio. Persons serving as chairman, vice chairman, treasurer, and secretary of the respective commissions shall serve in the same capacity on their respective board. Members of a board shall receive per diem as provided for members of boards, commissions, and committees and actual expenses incurred in the performance of their duties.”

**Time effective**

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

Ratified the 20<sup>th</sup> day of February, 2019.

Approved the 21<sup>st</sup> day of February, 2019.

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**No. 3**

(R6, S75)

**AN ACT TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING ARTICLE 9 TO CHAPTER 13, TITLE 38 SO AS TO REQUIRE AN INSURER OR AN INSURANCE GROUP TO SUBMIT A CORPORATE GOVERNANCE ANNUAL DISCLOSURE AND ESTABLISH CERTAIN REQUIREMENTS FOR THE DISCLOSURE, TO DEFINE NECESSARY TERMS, TO AUTHORIZE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE TO PROMULGATE REGULATIONS RELATED TO THE DISCLOSURE, TO PROVIDE CERTAIN CONFIDENTIALITY REQUIREMENTS FOR INFORMATION SUBMITTED TO THE DIRECTOR AND TO PROHIBIT THE DIRECTOR OR A PERSON WHO RECEIVES INFORMATION RELATED TO THE ANNUAL DISCLOSURE FROM TESTIFYING IN A PRIVATE CIVIL ACTION CONCERNING THE CONFIDENTIAL INFORMATION, TO AUTHORIZE THE DIRECTOR TO RETAIN THIRD-PARTY CONSULTANTS AND PRESCRIBE CERTAIN RULES FOR THE CONSULTANTS, TO PROVIDE A**

**PENALTY FOR AN INSURER WHO FAILS TO FILE THE CORPORATE GOVERNANCE ANNUAL DISCLOSURE, AND TO SET AN EFFECTIVE DATE; BY ADDING SECTION 38-21-295 SO AS TO AUTHORIZE THE DIRECTOR TO ACT AS THE GROUP-WIDE SUPERVISOR FOR AN INTERNATIONALLY ACTIVE INSURANCE GROUP UNDER CERTAIN CIRCUMSTANCES, TO ESTABLISH A PROCEDURE FOR THE DIRECTOR TO DETERMINE WHETHER HE MAY ACT AS THE GROUP-WIDE SUPERVISOR OR ACKNOWLEDGE ANOTHER REGULATORY OFFICIAL TO ACT AS THE GROUP-WIDE SUPERVISOR, TO AUTHORIZE THE DIRECTOR TO ENGAGE IN CERTAIN ACTIVITIES AS GROUP-WIDE SUPERVISOR, AND TO AUTHORIZE THE DIRECTOR TO PROMULGATE REGULATIONS; AND TO AMEND SECTION 38-21-10 SO AS TO DEFINE THE TERMS “DIRECTOR”, “GROUP-WIDE SUPERVISOR”, AND “INTERNATIONALLY ACTIVE INSURANCE GROUP”.**

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

**Corporate Governance Annual Disclosures, requirements and penalty**

SECTION 1. Chapter 13, Title 38 is amended by adding:

“Article 9

Corporate Governance Annual Disclosure

Section 38-13-1000. (A) The purpose of this article is to:

- (1) provide the director a summary of an insurer’s or insurance group’s corporate governance structure, policies, and practices to permit the director to gain and maintain an understanding of the insurer’s corporate governance framework;
- (2) outline the requirements for completing a corporate governance annual disclosure and submitting the disclosure to the director; and
- (3) provide for the confidential treatment of the corporate governance annual disclosure and related information that will contain confidential and sensitive information related to an insurer or insurance group’s internal operations and proprietary and trade secret information

which, if made public, could potentially cause the insurer or insurance group competitive harm or disadvantage.

(B) Nothing in this article may be construed to prescribe or impose corporate governance standards and internal procedures beyond what is required under applicable state corporate law. Notwithstanding the foregoing, nothing in this article may be construed to limit the director's authority or the rights or obligations of third parties, pursuant to Section 38-13-10, et seq.

(C) The requirements of this article apply to all insurers domiciled in this State and do not apply to risk retention groups or captive insurance companies.

Section 38-13-1010. For the purposes of this article:

(1) 'Corporate Governance Annual Disclosure' or 'CGAD' means a confidential report filed by an insurer or insurance group made in accordance with the requirements of this article.

(2) 'Director' means the Director of the Department of Insurance or his designee.

(3) 'Insurance group' means insurers and affiliates included within an insurance holding company system as defined in Section 38-21-10.

(4) 'Insurer' has the same meaning as set forth in Section 38-1-20, except the term does not include agencies, authorities, or instrumentalities of the United States, its possessions and territories, the Commonwealth of Puerto Rico, the District of Columbia, or a state or political subdivision of a state.

(5) 'NAIC' means the National Association of Insurance Commissioners.

(6) 'ORSA summary report' means the report filed in accordance with Article 8 of this chapter.

Section 38-13-1020. (A) An insurer or the insurance group of which the insurer is a member must submit to the director a Corporate Governance Annual Disclosure (CGAD) that contains the information required pursuant to the provisions of this article no later than June first of each calendar year. Notwithstanding a request from the director, if the insurer is a member of an insurance group, the insurer shall submit the report to the director of the lead state for the insurance group in accordance with the laws of the lead state, as determined by the procedures outlined in the most recent Financial Analysis Handbook adopted by the NAIC.

(B) The CGAD must include a signature of the insurer's or insurance group's chief executive officer or corporate secretary attesting to the best

of that individual's belief and knowledge that the insurer has implemented the corporate governance practices and that a copy of the disclosure has been provided to the insurer's board of directors of the appropriate committee thereof.

(C) An insurer not required to submit a CGAD under this section shall do so upon the director's request.

(D) For purposes of completing the CGAD, the insurer or insurance group may provide information regarding corporate governance at the ultimate controlling parent level, an intermediate holding company level and the individual legal entity level, depending upon how the insurer or insurance group has structured its system of corporate governance. The insurer or insurance group is encouraged to make the CGAD disclosures at the level at which the insurer's or insurance group's risk appetite is determined, or at the level at which the earnings, capital, liquidity, operations, and reputation of the insurer are overseen collectively and at which the supervision of those factors are coordinated and exercised, or the level at which legal liability for failure of general corporate governance duties would be placed. If the insurer or insurance group determines the level of reporting based on these criteria, it shall indicate which of the three criteria was used to determine the level of reporting and explain any subsequent changes in the level of reporting.

(E) The review of the CGAD and any additional requests for information must be made through the lead state as determined by the procedures within the most recent Financial Analysis Handbook.

(F) Insurers providing information substantially similar to the information required by this article in other documents provided to the director, including proxy statements filed in conjunction with Form B requirements or other state or federal filings provided to this department, are not required to duplicate that information in the CGAD, but are required to cross reference the document in which the information is included.

Section 38-13-1030. The director may, upon notice and opportunity for all interested persons to be heard, issue such rules, regulations, and orders necessary to carry out the provisions of this article.

Section 38-13-1040. (A) The insurer or insurance group has discretion over the responses to the CGAD inquiries, provided the CGAD shall contain the material information necessary to permit the director to gain an understanding of the insurer's or group's corporate governance structure, policies, and practices. The director may request additional information that he deems material and necessary to provide



him with a clear understanding of the corporate governance policies the reporting or information system or controls implementing those policies.

(B) The CGAD must be prepared consistent with the Corporate Governance Annual Disclosure Model Regulation, Regulation 69-80. Documentation and supporting information must be maintained and made available upon examination or upon request of the director.

Section 38-13-1050. (A) Documents, materials, or other information including the CGAD in the possession or control of the Department of Insurance that are obtained by, created by, or disclosed to the director or any other person under this article, are recognized by this State as being proprietary and containing trade secrets. All such documents, materials, or other information are confidential by law and privileged, are not subject to disclosure under the South Carolina Freedom of Information Act, Section 30-4-10, et seq. and are not subject to subpoena, to discovery or admissible into evidence in a private civil action. However, the director is authorized to use the documents, materials, or other information in furtherance of regulatory or legal action brought as a part of the director's official duties. The director shall not otherwise make the documents, materials, or other information public without the prior written consent of the insurer. Nothing in this section may be construed to require written consent of the insurer before the director may share or receive confidential documents, materials, or other CGAD-related information to assist in the performance of the director's duties.

(B) Neither the director nor any person who received documents, materials, or other CGAD-related information, through examination or otherwise, while acting under the authority of the director, or with whom such documents, materials, or other information are shared may be permitted or required to testify in a private civil action covering any confidential documents, materials, or information submitted pursuant to this article.

(C) In order to assist in the performance of the director's regulatory duties the director may:

(1) upon request, share documents, materials, or other CGAD-related information including the confidential and privileged documents, materials, or information, including proprietary and trade secret documents and materials with other state, federal, and international financial regulatory agencies including members of any supervisory college as defined in Section 38-21-285 with the NAIC and with third-party consultants pursuant to Section 38-13-1060, provided that the recipient agrees in writing to maintain the confidentiality and

privileged status of the CGAD-related documents, material, or other information and has certified in writing the legal authority to maintain confidentiality; and

(2) receive documents, materials, or other CGAD-related information, including otherwise confidential and privileged documents, materials, or information, including proprietary and trade secret information or documents, from regulatory officials of other state, federal, and international financial regulatory agencies, including members of any supervisory college as defined in Section 38-21-285 and from the NAIC, and shall maintain as confidential or privileged any documents, materials, or information received with notice of the understanding that it is confidential or privileged under the laws of the jurisdiction that is the source of the documents, materials, or information.

(D) The sharing of information and documents by the director pursuant to the provisions of this article do not constitute a delegation of regulatory authority or rulemaking and the director is solely responsible for the administration, execution, and enforcement of the provisions of this article.

(E) No waiver of any applicable privilege or claim of confidentiality in the documents, proprietary and trade secret materials, or other CGAD-related information may occur as a result of disclosure of the CGAD-related information or documents to the director under this section or as a result of sharing as authorized pursuant to this section.

Section 38-13-1060. (A) The director may retain, at the insurer's expense, third-party consultants, including attorneys, actuaries, accountants, and other experts not otherwise a part of the director's staff as may be reasonably necessary to assist the director in reviewing the CGAD and related information or the insurer's compliance.

(B) Any persons retained are under the direction and control of the director and shall act in a purely advisory capacity.

(C) The NAIC and third-party consultants are subject to the same confidentiality standards and requirements as the director.

(D) As part of the retention process, a third-party consultant shall verify to the director, with notice to the insurer, that it is free of a conflict of interest and that it has internal procedures in place to monitor compliance with a conflict and to comply with the confidentiality standards and requirements of this article.

(E) A written agreement with the NAIC or a third-party consultant governing sharing and the use of information provided pursuant to this article shall contain the following provisions and expressly require the

written consent of the insurer prior to making public information provided pursuant to this article:

(1) specific procedures and protocols for maintaining the confidentiality and security of CGAD-related information shared with the NAIC or a third-party consultant;

(2) procedures and protocols for sharing by the NAIC only with other state regulators from states in which the insurance group has domiciled insurers. The agreement shall provide that the recipient agrees in writing to maintain the confidentiality and privileged status of the CGAD-related documents, materials, or other information and has certified in writing the legal authority to maintain confidentiality;

(3) a provision specifying that ownership of the CGAD-related information shared with other NAIC or a third-party consultant remains with the Department of Insurance and the NAIC's or third-party consultant's use of the information is subject to the direction of the director;

(4) a provision that prohibits the NAIC or a third-party consultant from storing the information shared pursuant to this article in a permanent database after the underlying analysis is completed;

(5) a provision requiring the NAIC or third-party consultant to provide prompt notice to the director and to the insurer or insurance group regarding any subpoena, request for disclosure, or request for production of the insurer's CGAD-related information; and

(6) a requirement that the NAIC or a third-party consultant to consent to intervention by an insurer in any judicial or administrative action in which the NAIC or third-party consultant may be required to disclose confidential information about the insurer shared with the NAIC or a third-party consultant.

Section 38-13-1070. Any insurer who, without just cause, fails to timely file the CGAD shall, after notice and an opportunity for a hearing, pay a penalty of one thousand dollars for each day's delay, to be recovered by the director. The penalty funds recovered must be paid into the general fund of this State. The maximum penalty under this section is twenty thousand dollars. The director may reduce the penalty if the insurer demonstrates to the director that the imposition of the penalty would constitute a financial hardship to the insurer.

Section 38-13-1080. The requirements of this article become effective on January 1, 2020. The first filing of the corporate governance annual disclosure must take place on June 1, 2020."

**Group-wide supervisor for internationally active insurance groups**

SECTION 2. Chapter 21, Title 38 of the 1976 Code is amended by adding:

“Section 38-21-295. (A) The director is authorized to act as the group-wide supervisor for an internationally active insurance group in accordance with the provisions of this section. However, the director may otherwise acknowledge another regulatory official as the group-wide supervisor where the internationally active insurance group:

- (1) does not have substantial insurance operations within the United States;
- (2) has substantial insurance operations in the United States but not in South Carolina; or
- (3) has substantial insurance operations in the United States and South Carolina, but the director has determined that another regulatory official is the appropriate group-wide supervisor pursuant to the factors set forth in this section.

An insurance holding company system that does not otherwise qualify as an internationally active insurance group may request that the director make a determination or acknowledgment as to a group-wide supervisor.

(B) In cooperation with other state, federal, and international regulatory agencies, the director will identify a single group-wide supervisor for an internationally active insurance group. The director may determine that he is the appropriate group-wide supervisor for an internationally active insurance group that conducts substantial insurance operations concentrated in this State. However, the director may acknowledge that a regulatory official from another jurisdiction is the appropriate group-wide supervisor for the internationally active insurance group. The director shall consider the following factors when making a determination or acknowledgment:

- (1) the place of domicile of the insurers within the internationally active insurance group that holds the largest share of the group’s written premiums, assets, or liabilities;
- (2) the place of domicile of the top-tiered insurer or insurers in the insurance holding company system of the internationally active insurance group;
- (3) the location of the executive offices or largest operational offices of the internationally active insurance group;
- (4) whether another regulatory official is acting or is seeking to act as the group-wide supervisor under a regulatory system that the director determines to be:

(a) substantially similar to the system of regulation provided under the laws of this State; or

(b) otherwise sufficient in terms of providing for group-wide supervision, enterprise-risk analysis, and cooperation with other regulatory officials; and

(5) whether another regulatory official acting or seeking to act as the group-wide supervisor provides the director with reasonably reciprocal recognition and cooperation.

However, a director identified under this section as the group-wide supervisor may determine that it is appropriate to acknowledge another supervisor to serve as the group-wide supervisor. The acknowledgment of the group-wide supervisor must be made after consideration of the factors listed above, in cooperation with and subject to the acknowledgment of other regulatory officials involved with supervision of members of the internationally active insurance group, and in consultation with the internationally active insurance group.

(C) Notwithstanding another provision of law, when another regulatory official is acting as the group-wide supervisor of an internationally active insurance group, the director shall acknowledge that regulatory official as the group-wide supervisor. However, in the event of a material change in the internationally active insurance group that results in the internationally active insurance group's insurers domiciled in this State holding the largest share of the group's premiums, assets, or liabilities or this State being the place of domicile of the top-tiered insurer or insurers in the insurance holding company system of the internationally active insurance group, the director shall make a determination or acknowledgment as to the appropriate group-wide supervisor for such an internationally active insurance group.

(D) Pursuant to the provisions of Section 38-21-280, the director is authorized to collect from any insurer registered pursuant to this section all information necessary to determine whether the director may act as the group-wide supervisor of an internationally active insurance group or if the director may acknowledge another regulatory official to act as the group-wide supervisor. Prior to issuing a determination that an internationally active insurance group is subject to group-wide supervision by the director, the director shall notify the insurer registered pursuant to this section and the ultimate controlling person within the internationally active insurance group. The internationally active insurance group shall have no less than thirty days to provide the director with additional information pertinent to the pending determination. The director shall publish in the State Register and on its website the identity

of internationally active insurance groups that the director has determined are subject to group-wide supervision.

(E) If the director is the group-wide supervisor for an internationally active insurance group, the director is authorized to engage in the following group-wide supervision activities:

(1) assess the enterprise risks within the internationally active insurance group to ensure that:

(a) the material financial condition and liquidity risks to the members of the internationally active insurance group that are engaged in the business of insurance are identified by management; and

(b) reasonable and effective mitigation measures are in place;

(2) request from any member of an internationally active insurance group subject to the director's supervision, information necessary and appropriate to assess enterprise risk including, but not limited to, information about the members of the internationally active insurance group regarding:

(a) governance, risk assessment, and management;

(b) capital adequacy; and

(c) material intercompany transactions;

(3) coordinate and, through the authority of the regulatory officials of the jurisdictions where members of the internationally active insurance group are domiciled, compel development and implementation of reasonable measures designed to ensure that the internationally active insurance group is able to timely recognize and mitigate enterprise risks to members of such internationally active insurance groups that are engaged in the business of insurance;

(4) communicate with other state, federal, and international regulatory agencies for members within the internationally active insurance group and share relevant information subject to the confidentiality provisions of Section 38-21-290, through supervisory colleges as set forth in Section 38-21-285 or otherwise;

(5) enter into agreements with or obtain documentation from any insurer registered pursuant to this section, any member of the internationally active insurance group, and any other state, federal, and international regulatory agencies for members of the internationally active insurance group, providing the basis for or otherwise clarifying the director's role as group-wide supervisor, including provisions for resolving disputes with other regulatory officials. Such agreements or documentation must not serve as evidence in any proceeding that any insurer or person within an insurance holding company system not domiciled or incorporated in this State is doing business in this State or is otherwise subject to jurisdiction in this State; and

(6) other group-wide supervision activities, consistent with the authorities and purposes enumerated, as considered necessary by the director.

(F) If the director acknowledges that another regulatory official from a jurisdiction that is not accredited by the National Association of Insurance Commissioners is the group-wide supervisor, the director is authorized to reasonably cooperate, through supervisory colleges or otherwise, with group-wide supervision undertaken by the group-wide supervisor, provided that the:

(1) director's cooperation is in compliance with the laws of this State; and

(2) regulatory official acknowledged as the group-wide supervisor also recognizes and cooperates with the director's activities as a group-wide supervisor for other internationally active insurance groups where applicable. Where such recognition and cooperation is not reasonably reciprocal, the director is authorized to refuse recognition and cooperation.

(G) The director is authorized to enter into agreements with or obtain documentation from any insurer registered pursuant to this chapter, any affiliate of the insurer, and other state, federal, and international regulatory agencies for members of the internationally active insurance group, that provide the basis for or otherwise clarify a regulatory official's role as group-wide supervisor.

(H) The director may promulgate regulations necessary for the administration of this section.

(I) A registered insurer subject to this section is liable for and shall pay the reasonable expenses of the director's participation in the administration of this section, including the engagement of attorneys, actuaries, and any other professionals and all reasonable travel expenses."

### **Group-wide supervisor and internationally active insurance group defined**

SECTION 3. Section 38-21-10 of the 1976 Code is amended to read:

"Section 38-21-10. In this chapter, unless the context otherwise requires:

(1) An 'affiliate' of, or person 'affiliated' with, a specific person means a person who directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with the person specified.

(2) The term ‘control’ (including the terms ‘controlling’, ‘controlled by’, and ‘under common control with’) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract other than a commercial contract for goods or nonmanagement services, or otherwise, unless the power is the result of an official position with or corporate office held by the person. Control is presumed to exist if any person, directly, or indirectly, owns, controls, holds with the power to vote, or holds proxies representing ten percent or more of the voting securities of any other person. This presumption may be rebutted by a showing made in the manner provided by Section 38-21-220 that control does not exist in fact. The director or his designee may determine, after furnishing all persons in interest notice and opportunity to be heard and making specific findings of fact to support his determination, that control exists in fact, notwithstanding the absence of a presumption to that effect.

(3) The term ‘director’ means the Director of the South Carolina Department of Insurance or his designee.

(4) The term ‘group-wide supervisor’ means the regulatory official authorized to engage in conducting or coordinating group-wide supervision activities who is determined or acknowledged by the director pursuant to Section 38-21-295 to have sufficient significant contacts with the internationally active insurance group.

(5) An ‘insurance holding company system’ consists of two or more affiliated persons, one or more of which is an insurer.

(6) The term ‘insurer’ has the same meaning as set forth in Section 38-1-20 except that it does not include (a) agencies, authorities, or instrumentalities of the United States, its possessions and territories, the Commonwealth of Puerto Rico, the District of Columbia, or a state or political subdivision of a state or (b) nonprofit medical and hospital service associations.

(7) The term ‘internationally active insurance group’ means an insurance holding company system that includes an insurer registered pursuant to Sections 38-21-143 through 38-21-240 and meets the following criteria:

- (a) premiums written in at least three countries;
- (b) the percentage of gross premiums written outside the United States is at least ten percent of the insurance holding company system’s total gross written premiums; and
- (c) based on a three-year rolling average, the total assets of the insurance holding company system are at least fifty billion dollars or the



total gross written premiums of the insurance holding company systems are at least ten billion dollars.

(8) A 'person' means an individual, a corporation, a partnership, an association, a joint stock company, a trust, an unincorporated organization, any similar entity, or any combination of the foregoing acting in concert.

(9) A 'securityholder' of a specified person is one who owns any security of that person, including common stock, preferred stock, debt obligations, and any other security convertible into or evidencing the right to acquire any of the foregoing.

(10) A 'subsidiary' of a specified person is an affiliate controlled by that person directly, or indirectly through one or more intermediaries.

(11) The term 'voting security' includes any security convertible into or evidencing a right to acquire a voting security.

(12) 'Enterprise risk' means an activity, circumstance, event, or series of events involving one or more affiliates of an insurer that, if not remedied promptly, likely is to have a material adverse effect upon the financial condition or liquidity of the insurer or its insurance holding company system as a whole, including, but not limited to, anything that would cause the insurer's risk-based capital to fall into company action level as provided in Section 38-9-330 or would cause the insurer to be in hazardous financial condition as provided in Section 38-5-120.

(13) A 'supervisory college' is a meeting or joint meeting of insurance regulators or supervisors with company officials where the topic of discussion is regulatory oversight of one specific insurance group that is writing significant amounts of insurance in other jurisdictions. It may involve detailed discussions about financial data, corporate governance, and enterprise risk management functions. Supervisory colleges are intended to facilitate the oversight of internationally active insurance companies at the group level."

#### **Time effective**

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

Ratified the 19<sup>th</sup> day of March, 2019.

Approved the 20<sup>th</sup> day of March, 2019.

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No. 4

(R9, S327)

**AN ACT TO AMEND SECTION 1-25-60, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE STATE INTERAGENCY PLANNING AND EVALUATION ADVISORY COMMITTEE, SO AS TO REDESIGNATE THE NAME OF THE SENATE GENERAL COMMITTEE AS THE FAMILY AND VETERANS SERVICES' COMMITTEE.**

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

**Name redesignated**

SECTION 1. Section 1-25-60(A)(5)(b) of the 1976 Code is amended to read:

“(b) Senate Family and Veterans Services’ Committee;”

**Time effective**

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

Ratified the 19<sup>th</sup> day of March, 2019.

Approved the 20<sup>th</sup> day of March, 2019.

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No. 5

(R10, S358)

**AN ACT TO AMEND SECTION 38-31-30, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE APPLICATION OF THE SOUTH CAROLINA PROPERTY AND CASUALTY INSURANCE GUARANTY ASSOCIATION, SO AS TO APPLY THE PROVISIONS OF CHAPTER 31, TITLE 38 TO A CLAIM OR LOSS COVERED BY SELF-INSURANCE THAT OCCURRED PRIOR TO THE ACQUISITION OF A BLOCK OF BUSINESS BY A LICENSED INSURER; AND TO AMEND**

**SECTION 42-5-20, RELATING TO INSURANCE REQUIREMENTS FOR WORKERS' COMPENSATION, SO AS TO PROHIBIT A SELF-INSURER FROM PARTICIPATING IN OR OBTAINING BENEFITS FROM THE SOUTH CAROLINA PROPERTY AND CASUALTY INSURANCE GUARANTY ASSOCIATION AND TO REQUIRE THE SOUTH CAROLINA WORKERS' COMPENSATION COMMISSION TO SECURE AN ACTUARIAL OPINION BEFORE APPROVING THE TRANSFER OF A SELF-INSURER TO A LICENSED INSURER.**

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

**Application of the South Carolina Property and Casualty Insurance Guaranty Association**

SECTION 1. Section 38-31-30 of the 1976 Code is amended by adding an appropriately numbered item at the end to read:

“( ) any claim or loss or part of a claim or loss covered by self-insurance that occurred prior to the assumption, transfer, merger, or other acquisition of a block of business by a licensed insurer.”

**South Carolina Property and Casualty Insurance Guaranty Association, self-insurer prohibited**

SECTION 2. Section 42-5-20 of the 1976 Code is amended to read:

“Section 42-5-20. (A)(1) Every employer who accepts the provisions of this title relative to the payment of compensation shall insure and keep insured his liability thereunder in any authorized corporation, association, organization, or mutual insurance association formed by a group of employers so authorized or shall furnish to the commission satisfactory proof of his financial ability to pay directly the compensation in the amount and manner and when due as provided for in this title. The commission may, under such rules and regulations as it may prescribe, permit two or more employers in businesses of a similar nature to enter into agreements to pool their liabilities under the Workers' Compensation Law for the purpose of qualifying as self-insurers. In the case of self-insurers the commission shall require the deposit of an acceptable security, indemnity, or bond to secure the payment of the compensation liabilities as they are incurred. The Workers' Compensation Commission shall have exclusive jurisdiction

of group self-insurers under this section, and such group self-insurers shall not be deemed to be insurance companies and shall not be regulated by the Department of Insurance. Provided, further, that if any provision is made for the recognition of reinsurance of the self-insured fund, such provision shall expressly provide that the reinsurance agreement or treaty must recognize the right of the claimant to recover directly from the reinsurer and that such agreement shall provide for privity between the reinsurer and the workers' compensation claimant.

(2) In lieu of submitting audited financial statements when an employer makes an application to self-insure with the commission, the commission shall accept the sworn statement or affidavit of an independent auditor verifying the financial condition of the employer according to the required financial ratios and guidelines established by regulation of the commission. The independent auditor must be a certified public accountant using generally acceptable accounting principles in the preparation of the financial statements of the employer.

(B) A corporation, association, organization, or mutual insurance association formed pursuant to Section 42-5-50 may not be considered a licensed insurer pursuant to Chapter 31, Title 38 and may not participate in or receive benefits or protection from the South Carolina Property and Casualty Insurance Guaranty Association.

(C) An assumption, transfer, merger, or other acquisition of a block of business by a licensed insurer from a self-insurer may not be approved until the commission has obtained an opinion from a qualified actuary as to the adequacy of assets and other funding to adjudicate and pay any known claims as of the effective date of the assumption, transfer, merger, or other acquisition of the self-insured block.”

#### **Time effective**

SECTION 3. This act takes effect on July 1, 2019.

Ratified the 19<sup>th</sup> day of March, 2019.

Approved the 20<sup>th</sup> day of March, 2019.

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## No. 6

(R11, S360)

AN ACT TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 38-47-55 SO AS TO CLARIFY THAT CERTAIN INDIVIDUALS ARE AUTHORIZED TO ADJUST FOOD SPOILAGE CLAIMS WITHOUT AN ADJUSTER'S LICENSE; BY ADDING SECTION 38-72-75 SO AS TO REQUIRE A LONG-TERM CARE INSURANCE PROVIDER TO SUBMIT ALL PREMIUM RATE SCHEDULES TO THE DEPARTMENT OF INSURANCE AND TO ESTABLISH CERTAIN PROCEDURES CONCERNING THE PREMIUM APPROVAL PROCESS; TO AMEND SECTION 38-3-110, RELATING TO THE DUTIES OF THE DIRECTOR OF THE DEPARTMENT OF INSURANCE, SO AS TO ALTER PUBLIC HEARING REQUIREMENTS; TO AMEND SECTION 38-7-20, RELATING TO INSURANCE PREMIUM TAXES, SO AS TO EXCLUDE CERTAIN FACTORS FROM THE TOTAL PREMIUM COMPUTATION; TO AMEND SECTION 38-7-60, RELATING TO THE SUBMISSION OF A RETURN OF PREMIUMS, SO AS TO REQUIRE THE SUBMISSION OF A RETURN OF PREMIUMS COLLECTED; TO AMEND SECTION 38-43-247, RELATING TO THE REPORTING OF CRIMINAL PROSECUTIONS, SO AS TO ONLY REQUIRE THE REPORTING OF CRIMINAL CONVICTIONS; TO AMEND SECTION 38-44-50, RELATING TO THE REVIEW OF A MANAGING GENERAL AGENT, SO AS TO ALTER THE SUBMISSION DATE FROM MARCH FIRST TO JUNE FIRST; TO AMEND SECTIONS 38-46-60 AND 38-46-90, BOTH RELATING TO A PARTY ENGAGED AS A REINSURANCE INTERMEDIARY-BROKER, SO AS TO ALTER THE SUBMISSION DATE OF CERTAIN DOCUMENTS FROM MARCH FIRST TO JUNE FIRST; TO AMEND SECTIONS 38-57-130, 38-57-140, AND 38-57-150, ALL RELATING TO PROHIBITED TRADE PRACTICES, SO AS TO CLARIFY THAT CERTAIN PRACTICES ARE PROHIBITED; TO AMEND SECTIONS 38-75-730 AND 38-75-1200, BOTH RELATING TO CANCELLATIONS OF PROPERTY, CASUALTY, AND TITLE INSURANCE POLICIES, SO AS TO EXTEND WHEN AN INSURER CAN CANCEL A POLICY WITHOUT CAUSE TO ONE HUNDRED TWENTY DAYS AND TO PROHIBIT AN

**INSURER FROM CANCELLING A POLICY OUTSIDE OF THE ONE HUNDRED TWENTY-DAY PERIOD IF THEY HAD NOTICE OF A CHANGE IN RISK PRIOR TO THE EXPIRATION OF THE ONE HUNDRED TWENTY-DAY PERIOD; TO AMEND SECTION 38-90-160, AS AMENDED, RELATING TO THE APPLICATION OF CERTAIN PROVISIONS TO CAPTIVE INSURANCE COMPANIES, SO AS TO APPLY THE SOUTH CAROLINA INSURANCE DATA SECURITY ACT TO CAPTIVE INSURANCE COMPANIES; AND TO AMEND SECTION 38-99-70, RELATING TO LICENSEES EXEMPTED FROM CERTAIN DATA SECURITY REQUIREMENTS, SO AS TO ONLY EXEMPT THE LICENSEES FROM THE PROVISIONS OF SECTION 38-99-20.**

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

#### **Food spoilage claim adjustments**

SECTION 1. Chapter 47, Title 38 of the 1976 Code is amended by adding:

“Section 38-47-55. (1) This chapter may not be construed to prevent an executive officer of an insurer, an employee of an insurer handling claims, the duly designated attorney, or producer authorized and acting for subscribers to reciprocal insurers with respect to residential property insurance from adjusting food spoilage claim loss or damages under any insurance contract of such insurer in which the amount of coverage for the applicable type of loss is contractually limited to five hundred dollars or less.

(2) Such officer, employee, attorney, or producer is not required to have an adjuster’s license to adjust food spoilage claims referenced in this section. If any such officer, employee, attorney, or producer in connection with the adjustment of any such food spoilage claim, loss, or damage engages in improper claims practices pursuant to the provisions of Chapter 59 or violates any other provision of this title, the director or his designee may suspend or revoke the insurer’s certificate of authority.”

#### **Long-term care insurance providers, rate schedules**

SECTION 2. Chapter 72, Title 38 of the 1976 Code is amended by adding:

“Section 38-72-75. (A) All premium rate schedules for long-term care insurance must be filed with the department and are subject to the prior approval of the director or his designee.

(1) An insurer may not charge a premium to an insured under a policy or contract of long-term care insurance before the applicable premium rate is filed with and approved by the director or his designee.

(2) An insurer may not change the premium charged to an insured under a policy or contract of long-term care insurance until the applicable premium rate change has been filed with and approved by the director or his designee.

(3) The director or his designee may disapprove or modify premium rates if he determines that the benefits provided are unreasonable in relation to the premiums charged, appear to be inadequate, unfairly discriminatory, or excessive in relation to benefits or appear to have assumptions that are unreasonable in the aggregate or for each assumption individually. The director or his designee shall notify the insurer of his decision in writing as soon as is practicable. In the event of disapproval, the notice must contain the reasons for disapproval, and the insurer is entitled to appeal the decision or determination of disapproval before the Administrative Law Court as provided by law. If no action has been taken to approve or disapprove the premium rates after they have been filed for ninety days, they are deemed to be approved. This period may be extended by the director or his designee for an additional period or periods not to exceed ninety days per period if he gives written notice within the waiting period to the insurer which made the filing that he needs additional time for the consideration of the filing. Upon written application by the insurer, the director or his designee may authorize a filing which he has reviewed to become effective before the expiration of the waiting period or any extension thereof.

(4) The director may disapprove a previously approved filing at any time following notice to the insurer.

(B)(1) Any applicable premium rate or premium rate change of an insurer must be filed with the director or his designee in accordance with guidance issued by the director or his designee by bulletin, regulation, or other method.

(2) In addition to the factors set forth in this chapter and in regulation, the director or his designee shall consider the following to the extent appropriate when determining whether to disapprove or modify a premium rate filing of an insurer:

- (a) past and prospective loss experience in and outside the State;
- (b) underwriting practice and judgment;
- (c) a reasonable margin for reserve needs;
- (d) past and prospective expenses, both countrywide and those specifically applicable to the State;
- (e) prior approved rate changes; and
- (f) any other relevant factors necessary including the factors set forth in the regulation.

(C) The director or his designee may hold a public hearing or solicit public comments as a part of the process to review long-term care insurance rate filings received by the director or his designee. The director or his designee shall provide all individuals present at a public hearing held pursuant to this section an opportunity to offer testimony or written comments. The director or his designee may place time limits on the testimony.

(D)(1) Each premium rate filing and any supporting information filed under this chapter and subject to disclosure must be open to public inspection after the filing becomes effective.

(2) Notwithstanding the provisions of item (1), if the director or his designee holds a public hearing or solicits public comments on a premium rate filing pursuant to subsection (D), he may open to public inspection some or all portions of the filing that are subject to disclosure as a part of the public hearing or solicitation of public comments.

(E) Each decision of the director or his designee about premium rates made under this section is subject to judicial review in accordance with Section 38-3-210.”

#### **Director of Department of Insurance, public hearing requirements**

SECTION 3. Section 38-3-110(5)(a) of the 1976 Code is amended to read:

“(a) The director may hold a public hearing at a location within the seacoast area, as defined in Section 38-75-310(7), to provide the public with information and an opportunity to discuss and offer input concerning the rates, territory, and other pertinent issues regarding the South Carolina Wind and Hail Underwriting Association. The director must provide publicized notice of the hearing at least thirty days before the date of the public hearing.”



**Insurance premium taxes, return of premiums written required and exclusions**

SECTION 4. A. Section 38-7-20 of the 1976 Code is amended to read:

“Section 38-7-20. (A)(1) In addition to all license fees and taxes otherwise provided by law, there is levied upon each insurance company licensed by the director or his designee an insurance premium tax based upon total premiums, other than workers’ compensation insurance premiums, and annuity considerations, written by the company in the State during each calendar year ending on the thirty-first day of December. For life insurance, the insurance premium tax levied herein is equal to three-fourths of one percent of the total premiums written. For all other types of insurance, the insurance premium tax levied in this section is equal to one and one-fourth percent of the total premiums written.

(2) For purposes of this section, in computing total premiums, the following are excluded:

(a) return premiums on risks and dividends paid or credited to policyholders; and

(b) for premiums on bail bonds, any amounts retained by a licensed bail bondsman as defined in Chapter 53 for authorized commissions, fees, and expenses.

(B) Effective July 1, 2013, through June 30, 2030, of the revenue of the premium taxes collected pursuant to this section:

(1) one percent must be transferred to the South Carolina Forestry Commission and used by that agency for firefighting and firefighting equipment replacement;

(2) one percent must be transferred to the aid to fire districts account within the State Treasury and distributed for firefighting equipment. One-half of the annual allocated funds must be distributed equally to each fire department in the State, and the remaining balance must be used to fund the V-SAFE program pursuant to Section 23-9-25;

(3) one quarter of one percent must be transferred to the aid to emergency medical services regional councils within the Department of Health and Environmental Control and used for grants to fund emergency medical technician and paramedic training; and

(4) the remaining insurance premium taxes collected pursuant to this section must be deposited to the credit of the general fund of the State.

(C) The department or the director, as appropriate, may, upon notice and opportunity for all interested persons to be heard, promulgate

regulations and orders necessary to carry out the provisions of this section.”

B. Section 38-7-60(1) and (3) of the 1976 Code is amended to read:

“Section 38-7-60. (1) Not later than March first of each year, every insurer licensed by the director or his designee shall file with him a return of premiums written by the insurer in the State during the immediately preceding calendar year ending on December thirty-first. The return must be made on forms prescribed by the director or his designee and must be made under oath by the insurer’s employee or representative responsible for the preparation of fee and tax returns, as well as an officer of the insurer.

(3) The premium and other taxes imposed on insurers pursuant to Sections 38-7-20, 38-7-30, 38-7-40, 38-7-50, and 38-7-90 must be paid to the director or his designee in quarterly installments on or before March first, June first, September first, and December first of each calendar year. The quarterly payments must be calculated and paid as follows:

(a) The quarterly installments paid on or before June first, September first, and December first must each be computed based upon one-fourth of the total premiums written by the insurer during the immediately preceding calendar year ending on December thirty-first. The quarterly installments for June first, September first, and December first must be reported on forms prescribed by the director or his designee.

(b) The quarterly installment paid on or before March first must equal the difference between the total tax liability of the insurer for the immediately preceding calendar year ending on December thirty-first and the sum of the quarterly installments paid by the insurer on June first, September first, and December first of that immediately preceding calendar year. The quarterly installment for March first must be reported on the returns filed in accordance with item (1) of this section. An insurer whose quarterly tax installments are less than one thousand dollars per payment may elect not to pay its tax liability on a quarterly basis and, instead, may elect to report and pay its entire tax liability on the return filed in accordance with item (1).”

### **Report of criminal convictions**

SECTION 5. Section 38-43-247(B) of the 1976 Code is amended to read:

“(B) Within thirty days of a conviction, a producer shall report to the insurance director any criminal conviction of the producer taken in any jurisdiction. The report must include a copy of the order, sentencing document, or plea agreement and any other relevant legal documents.”

#### **Independent financial examination filing date**

SECTION 6. Section 38-44-50(A) of the 1976 Code is amended to read:

“(A) The insurer shall file annually with the department not later than June first an annual independent financial examination of each MGA with which it has done business, prepared by a certified public accountant in a form acceptable to the director or his designee.”

#### **Financial condition statements filing date**

SECTION 7. A. Section 38-46-60(C) of the 1976 Code is amended to read:

“(C) The insurer annually shall file with the department not later than June first a copy of the statements of the financial condition of each reinsurance intermediary-broker which the insurer has engaged. The statements must be prepared by an independent certified accountant in a form acceptable to the director or his designee.”

B. Section 38-46-90(B) and (C) of the 1976 Code is amended to read:

“(B) The reinsurer annually shall file with the department not later than June first a copy of statements of the financial condition of each reinsurance intermediary-manager, which the reinsurer has engaged, prepared by an independent certified accountant in a form acceptable to the director or his designee.

(C) If a reinsurance intermediary-manager establishes loss reserves, the reinsurer annually shall obtain the opinion of an actuary attesting to the adequacy of loss reserves established for losses incurred and outstanding on business produced by the reinsurance intermediary-manager. The opinion must be filed not later than June first. This opinion is in addition to other required loss reserve certification.”

**Unfair method of competition prohibited, services related to loss control acceptable**

SECTION 8. A. Section 38-57-130 of the 1976 Code is amended by adding an appropriately numbered item at the end to read:

“( ) Nothing in this section may be construed to:

(a) permit an unfair method of competition or an unfair or deceptive act or practice; or

(b) prohibit an insurer from offering or giving an insured, for free or at a discounted price, services or other offerings that directly and reasonably relate to the loss control of the risks covered under the policy.”

B. Section 38-57-140 of the 1976 Code is amended by adding an appropriately numbered item at the end to read:

“( ) Nothing in this section may be construed to:

(a) permit an unfair method of competition or an unfair or deceptive act or practice; or

(b) prohibit an insurer from offering or giving an insured, for free or at a discounted price, services or other offerings that directly and reasonably relate to the loss control of the risks covered under the policy.”

C. Section 38-57-150 of the 1976 Code is amended by adding an appropriately numbered item at the end to read:

“( ) Nothing in this section may be construed to:

(a) permit an unfair method of competition or an unfair or deceptive act or practice; or

(b) prohibit an insurer from offering or giving an insured, for free or at a discounted price, services or other offerings that directly and reasonably relate to the loss control of the risks covered under the policy.”

**Limitations on cancellation of a policy**

SECTION 9. A. Section 38-75-730(a) and (c) of the 1976 Code is amended to read:

“(a) No insurance policy or renewal thereof may be canceled by the insurer prior to the expiration of the term stated in the policy, except for one of the following reasons:

- (1) nonpayment of premium;
- (2) material misrepresentation of fact which, if known to the company, would have caused the company not to issue the policy;
- (3) substantial change in the risk assumed, except to the extent that the insurer had notice of the risk or should reasonably have foreseen the change or contemplated the risk in writing the policy;
- (4) substantial breaches of contractual duties, conditions, or warranties;
- (5) loss of the insurer’s reinsurance covering all or a significant portion of the particular policy insured, or where continuation of the policy would imperil the insurer’s solvency or place that insurer in violation of the insurance laws of this State. Prior to cancellation for reasons permitted in this item, the insurer shall notify the director or his designee, in writing, at least sixty days prior to such cancellation and the director or his designee shall, within thirty days of such notification, approve or disapprove such action.

(c) Subsections (a) and (b) do not apply to any insurance policy which has been in effect for less than one hundred twenty days and is not a renewal of a previously existing policy. The policy may be canceled for any reason by furnishing to the insured at least thirty days’ written notice of cancellation, except where the reason for cancellation is nonpayment of premium, in which case not less than ten days’ written notice must be furnished. Insurers may not cancel a policy outside of the one hundred twenty-day period if they had notice of the change in risk prior to the expiration of the one hundred twenty-day underwriting period.”

B. Section 38-75-1200(A) and (D) of the 1976 Code is amended to read:

“(A) An application for the original issuance of a policy of insurance covered in the article must have the following statement printed on or attached to the first page of the application form, in boldface type:

‘THE INSURER CAN CANCEL THIS POLICY FOR WHICH YOU ARE APPLYING WITHOUT CAUSE DURING THE FIRST 120 DAYS. THAT IS THE INSURER’S CHOICE. AFTER THE FIRST 120 DAYS, THE INSURER CAN ONLY CANCEL THIS POLICY FOR REASONS STATED IN THE POLICY.’

(D) The insurer may cancel without cause at any time in the first one hundred twenty days during which the policy is in effect.”

### **Captive insurers subject to Insurance Data Security Act**

SECTION 10. Section 38-90-160(A) and (C) of the 1976 Code, as amended by Act 251 of 2018, is further amended to read:

“(A)No provisions of this title or regulations, other than those contained in this chapter or contained in specific references contained in this chapter and regulations applicable to them, apply to captive insurance companies. The South Carolina Insurance Data Security Act set forth in Chapter 99, Title 38 applies to captive insurance companies unless the captive insurer qualifies for an exemption set forth in that chapter.

(C) The provisions of Sections 38-5-120(A)(5), 38-5-120(B), 38-5-120(D)(1), 38-5-120(D)(2), 38-9-225, 38-9-230, 38-21-10, 38-21-30, 38-21-60, 38-21-70, 38-21-80, 38-21-90, 38-21-95, 38-21-100, 38-21-110, 38-21-120, 38-21-130, 38-21-140, 38-21-150, 38-21-160, 38-21-170, 38-21-220, 38-21-225, 38-21-230, 38-21-250, 38-21-270, 38-21-280, 38-21-285, 38-21-290, 38-21-310, 38-21-320, 38-21-330, 38-21-360, 38-55-75 and Chapters 44, 46, and 99, Title 38 and applicable regulations apply in full to a risk retention group and, if a conflict occurs between those code sections and chapters referenced in this subsection and this chapter (Chapter 90, Title 38), then the code sections and chapters referenced in this subsection control.”

### **Licensee exemption from provisions of Section 38-99-20**

SECTION 11. Section 38-99-70(A) of the 1976 Code, as added by Act 171 of 2018, is amended to read:

“(A)The following licensees are exempt from the provisions of Section 38-99-20:

- (1) a licensee with fewer than ten employees, including any independent contractors;
- (2) an employee, agent, representative, or designee of a licensee, who is also a licensee, is exempt from the provisions of Section 38-99-20 and need not develop its own information security program to the extent

that the employee, agent, representative, or designee is covered by the information security program of the other licensee; and

(3) a licensee subject to the Health Insurance Portability and Accountability Act, Pub.L. 104-191, 110 Stat. 1936, that has established and maintains an information security program pursuant to such statutes, rules, regulations, procedures, or guidelines established thereunder, will be considered to meet the requirements of Section 38-99-20, provided that the licensee is compliant with, and submits a written statement certifying its compliance with, the provisions of Section 38-99-20.”

#### **Time effective**

SECTION 12. This act takes effect on July 1, 2019.

Ratified the 19<sup>th</sup> day of March, 2019.

Approved the 20<sup>th</sup> day of March, 2019.

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#### **No. 7**

( R12, S428)

**AN ACT TO AMEND SECTION 7-7-80, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE DESIGNATION OF VOTING PRECINCTS IN ANDERSON COUNTY, SO AS TO DELETE THE GROVE SCHOOL AND ANDERSON 5/A PRECINCTS AND ADD THE SOUTH FANT PRECINCT, AND TO REDESIGNATE THE MAP NUMBER ON WHICH THE NAMES OF THESE PRECINCTS MAY BE FOUND AND MAINTAINED BY THE REVENUE AND FISCAL AFFAIRS OFFICE.**

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

#### **Anderson County voting precincts and map number redesignated**

SECTION 1. Section 7-7-80 of the 1976 Code is amended to read:

“Section 7-7-80. (A) In Anderson County there are the following voting precincts:

Appleton-Equinox  
Barker's Creek-McAdams  
Belton  
Belton Annex  
Bishop's Branch  
Bowling Green  
Broadview  
Broadway  
Brushy Creek  
Cedar Grove  
Center Rock  
Centerville Station A  
Centerville Station B  
Chiquola Mill  
Concrete  
Cox's Creek  
Craytonville  
Denver-Sandy Springs  
Edgewood Station A  
Edgewood Station B  
Five Forks  
Flat Rock  
Fork No. 1  
Fork No. 2  
Friendship  
Glenview  
Gluck Mill  
Green Pond Station A  
Hall  
Hammond School  
Hammond Annex  
High Point  
Homeland Park  
Honea Path  
Hopewell  
Hunt Meadows  
Iva  
Jackson Mill  
LaFrance  
Lakeside  
Melton  
Mount Tabor



Mountain Creek  
Mt. Airy  
Neal's Creek  
North Pointe  
Pelzer  
Pendleton  
Piedmont  
Piercetown  
Powdersville  
Rock Mill  
Rock Spring  
Shirley's Store  
Simpsonville  
South Fant  
Starr  
Three and Twenty  
Toney Creek  
Town Creek  
Townville  
Varenes  
West Pelzer  
West Savannah  
White Plains  
Williamston  
Williamston Mill  
Wright's School  
Anderson 1/1  
Anderson 1/2  
Anderson 2/1  
Anderson 2/2  
Anderson 3/1  
Anderson 3/2  
Anderson 4/1  
Anderson 4/2  
Anderson 5/B  
Anderson 6/1  
Anderson 6/2

(B) The precinct lines defining the precincts in Anderson County are as shown on the official map prepared by and on file with the Revenue and Fiscal Affairs Office designated as document P-07-19 and as shown on official copies furnished to the Board of Voter Registration and Elections of Anderson County.

(C) The polling places for the precincts provided in this section must be established by the Board of Voter Registration and Elections of Anderson County subject to the approval of the majority of the Anderson County Legislative Delegation.”

**Time effective**

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

Ratified the 19<sup>th</sup> day of March, 2019.

Approved the 20<sup>th</sup> day of March, 2019.

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**No. 8**

(R13, S441)

**AN ACT TO AMEND SECTION 7-7-290, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE DESIGNATION OF VOTING PRECINCTS IN GREENWOOD COUNTY, SO AS TO REDESIGNATE THE MAP NUMBER ON WHICH THE NAMES OF THESE PRECINCTS MAY BE FOUND AND MAINTAINED BY THE REVENUE AND FISCAL AFFAIRS OFFICE.**

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

**Greenwood County voting precincts map number redesignated**

SECTION 1. Section 7-7-290(B) of the 1976 Code, as last amended by Act 136 of 2018, is further amended to read:

“(B) The precinct lines defining the precincts in subsection (A) are as shown on the official map designated as document P-47-19 on file with the Revenue and Fiscal Affairs Office and as shown on copies provided to the Board of Voter Registration and Elections of Greenwood County. The official map may not be changed except by act of the General Assembly.”

**Time effective**

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

Ratified the 19<sup>th</sup> day of March, 2019.

Approved the 20<sup>th</sup> day of March, 2019.

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**No. 9**

(R14, S482)

**AN ACT TO AMEND SECTION 7-7-230, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE DESIGNATION OF VOTING PRECINCTS IN DORCHESTER COUNTY, SO AS TO REDESIGNATE THE MAP NUMBER ON WHICH THE NAMES OF THESE PRECINCTS MAY BE FOUND AND MAINTAINED BY THE REVENUE AND FISCAL AFFAIRS OFFICE.**

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

**Dorchester County voting precincts map number redesignated**

SECTION 1. Section 7-7-230(B) of the 1976 Code is amended to read:

“(B) The precinct lines defining the above precincts are as shown on maps filed with the Revenue and Fiscal Affairs Office designated as document P-35-19 and as shown on copies provided to the Board of Voter Registration and Elections of Dorchester County by the office.”

**Time effective**

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

Ratified the 19<sup>th</sup> day of March, 2019.

Approved the 20<sup>th</sup> day of March, 2019.

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## No. 10

(R17, H3639)

**AN ACT TO AMEND SECTION 59-112-50, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO MILITARY PERSONNEL AND THEIR DEPENDENTS WHO ARE ENTITLED TO PAY IN-STATE TUITION AND FEES WITHOUT REGARD TO THE LENGTH OF TIME THEY HAVE RESIDED IN THIS STATE, SO AS TO EXPAND THE CATEGORIES OF INDIVIDUALS COVERED BY THESE PROVISIONS TO CONFORM WITH CERTAIN CHANGES IN FEDERAL LAW.**

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

**Rates for military personnel and dependents**

SECTION 1. Section 59-112-50(C) of the 1976 Code is amended to read:

“(C)(1)Notwithstanding any other provision of law, a covered individual enrolled in a public institution of higher education and receiving educational assistance under Chapter 30, Chapter 31, and Chapter 33, Title 38 of the United States Code are entitled to pay in-state tuition and fees without regard to the length of time the covered individual has resided in this State.

(2) For purposes of this subsection, a covered individual is defined as:

(a) a veteran who served ninety days or longer on active duty in the uniformed service of the United States, their respective reserve forces, or the National Guard and who enrolls within three years of discharge;

(b) a person who is entitled to and receiving assistance under Section 3319, Title 38 of the United States Code by virtue of the person’s relationship to the veteran described in subitem (a) who enrolls within three years of the veteran’s discharge;

(c) a person using transferred benefits under Section 3319, Title 38 of the United States Code while the transferor is on active duty in the uniformed service of the United States, their respective reserve forces, or the National Guard;

(d) a person who is entitled to and receiving assistance under Section 3311(b)(9), Title 38 of the United States Code; or

(e) a person who is entitled to and is receiving assistance under Section 3102(a), Title 38 of the United States Code.

(3) A covered individual must live in this State while enrolled at the in-state institution.

(4) At the conclusion of the applicable three-year period in subsection (C)(2)(a) or (b), a covered individual shall remain eligible for in-state rates as long as he remains continuously enrolled in an in-state institution or transfers to another in-state institution during the term or semester, excluding summer terms, immediately following his enrollment at the previous in-state institution. In the event of a transfer, the in-state institution receiving the covered individual shall verify the covered individual's eligibility for in-state rates with the covered individual's prior in-state institution. It is the responsibility of the transferring covered individual to ensure all documents required to verify both the previous and present residency decisions are provided to the in-state institution."

#### **Time effective**

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

Ratified the 19<sup>th</sup> day of March, 2019.

Approved the 20<sup>th</sup> day of March, 2019.

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#### **No. 11**

(R19, H3798)

**AN ACT TO AMEND SECTION 7-7-450, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE DESIGNATION OF VOTING PRECINCTS IN PICKENS COUNTY, SO AS TO REDESIGNATE THE MAP NUMBER ON WHICH THE NAMES OF THESE PRECINCTS MAY BE FOUND AND MAINTAINED BY THE REVENUE AND FISCAL AFFAIRS OFFICE.**

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

**Pickens County voting precincts map number redesignated**

SECTION 1. Section 7-7-450(B) of the 1976 Code is amended to read:

“(B) The precinct lines defining the above precincts are as shown on official maps on file with the Revenue and Fiscal Affairs Office designated as document P-77-19 and as shown on certified copies provided to the Board of Voter Registration and Elections of Pickens County.”

**Time effective**

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

Ratified the 19<sup>th</sup> day of March, 2019.

Approved the 20<sup>th</sup> day of March, 2019.

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**No. 12**

(R21, H3987)

**AN ACT TO AMEND SECTION 7-7-30, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE DESIGNATION OF VOTING PRECINCTS IN ABBEVILLE COUNTY, SO AS TO REDESIGNATE THE MAP NUMBER ON WHICH THE NAMES OF THESE PRECINCTS MAY BE FOUND AND MAINTAINED BY THE REVENUE AND FISCAL AFFAIRS OFFICE.**

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

**Redesignation of Abbeville County voting precincts' map number**

SECTION 1. Section 7-7-30(B) of the 1976 Code is amended to read:

“(B) The precinct lines defining the precincts identified in subsection (A) are as shown on map document P-01-19 and filed with the clerk of court of the county and the State Election Commission as provided and maintained by the Revenue and Fiscal Affairs Office.”

**Time effective**

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

Ratified the 19<sup>th</sup> day of March, 2019.

Approved the 20<sup>th</sup> day of March, 2019.

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**No. 13**

(R22, S160)

**AN ACT TO AMEND SECTION 12-54-122, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO TAX LIENS, SO AS TO ALLOW THE DEPARTMENT OF REVENUE TO IMPLEMENT A SYSTEM OF FILING AND INDEXING LIENS WHICH IS ACCESSIBLE TO THE PUBLIC OVER THE INTERNET OR THROUGH OTHER MEANS.**

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

**Electronic filing of tax lien notice**

SECTION 1. Section 12-54-122(G) of the 1976 Code is amended by adding an appropriately numbered item at the end to read:

“( ) (a) Instead of filing a tax lien notice pursuant to item (1), the department may implement a statewide system of filing and indexing liens which must be accessible to the public over the Internet. The department shall notify all clerks of court and registers of deeds upon the implementation of a statewide system. Upon implementation, the clerk of courts and register of deeds are relieved of any statutory obligations for filing and maintaining newly filed tax liens.

(b) A lien filed pursuant to item (1) has an affixed permanent date and time stamp reflecting the date and time the lien is available to the public on the Internet, the name of the taxpayer, and the amount of tax and penalties and remains effective from the date and time it was recorded. A lien filed pursuant to this item is effective statewide from the date and time it is recorded and available to the public over the Internet and encumbers all the taxpayer’s property and rights to property

as provided in Section 12-54-120, regardless of the property's location. Nothing in this item may be construed so as to extend the effectiveness of a lien beyond ten years from the date of filing, as provided in Section 12-54-120.

(c) A notice must be posted in each county where liens are generally filed providing instructions on how to access the department's tax lien database."

**Time effective**

SECTION 2. This act takes effect July 1, 2019.

Ratified the 27<sup>th</sup> day of March, 2019.

Approved the 28<sup>th</sup> day of March, 2019.

**No. 14**

(R23, H3449)

**AN ACT TO AMEND CHAPTER 55, TITLE 46, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO INDUSTRIAL HEMP CULTIVATION, SO AS TO REMOVE REFERENCES TO THE SOUTH CAROLINA INDUSTRIAL HEMP PROGRAM, TO DEFINE NECESSARY TERMS, TO PROHIBIT THE CULTIVATION, HANDLING, OR PROCESSING OF HEMP WITHOUT A HEMP LICENSE ISSUED BY THE SOUTH CAROLINA DEPARTMENT OF AGRICULTURE, TO PROVIDE CERTAIN REQUIREMENTS FOR A HEMP LICENSE, TO EXCLUDE CERTAIN ACTIVITIES FROM THE PROVISIONS OF CHAPTER 55, AND TO ESTABLISH CORRECTIVE ACTION PLANS FOR LICENSEES WHO VIOLATE A PROVISION OF CHAPTER 55; TO PROVIDE THAT THE COMMISSIONER OF THE SOUTH CAROLINA DEPARTMENT OF AGRICULTURE SHALL SUBMIT A STATE PLAN TO THE SECRETARY OF THE UNITED STATES DEPARTMENT OF AGRICULTURE; AND TO PROVIDE THAT CURRENT LICENSEES UNDER THE SOUTH CAROLINA INDUSTRIAL HEMP PROGRAM MAY EXPAND OPERATIONS AND AUTHORIZE THE DEPARTMENT TO ISSUE HEMP LICENSES FOR CERTAIN APPLICANTS.**



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

### **The Hemp Farming Act**

SECTION 1. Chapter 55, Title 46 of the 1976 Code is amended to read:

#### “CHAPTER 55

#### The Hemp Farming Act

Section 46-55-10. For the purposes of this chapter:

(1) ‘Cannabidiol’ or ‘CBD’ means the compound by the same name derived from the hemp variety of the *Cannabis sativa* L. plant.

(2) ‘Commercial sales’ means the sale of hemp products in the stream of commerce, at retail, wholesale, and online.

(3) ‘Commissioner’ means the Commissioner of the South Carolina Department of Agriculture.

(4) ‘Cultivating’ means planting, watering, growing, and harvesting a plant or crop.

(5) ‘Department’ means the South Carolina Department of Agriculture.

(6) ‘Federally defined THC level for hemp’ means a delta-9 THC concentration of not more than 0.3 percent on a dry weight basis, or the THC concentration for hemp defined in 7 U.S.C. SECTION 5940, whichever is greater.

(7) ‘Handling’ means possessing or storing hemp for any period of time. ‘Handling’ also includes possessing or storing hemp in a vehicle for any period of time other than during its actual transport from the premises of a licensed person to cultivate or process industrial hemp to the premises of another licensed person. ‘Handling’ does not mean possessing or storing finished hemp products.

(8) ‘Hemp’ or ‘industrial hemp’ means the plant *Cannabis sativa* L. and any part of that plant, including the nonsterilized seeds thereof and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with the federally defined THC level for hemp. Hemp shall be considered an agricultural commodity.

(9) ‘Hemp products’ means all products with the federally defined THC level for hemp derived from, or made by, processing hemp plants or hemp plant parts, that are prepared in a form available for commercial sale, including, but not limited to, cosmetics, personal care products, food intended for animal or human consumption, cloth, cordage, fiber, fuel, paint, paper, particleboard, plastics, and any product containing one

or more hemp-derived cannabinoids, such as cannabidiol. Unprocessed or raw plant material, including nonsterilized hemp seeds, is not considered a hemp product.

(10) 'Licensee' means an individual or business entity possessing a license issued by the department under the authority of this chapter to cultivate, handle, or process hemp.

(11) 'Marijuana' has the same meaning as in Section 44-53-110 and does not include tetrahydrocannabinol in hemp or hemp products as defined herein.

(12) 'Processing' means converting an agricultural commodity into a marketable form.

(13) 'State plan' means the plan submitted by the department and approved by the Secretary of the United States Department of Agriculture pursuant to which the department regulates hemp production.

(14) 'THC' means tetrahydrocannabinol.

Section 46-55-20. (A)(1) It is unlawful for a person to cultivate, handle, or process hemp in this State without a hemp license issued by the department pursuant to the state plan.

(2) The department may charge application, license, and renewal of license fees reasonably calculated by the department to pay the cost of administering this chapter. Licensing fees for cultivators and handlers shall not exceed one thousand dollars annually per registrant, and licensing fees for processors shall not exceed the cost calculated by the department of the processor licensing program. Fees collected by the department pursuant to this item shall continuously be appropriated to the department for the purposes of carrying out the duties of the South Carolina industrial hemp program under this chapter.

(3) Any person seeking to cultivate, handle, or process hemp shall undergo a state criminal records check, supported by fingerprints, by the State Law Enforcement Division and a national criminal records check, supported by fingerprints, by the Federal Bureau of Investigation. The results of these criminal records checks must be reported to the department. The State Law Enforcement Division is authorized to retain fingerprints for certification purposes and for notification of the department regarding criminal charges. No person who has been convicted of a felony relating to a controlled substance under state or federal law during a ten-year period from the date of his conviction shall be eligible to obtain a license to cultivate, handle, or process hemp.

(4) Any person who materially falsifies any information contained in an application to participate in the program established herein shall be ineligible to participate.

(5) The commissioner shall make information regarding a licensee and that information described in subsection (B)(1) accessible in real time to federal, state, and local law enforcement.

(B)(1) A person applying for a license to cultivate hemp shall provide to the department a legal description and global positioning coordinates sufficient to locate the fields or greenhouses used to cultivate hemp.

(2) A person applying for a license to cultivate, handle, or process hemp shall provide the department with prior written consent:

(a) allowing representatives of the department, the State Law Enforcement Division, and local law enforcement agencies to enter onto all premises where hemp is cultivated, handled, processed, or stored for the purpose of conducting physical inspections, obtaining samples of hemp or hemp products, or otherwise ensuring compliance with the requirements of state law and any administrative regulations promulgated by the department; and

(b) to the testing procedure set forth in the state plan, using post-decarboxylation or other similarly reliable methods, delta-9 THC concentration levels of hemp produced in the State.

Section 46-55-30. The provisions contained in this chapter do not apply to the possession, handling, transport, or sale of hemp products and extracts, including those containing hemp-derived cannabinoids, including CBD. Nothing in this chapter authorizes any person to violate any federal or state law or regulation.

Section 46-55-40. (A)(1) A licensee in the South Carolina hemp program shall be required to conduct a corrective action plan if the commissioner, or his designee, determines that the licensee negligently violated a provision of this chapter, regulations promulgated pursuant to this chapter, or the state plan including, but not limited to:

(a) failing to provide a legal description and global positioning coordinates of the land on which the licensee cultivates hemp;

(b) failing to obtain a proper license or other required authorization from the commissioner; or

(c) producing *Cannabis sativa* L. with more than the federally defined THC level for hemp.

(2) A corrective action plan required pursuant to item (1) shall include a:

(a) reasonable date by which the licensee shall correct the violation; and

(b) requirement that the licensee shall periodically report to the commissioner on his compliance with this chapter and the state plan for a period of not less than the next two calendar years, to be determined by the commissioner.

(3) The corrective action plan provided for in item (2) is the sole remedy for negligent violations of this chapter, regulations promulgated pursuant to this chapter, or the state plan. A licensee who negligently violates a provision of this chapter, regulations promulgated pursuant to this chapter, or the state plan shall not be subject to any criminal or civil enforcement action.

(4) A licensee who negligently violates a provision of this chapter, regulations promulgated pursuant to this chapter, or the state plan three times in a five-year period shall be ineligible to produce hemp for a period of five years beginning on the date of the third violation.

(B) If the commissioner determines that a licensee has violated state law with a culpable mental state greater than negligence, then the commissioner shall immediately report the hemp producer to the Attorney General and the Chief of the South Carolina Law Enforcement Division, and subsection (A)(2) shall not apply to the violation.

Section 46-55-60. An individual who manufactures, distributes, dispenses, delivers, purchases, aids, abets, attempts to, or conspires to manufacture, distribute, dispense, deliver, or purchase, or possesses with the intent to manufacture, distribute, dispense, deliver, or purchase marijuana, in a manner intended to disguise the marijuana due to its proximity to industrial hemp, is guilty of a misdemeanor and, upon conviction, must be imprisoned not more than three years, fined not more than three thousand dollars, or both. The penalty provided for in this section may be imposed in addition to any other penalties provided by law.”

### **Submission of state hemp plan**

SECTION 2. (A) Within sixty days after the effective date of this act, the Commissioner of the South Carolina Department of Agriculture shall submit a state plan to the Secretary of the United States Department of Agriculture pursuant to which the South Carolina Department of Agriculture proposes to regulate hemp production. The submission shall include:

(1) a practice to maintain relevant information regarding land on which hemp is produced in the State, including a legal description of the land, for a period of not less than three calendar years;

(2) a procedure for testing, using post-decarboxylation or other similarly reliable methods, delta-9 THC concentration levels of hemp produced in the State;

(3) a procedure for the effective disposal of products that are produced in violation of Chapter 55, Title 46, as amended by this act; and

(4) a procedure to comply with the enforcement procedures outlined in this act.

(B) If the Secretary of the United States Department of Agriculture disapproves the state plan, then the Commissioner of the South Carolina Department of Agriculture, in consultation with the Governor and Attorney General, shall submit to the Secretary of the United States Department of Agriculture an amended state plan.

### **South Carolina hemp licenses**

SECTION 3. (A) The forty 2019 licenses issued pursuant to Chapter 55, Title 46 prior to the effective date of this act shall be valid for the term of the licenses, under the terms and conditions under which the licenses were issued, except that, upon the approval of the South Carolina Department of Agriculture, each licensee may expand operations beyond the forty-acre limit and may cultivate hemp for commercial purposes.

(B) Notwithstanding the provisions of Section 46-55-20(B)(3), as amended by this act, as of the date licenses were issued for 2019, the South Carolina Department of Agriculture may issue additional licenses for 2019 to any applicant that met the licensing criteria but was denied solely because the department had already issued the legally permitted number of licenses for the year. Licenses issued pursuant to this subsection shall be for the same term, and under the same terms and conditions, under which the forty licenses identified in subsection (A) were issued. Licensees pursuant to this subsection also may expand operations beyond the forty-acre limit and may cultivate hemp for commercial purposes upon the approval of the South Carolina Department of Agriculture.

(C) The law under which licenses are issued shall be in full force and effect for those licenses during the term of the licenses.

**Time effective**

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

Ratified the 27<sup>th</sup> day of March, 2019.

Approved the 28<sup>th</sup> day of March, 2019.

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**No. 15**

(R24, H3595)

**AN ACT TO AMEND SECTION 12-6-3585, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE INDUSTRY PARTNERSHIP FUND TAX CREDIT, SO AS TO INCREASE THE AGGREGATE ANNUAL CREDIT AMOUNT, SET CERTAIN QUALIFICATIONS, AND TO REQUIRE THE SOUTH CAROLINA RESEARCH AUTHORITY TO ISSUE AN ANNUAL REPORT.**

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

**Aggregate credit limit for Industry Partnership Fund**

SECTION 1. A. Section 12-6-3585(A), (E), and (F) of the 1976 Code is amended to read:

“(A) For each tax year beginning after 2018, a taxpayer may claim as a credit against state income tax imposed by Chapter 6, Title 12, bank tax imposed by Chapter 11, Title 12, license fees imposed by Chapter 20, Title 12, or insurance premiums imposed by Chapter 7, Title 38, or any combination of them, one hundred percent of an amount contributed to the Industry Partnership Fund at the South Carolina Research Authority (SCRA), or an SCRA-designated affiliate, or both, pursuant to Section 13-17-88(E), up to a maximum credit of two hundred fifty thousand dollars for a single taxpayer, not to exceed an aggregate credit of nine million dollars for all taxpayers. For purposes of determining a taxpayer’s entitlement to the credit for qualified contributions for a given tax year in which more than the applicable aggregate annual limit on the credit is contributed by taxpayers for that year, taxpayers who have made

contributions that are intended to be qualified contributions earlier in the applicable tax year than other taxpayers must be given priority entitlement to the credit. The SCRA shall certify to taxpayers who express a bona fide intention of making one or more qualified contributions as to whether the taxpayer is entitled to that priority.

(E) 'Taxpayer' means an individual, corporation, partnership, trust, bank, insurance company, or other entity having a state income or insurance premium tax or license fee liability who has made a qualified contribution. However, for purposes of this section, any member of the SCRA board of trustees or the SC Launch!, Inc. board of directors is not considered a taxpayer, and may not claim the credit allowed by this section.

(F) To qualify for the credit, the taxpayer shall retain a form provided by SCRA identifying the taxpayer and the year and amount of credit for which the taxpayer qualifies. The Department of Revenue may require a copy of the form be attached to the taxpayer's income tax return or be provided otherwise to the department. Also, to qualify for the credit, a taxpayer who is certified by SCRA under subsection (A) as having priority entitlement to the credit for an applicable year must make a commitment satisfactory to SCRA, at such time as SCRA may deem appropriate, but no later than April first of such year, to make the contribution during such year."

B. Notwithstanding the increase in the annual maximum credit amount for all taxpayers from six million dollars to nine million dollars in Section 12-6-3585, as amended by this SECTION, the increased maximum credit amount shall be phased in in three equal and cumulative installment amounts beginning in tax years beginning after 2018.

### **Industry Partnership Fund report**

SECTION 2. Section 12-6-3585 of the 1976 Code is amended by adding an appropriately lettered subsection to read:

"(1) By March fifteenth of each year, the South Carolina Research Authority shall issue a report to the Chairman of the Senate Finance Committee, the Chairman of the House of Representatives Ways and Means Committee, and the Governor detailing the amount contributed to the Industry Partnership Fund in the previous tax year that entitled the taxpayer to the credit allowed by this section, the taxpayers that received

the credit, and the manner in which such contributions were expended or are expected to be expended.

(2) The report shall also include, by county, the number of taxpayers who express a bona fide intention to contribute to the Industry Partnership Fund, the number of taxpayers whom the SCRA certified as entitled to receive the Industry Partnership Fund tax credit, and the amount of Industry Partnership Fund contributions that received such certification from SCRA.

(3) The report also must be posted in a conspicuous place on the website maintained by the South Carolina Research Authority.”

**Time effective**

SECTION 3. This act takes effect upon approval by the Governor and applies to tax years beginning after 2018, except that the Section 1 amendment to Section 12-6-3585(F) and Section 2 shall not take effect until January 1, 2020.

Ratified the 27<sup>th</sup> day of March, 2019.

Approved the 28<sup>th</sup> day of March, 2019.

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**No. 16**

(R25, H3985)

**AN ACT TO AMEND SECTION 12-6-40, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE APPLICATION OF THE INTERNAL REVENUE CODE TO STATE INCOME TAX LAWS, SO AS TO UPDATE THE REFERENCE TO THE INTERNAL REVENUE CODE TO THE YEAR 2018 AND TO PROVIDE THAT IF THE INTERNAL REVENUE CODE SECTIONS ADOPTED BY THIS STATE ARE EXTENDED, THEN THESE SECTIONS ALSO ARE EXTENDED FOR SOUTH CAROLINA INCOME TAX PURPOSES.**

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



**Internal Revenue Code conformity**

SECTION 1. Section 12-6-40(A)(1)(a) and (c) of the 1976 Code, as last amended by Act 266 of 2018, is further amended to read:

“(a) Except as otherwise provided, ‘Internal Revenue Code’ means the Internal Revenue Code of 1986, as amended through December 31, 2018, and includes the effective date provisions contained in it.

(c) If Internal Revenue Code sections adopted by this State which expired or portions thereof expired on December 31, 2017, or during 2018, are extended, but otherwise not amended, by congressional enactment during 2019, these sections or portions thereof also are extended for South Carolina income tax purposes in the same manner that they are extended for federal income tax purposes.”

**Time effective**

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

Ratified the 27<sup>th</sup> day of March, 2019.

Approved the 28<sup>th</sup> day of March, 2019.

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**No. 17**

(R27, H3310)

**AN ACT TO AMEND SECTION 56-19-480, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE TRANSFER AND SURRENDER OF CERTIFICATES OF TITLE, LICENSE PLATES, REGISTRATION CARDS, AND MANUFACTURERS' SPECIAL PLATES FOR VEHICLES SOLD AS SALVAGE, ABANDONED, SCRAPPED, OR DESTROYED, SO AS TO PROVIDE A PROCEDURE FOR AN INSURANCE COMPANY OR ITS AGENT TO OBTAIN A CERTIFICATE OF TITLE FOR A VEHICLE FROM THE DEPARTMENT OF MOTOR VEHICLES WHEN A CLAIMANT FAILS TO DELIVER THE**

**TITLE TO THE INSURANCE COMPANY OR ITS AGENT  
UNDER CERTAIN CIRCUMSTANCES.**

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

**Certificate of title**

SECTION 1. Section 56-19-480(B) of the 1976 Code is amended to read:

“(B) If a vehicle is acquired by an insurance company in settlement of a claim to the vehicle by fire, flood, collision, or other causes, or is left with the claimant after being declared a total loss by the insurance company, the company or its agent immediately shall deliver to the department the certificate of title together with a report indicating the type and severity of damage to the vehicle. If an insurance company or its agent is unable to obtain the certificate of title from the claimant within thirty days after acceptance by the claimant of an offer in settlement of total loss, the insurance company or its agent, on a form provided by the department, may submit an application to the department for a salvage certificate of title. The application shall include evidence that the insurance company or its agent has fulfilled its settlement with and made two or more written attempts to obtain the certificate of title from the claimant. At such time as the insurance company may thereafter transfer the damaged vehicle, the company or its agent shall notify the department to whom the transfer was made on a form prescribed by the department. Notwithstanding another provision of law, when an insurance company obtains title to a vehicle from settling a total loss claim, the insurance company may obtain a title to the vehicle designated as ‘salvage’. The insurance company must pay the title fee contained in Section 56-19-420.”

**Time effective**

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

Ratified the 3<sup>rd</sup> day of April, 2019.

Approved the 3<sup>rd</sup> day of April, 2019.

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## No. 18

(R28, H3732)

**AN ACT TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 40-69-255 SO AS TO REQUIRE VETERINARIANS TO COMPLETE CONTINUING EDUCATION RELATED TO PRESCRIBING AND MONITORING CERTAIN CONTROLLED SUBSTANCES.**

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

**Veterinarians continuing education, prescribing controlled substances**

SECTION 1. Article 1, Chapter 69, Title 40 of the 1976 Code is amended by adding:

“Section 40-69-255. As part of the biennial continuing education required by the board or pursuant to law, including Regulation 120-6, South Carolina Code of State Regulations, a veterinarian authorized pursuant to state and federal law to prescribe controlled substances shall obtain a South Carolina Department of Health and Environmental Control Controlled Substances Registration and complete at least two hours of continuing education every two years related to approved procedures of prescribing and monitoring controlled substances listed in Schedules II, III, and IV of the schedules provided for in Sections 44-53-210, 44-53-230, and 44-53-250.”

**Time effective**

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

Ratified the 3<sup>rd</sup> day of April, 2019.

Approved the 3<sup>rd</sup> day of April, 2019.

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## No. 19

(R29, H3750)

**AN ACT TO AMEND SECTION 50-9-650, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO DEER HUNTING, SO AS TO REVISE THE NUMBER OF ANTLERLESS DEER TAGS THAT MAY BE ISSUED BY THE DEPARTMENT OF NATURAL RESOURCES UNDER CERTAIN CIRCUMSTANCES; AND TO AMEND SECTION 50-11-390, RELATING TO THE DEPARTMENT OF NATURAL RESOURCES' AUTHORITY TO REGULATE THE TAKING OF DEER, SO AS TO DELETE THE PROVISION THAT REQUIRES THE DEPARTMENT TO ESTABLISH A MINIMUM NUMBER OF ANTLERLESS DAYS IN THE STATE'S GAME ZONES.**

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

**Antlerless deer tags**

SECTION 1. Section 50-9-650(B)(2)(a) of the 1976 Code is amended to read:

“(a) With the purchase of a South Carolina hunting license and a big game permit, a resident shall be issued two individual antlerless deer tags and three unrestricted individual antlered deer tags. Persons under the age of sixteen, lifetime, and gratis licensees may receive these tags upon request to the department. Residents, including persons under the age of sixteen, lifetime, and gratis licensees also may purchase:

(i) two antler restriction individual antlered deer tags valid for deer with a minimum of four points on one antler or a minimum twelve-inch inside antler spread for five dollars per tag; and

(ii) additional individual antlerless deer tags for five dollars per tag.”

**Antlerless deer**

SECTION 2. Section 50-11-390(A) of the 1976 Code is amended to read:

“(A) The department may promulgate regulations to permit the taking of antlerless deer between September fifteenth and January first.”

**Time effective**

SECTION 3. This act takes effect upon approval by the Governor.

Ratified the 3<sup>rd</sup> day of April, 2019.

Approved the 3<sup>rd</sup> day of April, 2019.

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ASHLEY HARWELL-BEACH

Code Commissioner

P. O. Box 11489

Columbia, S.C. 29211