~~Indicates Matter Stricken~~

Indicates New Matter

The House assembled at 10:00 a.m.

Deliberations were opened with prayer by Rev. Charles E. Seastrunk, Jr., as follows:

Our thought for today is from Job 30:16: “And now my soul is poured out within me; days of affliction have taken hold of me.”

Let us pray. Heavenly Father, help us in the midst of great problems we all face in all things--some we do not understand. Help our trust and belief in You to carry us through these times of trials and stress. Be for us the keeper of our hearts, minds, and souls as Representatives and staff work together to achieve the desired results for the good of all. Bless our Nation, President, State, Governor, Speaker, each staff person and all who serve in these Halls of Government. Protect our defenders of freedom at home and abroad as they protect us. Hear us, O Lord, as we pray. Amen.

Pursuant to Rule 6.3, the House of Representatives was led in the Pledge of Allegiance to the Flag of the United States of America by the SPEAKER.

**MOTION ADOPTED**

Rep. KIRSH moved that when the House adjourns, it adjourn in memory of David Glenn Stanton, Sr. of Clover, which was agreed to.

**REPORTS OF STANDING COMMITTEES**

Rep. SANDIFER, from the Committee on Labor, Commerce and Industry, submitted a favorable report with amendments on:

H. 3354 -- Reps. Chalk, Brantley, G. A. Brown, Clyburn, Erickson, Herbkersman and Sottile: A BILL TO AMEND SECTION 40-11-360, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO EXEMPTIONS FROM STATUTES APPLICABLE TO LICENSED CONTRACTORS, SO AS TO PROVIDE AN OWNER OF RESIDENTIAL PROPERTY WHO MAKES CERTAIN IMPROVEMENTS TO THE PROPERTY OWES TO A SUBSEQUENT OWNER OF THE PROPERTY THE SAME DUTY AS A LICENSED CONTRACTOR TO COMPLY WITH APPLICABLE BUILDING CODES AND STANDARDS.

Ordered for consideration tomorrow.

Rep. SANDIFER, from the Committee on Labor, Commerce and Industry, submitted a favorable report with amendments on:

S. 168 -- Senators Cleary, Campsen, Rose, Bryant, Elliott and Hutto: A BILL TO AMEND SECTION 38-79-30, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO MEDICAL MALPRACTICE INSURANCE SO AS TO PROVIDE THAT A LICENSED HEALTH CARE PROVIDER WHO RENDERS MEDICAL SERVICES VOLUNTARILY AND WITHOUT COMPENSATION, AND SEEKS NO REIMBURSEMENT FROM CHARITABLE AND GOVERNMENTAL SOURCES, AND PROVIDES NOTICE TO THE PATIENT OR PATIENT'S PROVIDER IN A NON-EMERGENCY, IS NOT LIABLE FOR ANY CIVIL DAMAGES FOR ANY ACT OR OMISSION UNLESS THE ACT OR OMISSION WAS THE RESULT OF THE HEALTH CARE PROVIDER'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

Ordered for consideration tomorrow.

Rep. SANDIFER, from the Committee on Labor, Commerce and Industry, submitted a favorable report with amendments on:

S. 1096 -- Senators McConnell, Alexander, Rankin, Hutto, Matthews, Leatherman, Land, Hayes, Anderson, Scott, Coleman, O'Dell, Nicholson, Setzler, Cleary, Courson, Verdin, L. Martin, Knotts, Lourie, Sheheen, Mulvaney, Campbell, S. Martin, Massey, Grooms, Davis, Shoopman, Thomas, Ford, Elliott and Rose: A BILL TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 58-37-50, SO AS TO AUTHORIZE ELECTRICITY PROVIDERS AND NATURAL GAS PROVIDERS TO IMPLEMENT FINANCING AGREEMENTS FOR THE INSTALLATION OF ENERGY EFFICIENCY AND CONSERVATION IMPROVEMENTS, TO PROVIDE FOR THE RECOVERY OF THE FINANCING THROUGH CHARGES PAID FOR BY THE CUSTOMERS BENEFITTING FROM THE INSTALLATION OF THE ENERGY EFFICIENCY AND CONSERVATION MEASURES; TO PROTECT THE ENTITIES FROM LIABILITY FOR THE INSTALLATION, OPERATION, AND MAINTENANCE OF THE MEASURES; TO PROVIDE FOR THE INSTALLATION OF ENERGY EFFICIENCY AND CONSERVATION MEASURES IN RENTAL PROPERTIES; AND TO PROVIDE A MECHANISM FOR RECOVERY OF THE COSTS OF THE MEASURES INSTALLED IN RENTAL PROPERTIES; TO AMEND SECTION 8-21-310, SO AS TO ALLOW CLERKS OF COURT AND REGISTERS OF DEEDS TO CHARGE A FEE FOR FILING A NOTICE OF METER CONSERVATION CHARGE; AND TO AMEND SECTION 27-50-40, SO AS TO REQUIRE THE DISCLOSURE OF A METER CONSERVATION CHARGE BY SELLERS OF REAL PROPERTY.

Ordered for consideration tomorrow.

Rep. KIRSH, from the Committee on Invitations and Memorial Resolutions, submitted a favorable report on:

H. 4606 -- Reps. Duncan, Willis, M. A. Pitts, Bowen, Hardwick, Bedingfield, Rice, Forrester and Owens: A CONCURRENT RESOLUTION TO MEMORIALIZE CONGRESS TO ADOPT LEGISLATION THAT WOULD POSTPONE THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY'S (EPA) EFFORT TO REGULATE GREENHOUSE GAS (GHG) EMISSIONS FROM STATIONARY SOURCES USING EXISTING CLEAN AIR ACT AUTHORITY UNTIL CONGRESS ADOPTS A BALANCED APPROACH TO ADDRESS CLIMATE AND ENERGY SUPPLY ISSUES WITHOUT CRIPPLING THE ECONOMY.

Ordered for consideration tomorrow.

Rep. KIRSH, from the Committee on Invitations and Memorial Resolutions, submitted a favorable report on:

H. 4610 -- Reps. Duncan, Willis, M. A. Pitts, Bowen, Hardwick, Bedingfield, Rice, Forrester and Owens: A HOUSE RESOLUTION TO MEMORIALIZE CONGRESS TO ADOPT LEGISLATION THAT WOULD POSTPONE THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY'S (EPA) EFFORT TO REGULATE GREENHOUSE GAS (GHG) EMISSIONS FROM STATIONARY SOURCES USING EXISTING CLEAN AIR ACT AUTHORITY UNTIL CONGRESS ADOPTS A BALANCED APPROACH TO ADDRESS CLIMATE AND ENERGY SUPPLY ISSUES WITHOUT CRIPPLING THE ECONOMY.

Ordered for consideration tomorrow.

Rep. KIRSH, from the Committee on Invitations and Memorial Resolutions, submitted a favorable report on:

H. 4613 -- Rep. Hodges: A CONCURRENT RESOLUTION TO PROVIDE THAT THE MEMBERS OF THE GENERAL ASSEMBLY, BY THIS RESOLUTION, HEREBY RECOGNIZE THE IMPORTANCE TO SOUTH CAROLINA OF MICROENTERPRISES, DEFINED AS SMALL BUSINESSES WITH FEWER THAN FIVE EMPLOYEES, AND DESIGNATE THE MONTH OF JUNE 2011, AND THE MONTH OF JUNE EVERY YEAR THEREAFTER UNTIL JUNE 2021, AS "MICROENTERPRISE DEVELOPMENT MONTH" IN SOUTH CAROLINA.

Ordered for consideration tomorrow.

Rep. KIRSH, from the Committee on Invitations and Memorial Resolutions, submitted a favorable report on:

H. 4625 -- Rep. Barfield: A CONCURRENT RESOLUTION TO REQUEST THAT THE DEPARTMENT OF TRANSPORTATION NAME THE BRIDGE IN HORRY COUNTY IDENTIFIED AS THE "AYNOR OVERPASS" THE "JULIUS HAROLD 'DUKE' GOODSON OVERPASS" AND ERECT APPROPRIATE MARKERS OR SIGNS AT THIS OVERPASS THAT CONTAIN THE WORDS "JULIUS HAROLD 'DUKE' GOODSON OVERPASS".

Ordered for consideration tomorrow.

Rep. KIRSH, from the Committee on Invitations and Memorial Resolutions, submitted a favorable report on:

H. 4627 -- Rep. Hayes: A CONCURRENT RESOLUTION TO REQUEST THAT THE DEPARTMENT OF TRANSPORTATION NAME THE PORTION OF BUNKER HILL ROAD IN THE TOWN OF LITTLE ROCK FROM ITS INTERSECTION WITH WEST MAIN STREET TO ITS INTERSECTION WITH HARLLEES BRIDGE ROAD "MAXIE ROWELL ROAD" AND ERECT APPROPRIATE MARKERS OR SIGNS ALONG THIS ROAD THAT CONTAIN THE WORDS "MAXIE ROWELL ROAD".

Ordered for consideration tomorrow.

Rep. KIRSH, from the Committee on Invitations and Memorial Resolutions, submitted a favorable report on:

S. 1121 -- Senators Mulvaney and Sheheen: A CONCURRENT RESOLUTION TO REQUEST THAT THE DEPARTMENT OF TRANSPORTATION NAME THE BRIDGE ON SANDHILL ROAD IN KERSHAW, SOUTH CAROLINA AS THE "LEIGH ALLISON SHEPARD MEMORIAL BRIDGE" AND ERECT APPROPRIATE MARKERS OR SIGNS AT THIS BRIDGE THAT CONTAIN THE WORDS "LEIGH ALLISON SHEPARD MEMORIAL BRIDGE".

Ordered for consideration tomorrow.

Rep. DUNCAN, from the Committee on Agriculture, Natural Resources and Environmental Affairs, submitted a favorable report on:

H. 3975 -- Rep. G. M. Smith: A BILL TO AMEND SECTION 50-9-320, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE REQUIREMENT THAT CERTAIN PERSONS MUST SUCCESSFULLY COMPLETE A HUNTER'S EDUCATION PROGRAM BEFORE THEY ARE ELIGIBLE TO RECEIVE A SOUTH CAROLINA HUNTING LICENSE, SO AS TO PROVIDE THAT THIS REQUIREMENT DOES NOT APPLY TO ACTIVE OR RETIRED UNITED STATES ARMED SERVICES PERSONNEL WHO CAN DEMONSTRATE TO THE DEPARTMENT OF NATURAL RESOURCES THAT THEY RECEIVED WEAPONS TRAINING DURING THEIR MILITARY CAREER.

Ordered for consideration tomorrow.

**HOUSE RESOLUTION**

The following was introduced:

H. 4688 -- Reps. Stavrinakis, Harrell, Gilliard, Miller, Limehouse, Hutto, Sottile, Whipper, Battle, R. L. Brown, Daning, Horne, Mack, Scott and A. D. Young: A HOUSE RESOLUTION TO RECOGNIZE AND HONOR CHARLESTON MAYOR JOSEPH P. RILEY, JR.,

UPON THE OCCASION OF BEING NAMED A RECIPIENT OF THE NATIONAL MEDAL OF ARTS FOR 2009.

The Resolution was adopted.

**HOUSE RESOLUTION**

The following was introduced:

H. 4689 -- Reps. Kelly, Agnew, Alexander, Allen, Allison, Anderson, Anthony, Bales, Ballentine, Bannister, Barfield, Battle, Bedingfield, Bingham, Bowen, Bowers, Brady, Branham, Brantley, G. A. Brown, H. B. Brown, R. L. Brown, Cato, Chalk, Clemmons, Clyburn, Cobb-Hunter, Cole, Cooper, Crawford, Daning, Delleney, Dillard, Duncan, Edge, Erickson, Forrester, Frye, Funderburk, Gambrell, Gilliard, Govan, Gunn, Haley, Hamilton, Hardwick, Harrell, Harrison, Hart, Harvin, Hayes, Hearn, Herbkersman, Hiott, Hodges, Horne, Hosey, Howard, Huggins, Hutto, Jefferson, Jennings, Kennedy, King, Kirsh, Knight, Limehouse, Littlejohn, Loftis, Long, Lowe, Lucas, Mack, McEachern, McLeod, Merrill, Miller, Millwood, Mitchell, D. C. Moss, V. S. Moss, Nanney, J. H. Neal, J. M. Neal, Neilson, Norman, Ott, Owens, Parker, Parks, Pinson, E. H. Pitts, M. A. Pitts, Rice, Rutherford, Sandifer, Scott, Sellers, Simrill, Skelton, D. C. Smith, G. M. Smith, G. R. Smith, J. E. Smith, J. R. Smith, Sottile, Spires, Stavrinakis, Stewart, Stringer, Thompson, Toole, Umphlett, Vick, Viers, Weeks, Whipper, White, Whitmire, Williams, Willis, Wylie, A. D. Young and T. R. Young: A HOUSE RESOLUTION TO CONGRATULATE KARLA GRACE KELLY OF SPARTANBURG COUNTY ON THE OCCASION OF HER SIXTEENTH BIRTHDAY, AND TO WISH HER A JOYOUS BIRTHDAY CELEBRATION AND MANY MORE YEARS OF HEALTH AND HAPPINESS.

The Resolution was adopted.

**HOUSE RESOLUTION**

The following was introduced:

H. 4690 -- Reps. Parker, Agnew, Alexander, Allen, Allison, Anderson, Anthony, Bales, Ballentine, Bannister, Barfield, Battle, Bedingfield, Bingham, Bowen, Bowers, Brady, Branham, Brantley, G. A. Brown, H. B. Brown, R. L. Brown, Cato, Chalk, Clemmons, Clyburn, Cobb-Hunter, Cole, Cooper, Crawford, Daning, Delleney, Dillard, Duncan, Edge, Erickson, Forrester, Frye, Funderburk, Gambrell, Gilliard, Govan, Gunn, Haley, Hamilton, Hardwick, Harrell, Harrison, Hart, Harvin, Hayes, Hearn, Herbkersman, Hiott, Hodges, Horne, Hosey, Howard, Huggins, Hutto, Jefferson, Jennings, Kelly, Kennedy, King, Kirsh, Knight, Limehouse, Littlejohn, Loftis, Long, Lowe, Lucas, Mack, McEachern, McLeod, Merrill, Miller, Millwood, Mitchell, D. C. Moss, V. S. Moss, Nanney, J. H. Neal, J. M. Neal, Neilson, Norman, Ott, Owens, Parks, Pinson, E. H. Pitts, M. A. Pitts, Rice, Rutherford, Sandifer, Scott, Sellers, Simrill, Skelton, D. C. Smith, G. M. Smith, G. R. Smith, J. E. Smith, J. R. Smith, Sottile, Spires, Stavrinakis, Stewart, Stringer, Thompson, Toole, Umphlett, Vick, Viers, Weeks, Whipper, White, Whitmire, Williams, Willis, Wylie, A. D. Young and T. R. Young: A HOUSE RESOLUTION TO RECOGNIZE AND HONOR THE JOINT INITIATIVE OF NEW UNITED RESOURCE RECOVERY CORPORATION, COCA-COLA BOTTLING COMPANY UNITED, AND COCA-COLA RECYCLING WITH THE CITY OF SPARTANBURG, AND TO COMMEND THEM FOR SUCCESS WITH AND EXPANSION OF THEIR RECYCLING PROGRAM.

The Resolution was adopted.

**HOUSE RESOLUTION**

The following was introduced:

H. 4691 -- Rep. McLeod: A HOUSE RESOLUTION TO RECOGNIZE AND EXPRESS THE APPRECIATION OF THE MEMBERS OF THE HOUSE OF REPRESENTATIVES TO RAYMOND K. WICKER, ESQUIRE, OF THE NEWBERRY COUNTY BAR, ON THE OCCASION OF HIS RETIREMENT, AND TO COMMEND HIM FOR FIFTY YEARS OF DEDICATED AND DISTINGUISHED SERVICE AS A MEMBER OF THE SOUTH CAROLINA BAR, AND FOR HIS OUTSTANDING RECORD OF ACHIEVEMENT WHILE SERVING HIS NATION, STATE, COUNTY, CITY, AND CHURCH.

The Resolution was adopted.

**INTRODUCTION OF BILLS**

The following Joint Resolutions were introduced, read the first time, and referred to appropriate committees:

H. 4692 -- Agriculture, Natural Resources and Environmental Affairs Committee: A JOINT RESOLUTION TO APPROVE REGULATIONS OF THE DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL, RELATING TO AIR POLLUTION CONTROL REGULATIONS AND STANDARDS; DEFINITIONS AND GENERAL REQUIREMENTS, DESIGNATED AS REGULATION DOCUMENT NUMBER 4085, PURSUANT TO THE PROVISIONS OF ARTICLE 1, CHAPTER 23, TITLE 1 OF THE 1976 CODE.

Without Reference

H. 4693 -- Agriculture, Natural Resources and Environmental Affairs Committee: A JOINT RESOLUTION TO APPROVE REGULATIONS OF THE DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL, RELATING TO HAZARDOUS WASTE MANAGEMENT REGULATIONS, DESIGNATED AS REGULATION DOCUMENT NUMBER 4080, PURSUANT TO THE PROVISIONS OF ARTICLE 1, CHAPTER 23, TITLE 1 OF THE 1976 CODE.

Without Reference

**ROLL CALL**

The roll call of the House of Representatives was taken resulting as follows:

|  |  |  |
| --- | --- | --- |
| Agnew | Alexander | Allen |
| Allison | Anderson | Anthony |
| Bales | Ballentine | Bannister |
| Barfield | Battle | Bedingfield |
| Bingham | Bowen | Bowers |
| Brady | Branham | Brantley |
| G. A. Brown | H. B. Brown | R. L. Brown |
| Cato | Chalk | Clemmons |
| Clyburn | Cobb-Hunter | Cole |
| Cooper | Crawford | Daning |
| Delleney | Dillard | Duncan |
| Forrester | Frye | Funderburk |
| Gambrell | Gilliard | Haley |
| Hamilton | Hardwick | Harrell |
| Harrison | Harvin | Hayes |
| Hearn | Herbkersman | Hiott |
| Hodges | Horne | Hosey |
| Huggins | Hutto | Jefferson |
| Jennings | Kelly | Kennedy |
| Kirsh | Limehouse | Littlejohn |
| Loftis | Long | Lucas |
| Mack | McEachern | McLeod |
| Miller | Millwood | Mitchell |
| D. C. Moss | V. S. Moss | Nanney |
| J. M. Neal | Norman | Owens |
| Parker | Parks | Pinson |
| M. A. Pitts | Rice | Rutherford |
| Sandifer | Scott | Sellers |
| Simrill | Skelton | D. C. Smith |
| G. R. Smith | J. E. Smith | J. R. Smith |
| Sottile | Spires | Stavrinakis |
| Stringer | Thompson | Toole |
| Umphlett | Vick | Weeks |
| White | Whitmire | Williams |
| Willis | Wylie | A. D. Young |
| T. R. Young |  |  |

**STATEMENT OF ATTENDANCE**

I came in after the roll call and was present for the Session on Thursday, March 4.

|  |  |
| --- | --- |
| Tracy Edge | Shannon Erickson |
| Jerry Govan | Anton J. Gunn |
| Chris Hart | Leon Howard |
| John R. King | Patsy Knight |
| Phillip Lowe | Joseph Neal |
| Denny Neilson | Harry Ott |
| James E. Stewart | Jackson "Seth" Whipper |
| G. Murrell Smith |  |

**Total Present--121**

**LEAVE OF ABSENCE**

The SPEAKER granted Rep. VIERS a leave of absence for the day to attend a tourism promotion event for the Myrtle Beach Chamber of Commerce.

**DOCTOR OF THE DAY**

Announcement was made that Dr. Ted Watson of Anderson was the Doctor of the Day for the General Assembly.

**SPECIAL PRESENTATION**

Rep. VICK presented to the House the Chesterfield High School "Rams" Varsity Football Team, the 2009 Class A Champions, their coaches and other school officials.

**SPECIAL PRESENTATION**

Rep. MILLER presented to the House the Waccamaw High School "Lady Warriors" Varsity Girls Tennis Team, the 2009 Class AA Champions, their coaches and other school officials.

**SPECIAL PRESENTATION**

Rep. GAMBRELL presented to the House the Belton-Honea Path High School “Bears” Varsity Baseball Team, the 2009 Class AAA Champions, their coaches and other school officials.

**CO-SPONSORS ADDED AND REMOVED**

In accordance with House Rule 5.2 below:

"5.2 Every bill before presentation shall have its title endorsed; every report, its title at length; every petition, memorial, or other paper, its prayer or substance; and, in every instance, the name of the member presenting any paper shall be endorsed and the papers shall be presented by the member to the Speaker at the desk. A member may add his name to a bill or resolution or a co‑sponsor of a bill or resolution may remove his name at any time prior to the bill or resolution receiving passage on second reading. The member or co‑sponsor shall notify the Clerk of the House in writing of his desire to have his name added or removed from the bill or resolution. The Clerk of the House shall print the member’s or co‑sponsor’s written notification in the House Journal. The removal or addition of a name does not apply to a bill or resolution sponsored by a committee.”

**CO-SPONSOR ADDED**

|  |  |
| --- | --- |
| Bill Number: | H. 4282 |
| Date: | ADD: |
| 03/04/10 | BALES |

**CO-SPONSOR ADDED**

|  |  |
| --- | --- |
| Bill Number: | H. 3526 |
| Date: | ADD: |
| 03/04/10 | HARDWICK |

**CO-SPONSOR ADDED**

|  |  |
| --- | --- |
| Bill Number: | H. 4551 |
| Date: | ADD: |
| 03/04/10 | BALES |

**CO-SPONSOR ADDED**

|  |  |
| --- | --- |
| Bill Number: | H. 4638 |
| Date: | ADD: |
| 03/04/10 | GOVAN |

**CO-SPONSORS ADDED**

|  |  |
| --- | --- |
| Bill Number: | H. 4663 |
| Date: | ADD: |
| 03/04/10 | NORMAN, MILLWOOD, SIMRILL, DELLENEY, D. C. MOSS, OWENS, BANNISTER, RICE, ERICKSON and GUNN |

**CO-SPONSOR ADDED**

|  |  |
| --- | --- |
| Bill Number: | H. 4374 |
| Date: | ADD: |
| 03/04/10 | WYLIE |

**CO-SPONSOR ADDED**

|  |  |
| --- | --- |
| Bill Number: | H. 3992 |
| Date: | ADD: |
| 03/04/10 | SCOTT |

**CO-SPONSOR ADDED**

|  |  |
| --- | --- |
| Bill Number: | H. 4241 |
| Date: | ADD: |
| 03/04/10 | WEEKS |

**CO-SPONSOR ADDED**

|  |  |
| --- | --- |
| Bill Number: | H. 3945 |
| Date: | ADD: |
| 03/04/10 | WEEKS |

**CO-SPONSOR REMOVED**

|  |  |
| --- | --- |
| Bill Number: | H. 4478 |
| Date: | REMOVE: |
| 03/04/10 | GILLIARD |

**CO-SPONSOR REMOVED**

|  |  |
| --- | --- |
| Bill Number: | H. 4478 |
| Date: | REMOVE: |
| 03/04/10 | SELLERS |

**SPEAKER *PRO TEMPORE* IN CHAIR**

**ORDERED ENROLLED FOR RATIFICATION**

The following Bill and Joint Resolution were read the third time, passed and, having received three readings in both Houses, it was ordered that the title of each be changed to that of an Act, and that they be enrolled for ratification:

S. 442 -- Senators Ryberg and Massey: A BILL TO AMEND ACT 503 OF 1982, AS AMENDED, RELATING TO THE AIKEN COUNTY SCHOOL DISTRICT AND THE AIKEN COUNTY BOARD OF EDUCATION, SO AS TO REVISE THE BOARD'S AUTHORITY WITH REGARD TO ADMINISTRATIVE AREA OFFICES AND AREA ADVISORY COUNCILS.

S. 1142 -- Judiciary Committee: A JOINT RESOLUTION TO APPROVE REGULATIONS OF THE SECRETARY OF STATE, RELATING TO UNIFORM REAL PROPERTY RECORDING ACT, DESIGNATED AS REGULATION DOCUMENT NUMBER 4078, PURSUANT TO THE PROVISIONS OF ARTICLE 1, CHAPTER 23, TITLE 1 OF THE 1976 CODE.

**ORDERED TO THIRD READING**

The following Bills and Joint Resolution were taken up, read the second time, and ordered to a third reading:

H. 4684 -- Rep. Anthony: A BILL TO AMEND ACT 848 OF 1946, AS AMENDED, RELATING TO THE CREATION OF THE UNION HOSPITAL DISTRICT, SO AS TO ADD THREE ADVISORY MEMBERS TO THE DISTRICT'S BOARD OF TRUSTEES, AND TO DELETE PROVISIONS MAKING THE UNION COUNTY TREASURER THE BOARD'S TREASURER, PROHIBITING A TRUSTEE FROM RECEIVING COMPENSATION, ALLOWING REIMBURSEMENT TO A TRUSTEE FOR ACTUAL CASH EXPENDITURES MADE BY HIM AS A TRUSTEE, AND CONCERNING A SEAL AND CERTAIN OFFICE PROCEDURES OF THE DISTRICT.

S. 1099 -- Senator McConnell: A JOINT RESOLUTION TO ADOPT REVISED CODE VOLUME 22 OF THE CODE OF LAWS OF SOUTH CAROLINA, 1976, TO THE EXTENT OF ITS CONTENTS, AS THE ONLY GENERAL PERMANENT STATUTORY LAW OF THE STATE AS OF JANUARY 1, 2010.

S. 964 -- Senators Pinckney and Davis: A BILL TO AMEND SECTION 59-53-2410, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO TECHNICAL COLLEGE ENTERPRISE CAMPUS AUTHORITIES, SO AS TO CREATE THE TECHNICAL COLLEGE OF THE LOWCOUNTRY ENTERPRISE CAMPUS AUTHORITY.

Rep. ERICKSON explained the Bill.

**H. 4684--ORDERED TO BE READ THIRD TIME TOMORROW**

On motion of Rep. ANTHONY, with unanimous consent, it was ordered that H. 4684 be read the third time tomorrow.

**S. 1099--ORDERED TO BE READ THIRD TIME TOMORROW**

On motion of Rep. HARRISON, with unanimous consent, it was ordered that S. 1099 be read the third time tomorrow.

**S. 964--ORDERED TO BE READ THIRD TIME TOMORROW**

On motion of Rep. ERICKSON, with unanimous consent, it was ordered that S. 964 be read the third time tomorrow.

**H. 4200--REJECTED**

The following Bill was taken up:

H. 4200 -- Reps. Cato, Cooper, Wylie and Lucas: A BILL TO AMEND SECTION 12-21-6520, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO DEFINITIONS FOR PURPOSES OF THE TOURISM INFRASTRUCTURE ADMISSIONS TAX ACT, SO AS TO PROVIDE A REVISED DEFINITION FOR AN "EXTRAORDINARY RETAIL ESTABLISHMENT" BY INCLUDING WITHIN THAT DEFINITION "AN EXTRAORDINARY TOURISM ESTABLISHMENT" AND REVISE THE REQUIREMENTS TO QUALIFY AS "AN EXTRAORDINARY RETAIL OR TOURISM ESTABLISHMENT"; AND TO AMEND SECTION 12-21-6590, AS AMENDED, RELATING TO THE DESIGNATION OF AN EXTRAORDINARY RETAIL OR TOURISM ESTABLISHMENT BY THE DEPARTMENT OF PARKS, RECREATION AND TOURISM, SO AS TO DELETE THE LIMIT ON SUCH DESIGNATIONS, TO ADD ADDITIONAL INFRASTRUCTURE IMPROVEMENT COSTS WHICH MAY BE INCLUDED WITH RESPECT TO THE CONSTRUCTION OF SUCH FACILITIES, AND TO REVISE THE REQUIREMENTS RELATING TO THE CONDITIONAL CERTIFICATION OF THE QUALIFICATION ON THESE FACILITIES.

Rep. RICE demanded the yeas and nays which were taken, resulting as follows:

Yeas 37; Nays 46

Those who voted in the affirmative are:

|  |  |  |
| --- | --- | --- |
| Alexander | Anderson | Anthony |
| Bales | Bannister | Barfield |
| Battle | Bingham | Bowen |
| Brady | Cato | Clemmons |
| Cooper | Dillard | Forrester |
| Hamilton | Harrell | Harrison |
| Hayes | Hutto | Jennings |
| Limehouse | McLeod | Mitchell |
| D. C. Moss | Owens | M. A. Pitts |
| Rutherford | Sandifer | Skelton |
| D. C. Smith | Sottile | Spires |
| Vick | White | Willis |
| Wylie |  |  |

**Total--37**

Those who voted in the negative are:

|  |  |  |
| --- | --- | --- |
| Allen | Ballentine | Bedingfield |
| G. A. Brown | Cole | Crawford |
| Delleney | Duncan | Erickson |
| Frye | Funderburk | Gilliard |
| Gunn | Haley | Harvin |
| Hearn | Hiott | Hosey |
| Huggins | Kennedy | Kirsh |
| Knight | Littlejohn | Long |
| Lowe | Lucas | McEachern |
| Millwood | V. S. Moss | Norman |
| Parker | Parks | Pinson |
| Rice | Scott | Simrill |
| G. M. Smith | G. R. Smith | J. R. Smith |
| Stavrinakis | Stringer | Thompson |
| Toole | Weeks | Whitmire |
| T. R. Young |  |  |

**Total--46**

So, the Bill was rejected.

RECORD FOR VOTING

I voted “Nay” on H. 4200 on March 3, 2010.

Rep. Joey Millwood

RECORD FOR VOTING

I was temporarily out of the Chamber, meeting with Speaker Harrell, during the debate on H. 4200. I returned just as the vote was ending and was unsure of the contents of the Bill. As a result, I mistakenly voted against the Bill, in error. My intent was to vote in favor of H. 4200, although my vote would not have changed the outcome.

Rep. Leon Stavrinakis

**SENT TO THE SENATE**

The following Bills were taken up, read the third time, and ordered sent to the Senate:

H. 4225 -- Reps. Rutherford, McLeod and Weeks: A BILL TO AMEND SECTION 16-3-1400, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO DEFINITIONS FOR PURPOSES OF THE ARTICLE ON THE VICTIM ASSISTANCE PROGRAM, SO AS TO PROVIDE THAT THE TERM "VICTIM SERVICE PROVIDER" DOES NOT INCLUDE MAGISTRATE OR MUNICIPAL JUDGES AND THEIR STAFF.

H. 4261 -- Reps. Harrison and Weeks: A BILL TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 23-3-75 SO AS TO PROVIDE THAT THE DIRECTOR OF THE SOUTH CAROLINA LAW ENFORCEMENT DIVISION, OR HIS DESIGNEE, MAY ISSUE AN ADMINISTRATIVE SUBPOENA FOR THE PRODUCTION OF RECORDS DURING THE INVESTIGATION OF CERTAIN CRIMINAL CASES THAT INVOLVE FINANCIAL CRIMES.

H. 4248 -- Reps. Horne, Allison, Daning, Long, Littlejohn, Wylie, Gunn, Ballentine, Clemmons and Loftis: A BILL TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 59-19-115 SO AS TO REQUIRE A SUBSTITUTE TEACHER HIRED BY A LOCAL SCHOOL DISTRICT TO UNDERGO A CRIMINAL RECORD SEARCH, TO REQUIRE EACH SCHOOL DISTRICT TO DEVELOP A WRITTEN POLICY ON THE CRIMINAL RECORD SEARCH, TO PROVIDE WHAT THE POLICY MUST INCLUDE, AND TO REQUIRE THE SOUTH CAROLINA LAW ENFORCEMENT DIVISION TO PROVIDE TRAINING TO APPROPRIATE SCHOOL DISTRICT PERSONNEL; AND TO AMEND SECTION 23-3-115, RELATING TO FEES FOR CRIMINAL RECORD SEARCHES, SO AS TO FIX THE FEE AT EIGHT DOLLARS FOR CERTAIN SCHOOL DISTRICT EMPLOYEES.

**H. 4256--SENT TO THE SENATE**

The following Bill was taken up:

H. 4256 -- Reps. Harrison and Weeks: A BILL TO AMEND SECTION 17-30-125, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO INCIDENCES WHEN THE SUPERVISING AGENT OF A LAW ENFORCEMENT AGENCY MAY ORDER CERTAIN PERSONS TO CUT, REROUTE, OR DIVERT TELEPHONE LINES FOR CERTAIN PURPOSES, SO AS TO PROVIDE THAT THE SUPERVISING AGENT OF A LAW ENFORCEMENT AGENCY MAY ISSUE ADMINISTRATIVE SUBPOENA TO A TELEPHONE COMPANY, INTERNET SERVICE PROVIDER, OR ANOTHER COMMUNICATIONS ENTITY WHEN IT RECEIVES INFORMATION THAT INDICATES THAT A PERSON'S LIFE IS THREATENED, A PRISONER MAY ESCAPE, A PERSON IS BEING HELD AS A HOSTAGE, A PERSON MAY RESIST ARREST WHILE USING A WEAPON, OR AN ARMED PERSON MAY COMMIT SUICIDE, AND TO PROVIDE THAT THE GOOD FAITH RELIANCE BY A TELEPHONE COMPANY, INTERNET SERVICE PROVIDER, OR ANOTHER COMMUNICATIONS ENTITY TO PROVIDE INFORMATION SPECIFIED IN AN ADMINISTRATIVE SUBPOENA IS A COMPLETE DEFENSE TO A CIVIL, CRIMINAL, OR ADMINISTRATIVE ACTION ARISING OUT OF THE ORDER OR ADMINISTRATIVE SUBPOENA.

The Bill was read the third time and ordered sent to the Senate, by a division vote of 56-5.

**SPEAKER IN CHAIR**

**H. 3561--DEBATE ADJOURNED**

Rep. COOPER moved to adjourn debate upon the following Joint Resolution until Tuesday, March 9, which was adopted:

H. 3561 -- Ways and Means Committee: A JOINT RESOLUTION TO APPROPRIATE REVENUES FOR THE OPERATIONS OF STATE GOVERNMENT FOR FISCAL YEAR 2009-2010 TO SUPPLEMENT APPROPRIATIONS MADE FOR THOSE PURPOSES BY THE GENERAL APPROPRIATIONS ACT FOR FISCAL YEAR 2009-2010.

**H. 3854--DEBATE ADJOURNED**

Rep. COOPER moved to adjourn debate upon the following Bill until Tuesday, March 9, which was adopted:

H. 3854 -- Rep. Cooper: A BILL TO AMEND TITLE 12, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO TAXATION, SO AS TO REVISE CERTAIN CHAPTERS AND SECTIONS PERTAINING TO VARIOUS TAX MATTERS.

**H. 3536--DEBATE ADJOURNED**

Rep. HAYES moved to adjourn debate upon the following Bill until Tuesday, March 9, which was adopted:

H. 3536 -- Rep. J. E. Smith: A BILL TO AMEND SECTION 17-5-130, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE QUALIFICATIONS OF CORONERS, SO AS TO INCREASE THOSE QUALIFICATIONS BY REQUIRING THOSE PERSONS WITH HIGH SCHOOL DIPLOMAS TO ALSO HAVE AT LEAST SIX YEARS' EXPERIENCE IN THE FIELD, BY REQUIRING THOSE PERSONS WITH A TWO YEAR ASSOCIATE DEGREE TO ALSO HAVE FOUR YEARS OF EXPERIENCE IN THE FIELD, AND BY REQUIRING THOSE PERSONS WITH A FOUR YEAR BACCALAUREATE DEGREE TO ALSO HAVE AT LEAST TWO YEARS OF EXPERIENCE IN THE FIELD; AND TO REQUIRE THAT A CANDIDATE FOR CORONER FILE A SWORN AFFIDAVIT WITH THE COUNTY EXECUTIVE COMMITTEE OF THE PERSON'S POLITICAL PARTY UNDER SPECIFIED TIME FRAMES, TO PROVIDE FOR THE FILING OF THE AFFIDAVIT BY PETITION CANDIDATES, AND TO DELINEATE THE INFORMATION THAT THE AFFIDAVIT MUST CONTAIN.

**H. 4479--DEBATE ADJOURNED ON MOTION TO RECONSIDER**

Rep. CLEMMONS moved to adjourn debate on the motion to reconsider until Tuesday, March 9, which was agreed to.

**H. 3418--DEBATE ADJOURNED**

The Senate Amendments to the following Bill were taken up for consideration:

H. 3418 -- Reps. Harrell, Simrill, Crawford, Huggins, Bedingfield, Merrill, G. R. Smith, Erickson, Ballentine, Brady, Chalk, Daning, Delleney, Frye, Gambrell, Hamilton, Harrison, Hearn, Herbkersman, Loftis, Long, Lucas, Nanney, Pinson, Rice, G. M. Smith, Spires, Stringer, Thompson, Viers, Willis, Wylie, T. R. Young, Clemmons, Owens, Parker, Toole, M. A. Pitts, Lowe, Bingham, Umphlett, Sandifer and Edge: A BILL RELATING TO REFORM OF THE SOUTH CAROLINA ELECTION LAWS BY ENACTING THE "SOUTH CAROLINA ELECTION REFORM ACT"; TO AMEND SECTION 7-13-710 OF THE 1976 CODE TO REQUIRE PHOTOGRAPH IDENTIFICATION TO VOTE, PERMITTING FOR PROVISIONAL BALLOTS IF THE IDENTIFICATION CANNOT BE PRODUCED AND PROVIDE AN EXCEPTION FOR A RELIGIOUS OBJECTION TO BEING PHOTOGRAPHED; TO AMEND SECTION 56-1-3350 TO REQUIRE THE DEPARTMENT OF MOTOR VEHICLES TO PROVIDE FREE IDENTIFICATION CARDS UPON REQUEST; TO AMEND SECTION 7-13-25 TO PROVIDE FOR AN EARLY VOTING PERIOD BEGINNING SIXTEEN DAYS BEFORE A STATEWIDE PRIMARY OR GENERAL ELECTION AND TO PROVIDE FOR THE HOURS AND EARLY VOTING LOCATION; TO AMEND SECTION 7-3-20(C) TO REQUIRE THE EXECUTIVE DIRECTOR OF THE STATE ELECTIONS COMMISSION TO MAINTAIN IN THE MASTER FILE A SEPARATE DESIGNATION FOR ABSENTEE AND EARLY VOTERS IN A GENERAL ELECTION; TO AMEND SECTION 7-15-30 TO ADD STATUTORY CITES REGARDING THE REQUEST OF AN ABSENTEE BALLOT; TO AMEND SECTION 7-15-470 TO PROVIDE FOR EARLY VOTING ON MACHINES DURING THE EARLY VOTING PERIOD ONLY AND DELETE THE REFERENCE TO ABSENTEE VOTING; TO AMEND SECTION 7-1-25 TO LIST FACTORS TO CONSIDER FOR DOMICILE; AND TO AMEND SECTION 7-5-230 TO REFERENCE REVISIONS TO SECTION 7-1-25.

Rep. CLEMMONS moved to adjourn debate upon the Senate Amendments until Tuesday, March 9, which was agreed to.

**S. 424--DEBATE ADJOURNED**

The Senate Amendments to the following Concurrent Resolution were taken up for consideration:

S. 424 -- Senators Bright, S. Martin, Alexander, Campbell, Fair, Knotts, Cromer, Mulvaney, Verdin, L. Martin, Shoopman, Rose, McConnell, Thomas, Cleary, Courson, Coleman, Davis, Reese, Campsen, Grooms, Ryberg, Peeler, O'Dell, Bryant and Massey: A CONCURRENT RESOLUTION TO AFFIRM THE RIGHTS OF SOUTH CAROLINA BASED ON THE PROVISIONS OF THE NINTH AND TENTH AMENDMENTS TO THE UNITED STATES CONSTITUTION.

Rep. CLEMMONS moved to adjourn debate upon the Senate Amendments until Tuesday, March 9, which was agreed to.

**H. 3280--DEBATE ADJOURNED**

Rep. T. R. YOUNG moved to adjourn debate upon the following Joint Resolution until Tuesday, March 9, which was adopted:

H. 3280 -- Reps. T. R. Young, Allison, Parker, D. C. Smith, G. R. Smith, J. R. Smith, Stewart, Millwood, Horne, Funderburk, Wylie, Bedingfield, Harrell, A. D. Young, Viers, Gunn, Erickson, Clemmons and Loftis: A JOINT RESOLUTION PROPOSING AN AMENDMENT TO SECTION 7, ARTICLE VI OF THE CONSTITUTION OF SOUTH CAROLINA, 1895, RELATING TO THE CONSTITUTIONAL OFFICERS OF THIS STATE, SO AS TO DELETE THE SUPERINTENDENT OF EDUCATION FROM THE LIST OF STATE OFFICERS WHICH THE CONSTITUTION REQUIRES TO BE ELECTED AND PROVIDE THAT THE SUPERINTENDENT OF EDUCATION MUST BE APPOINTED BY THE GOVERNOR UPON THE ADVICE AND CONSENT OF THE GENERAL ASSEMBLY FOR A TERM COTERMINOUS WITH THE GOVERNOR UPON THE EXPIRATION OF THE TERM OF THE SUPERINTENDENT OF EDUCATION SERVING IN OFFICE ON THE DATE OF THE RATIFICATION OF THIS PROVISION, AND TO PROVIDE THAT THE GENERAL ASSEMBLY SHALL PROVIDE BY LAW FOR THE DUTIES, COMPENSATION, AND QUALIFICATIONS FOR OFFICE, THE PROCEDURES BY WHICH THE APPOINTMENT IS MADE, AND THE PROCEDURES BY WHICH THE SUPERINTENDENT OF EDUCATION MAY BE REMOVED FROM OFFICE.

**H. 3736--DEBATE ADJOURNED**

The following Bill was taken up:

H. 3736 -- Reps. Rice, Cato, Hiott, Owens, Wylie, Clemmons, Viers, Bedingfield, Loftis and Lucas: A BILL TO AMEND SECTION 41-7-40, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE AUTHORIZED DEDUCTIONS OF LABOR ORGANIZATION MEMBERSHIP DUES FROM WAGES, SO AS TO REVISE THE MANNER IN WHICH AND CONDITIONS UNDER WHICH THESE DEDUCTIONS MAY BE MADE AND FOR CERTAIN PROHIBITED DEDUCTIONS.

Rep. SELLERS moved to adjourn debate on the Bill until Tuesday, March 9.

Rep. RICE moved to table the motion, which was agreed to.

**SPEAKER *PRO TEMPORE* IN CHAIR**

**LEAVE OF ABSENCE**

The SPEAKER granted Rep. J. E. SMITH a leave of absence for the remainder of the day.

**LEAVE OF ABSENCE**

The SPEAKER granted Rep. PARKS a leave of absence for the remainder of the day due to a doctor's appointment.

Rep. COBB-HUNTER spoke against the Bill.

Rep. CRAWFORD spoke in favor of the Bill.

Rep. HIOTT moved to adjourn debate on the Bill until Tuesday, March 9, which was agreed to.

**H. 3489--DEBATE ADJOURNED**

Rep. HARRISON moved to adjourn debate upon the following Bill until Tuesday, March 9, which was adopted:

H. 3489 -- Reps. Harrell, Cato, Sandifer, Cooper, Duncan, Owens, White, Bingham, A. D. Young, Huggins, E. H. Pitts, Edge, Toole, Kirsh, J. R. Smith, G. R. Smith, Brady, Crawford, Barfield, Bedingfield, Erickson, Loftis, Pinson, Rice, Hiott, Littlejohn, Allison, Chalk, Daning, Bowen, Gambrell, Hamilton, Wylie, Sottile, Nanney, Parker, Forrester, Haley, Millwood, Battle, Frye, Simrill, Spires, Thompson, Whitmire, Horne, Clemmons, Skelton and Scott: A BILL TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ENACTING THE "SOUTH CAROLINA FAIRNESS IN CIVIL JUSTICE ACT OF 2009" BY AMENDING ARTICLE 1, CHAPTER 32, TITLE 15, PREVIOUSLY RESERVED, SO AS TO PROVIDE DEFINITIONS FOR PURPOSES OF THE CHAPTER; TO AMEND SECTION 15-32-220, AS AMENDED, RELATING TO LIMITS ON NONECONOMIC DAMAGES, AND ARTICLE 5, CHAPTER 32, TITLE 15, RELATING TO PUNITIVE DAMAGES, BOTH SO AS TO PROVIDE LIMITS ON THE AWARD OF NONECONOMIC AND PUNITIVE DAMAGES IN ALL PERSONAL INJURY ACTIONS AND TO PROVIDE FOR CERTAIN PROCEDURES AND REQUIREMENTS RELATING TO THE AWARD OF THESE DAMAGES; BY ADDING SECTION 1-7-750 SO AS TO ENACT THE "PRIVATE ATTORNEY RETENTION SUNSHINE ACT" TO GOVERN THE RETENTION OF PRIVATE ATTORNEYS BY THE ATTORNEY GENERAL OR A SOLICITOR AND TO PROVIDE TERMS AND CONDITIONS GOVERNING THE RETAINER AGREEMENT INCLUDING LIMITS ON THE COMPENSATION OF OUTSIDE COUNSEL IN CONTINGENCY FEE CASES; TO AMEND SECTION 15-3-670, RELATING TO LIMITATIONS ON ACTIONS BASED ON UNSAFE OR DEFECTIVE IMPROVEMENTS TO REAL PROPERTY, SO AS TO PROVIDE THAT THE VIOLATION OF A BUILDING CODE DOES NOT CONSTITUTE PER SE FRAUD, GROSS NEGLIGENCE, OR RECKLESSNESS; BY ADDING SECTION 15-3-160 SO AS TO PROVIDE A REBUTTABLE PRESUMPTION THAT A MANUFACTURER OR SELLER IS NOT LIABLE FOR A PRODUCT IF IT IS MANUFACTURED OR SOLD IN A MANNER APPROVED BY A GOVERNMENT AGENCY; BY ADDING SECTION 15-5-10 SO AS TO PROVIDE REQUIREMENTS AND PROCEDURES TO BRING, MAINTAIN, AND CERTIFY CLASS ACTIONS; TO AMEND SECTION 15-73-10, RELATING TO LIABILITY OF THE SELLER FOR A DEFECTIVE PRODUCT, SO AS TO PROVIDE THAT THE SELLER IS NOT LIABLE FOR DAMAGE CAUSED ONLY TO THE PRODUCT ITSELF; TO AMEND SECTION 18-9-130, AS AMENDED, RELATING TO THE EFFECT OF A NOTICE OF APPEAL ON THE EXECUTION OF JUDGMENT, SO AS TO PROVIDE LIMITS FOR APPEAL BONDS; TO AMEND SECTIONS 33-6-220 AND 33-44-303, RELATING TO CORPORATIONS AND LIMITED LIABILITY COMPANIES, SO AS TO PROVIDE THAT A JUDGMENT AGAINST A CORPORATION OR LIMITED LIABILITY COMPANY IS A PREREQUISITE TO AN ALTER EGO CLAIM TO PIERCE THE CORPORATE VEIL; TO AMEND SECTION 39-5-20, RELATING TO UNFAIR METHODS OF COMPETITION AND UNFAIR OR DECEPTIVE ACTS OR PRACTICES, SO AS TO PROVIDE ACTIONS OR TRANSACTIONS OTHERWISE PERMITTED OR REGULATED BY THE FEDERAL TRADE COMMISSION OR ANOTHER REGULATORY BODY OR OFFICE ACTING UNDER STATUTORY AUTHORITY OF THIS STATE OR THE UNITED STATES ARE NOT COVERED BY THE ACT; TO AMEND SECTION 39-5-140, RELATING TO AN ACTION FOR DAMAGES ARISING OUT OF AN UNFAIR OR DECEPTIVE TRADE PRACTICE, SO AS TO PROVIDE THAT A PERSON SEEKING DAMAGES SHALL PAY "OUT-OF-POCKET EXPENSES" AND TO DEFINE THIS TERM; TO AMEND SECTION 56-5-6540, AS AMENDED, RELATING TO THE PENALTIES FOR THE MANDATORY USE OF SEATBELTS, SO AS TO PROVIDE THAT A VIOLATION MAY BE CONSIDERED IN A CIVIL ACTION AS EVIDENCE OF COMPARATIVE NEGLIGENCE OR AS EVIDENCE OF FAILURE TO MITIGATE DAMAGES; AND TO REPEAL SECTIONS 15-32-200, 15-32-210, AND 15-32-240 ALL RELATING TO NONECONOMIC DAMAGES AND PROCEDURES REGARDING THE LIMITATION AND COLLECTION OF NONECONOMIC DAMAGES.

**SENT TO THE SENATE**

The following Bill was taken up, read the third time, and ordered sent to the Senate:

H. 4434 -- Reps. Nanney, Clemmons, Horne and Sellers: A BILL TO AMEND SECTION 7-13-35, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE NOTICE OF ELECTION GIVEN BY THE AUTHORITY CHARGED BY LAW WITH CONDUCTING AN ELECTION, SO AS TO DELETE THE REQUIREMENT THAT THE NOTICE BE PUBLISHED IN A NEWSPAPER AND THAT INSTEAD IT BE POSTED ON THE WEBSITE OF THE STATE ELECTION COMMISSION, AND TO PROVIDE THAT THIS NOTICE BE POSTED FORTY-FIVE DAYS INSTEAD OF SIXTY DAYS BEFORE AN ELECTION.

**SPEAKER IN CHAIR**

**S. 1095--ADOPTED AND SENT TO SENATE**

The following Concurrent Resolution was taken up:

S. 1095 -- Senators Cleary, Cromer, Campsen, Land and Davis: A CONCURRENT RESOLUTION TO OPPOSE ANY FISHING AREA CLOSURES OFF THE COAST OF SOUTH CAROLINA ASSOCIATED WITH THE SOUTH ATLANTIC FISHERY MANAGEMENT COUNCIL'S PROPOSED AMENDMENT 17A TO THE FISHERY MANAGEMENT PLAN FOR THE SNAPPER GROUPER FISHERY OF THE SOUTH ATLANTIC REGION.

The Concurrent Resolution was adopted and sent to the Senate.

**MOTION PERIOD**

The motion period was dispensed with on motion of Rep. ALLISON.

**H. 4033--DEBATE ADJOURNED**

Rep. CLEMMONS moved to adjourn debate upon the following Bill until Tuesday, March 9, which was adopted:

H. 4033 -- Reps. Clemmons, Harrell, Gunn, Anderson, Gullick, Limehouse, Hardwick, Merrill, Ott, Rutherford, Bales, V. S. Moss, Duncan, Owens, Bowen, Stavrinakis, Hutto, Allison, Barfield, Battle, Bingham, Branham, H. B. Brown, Cato, Cooper, Crawford, Delleney, Dillard, Gambrell, Harrison, Harvin, Hayes, Hearn, Herbkersman, Horne, Hosey, Howard, Jefferson, Jennings, Kennedy, King, Kirsh, Lowe, Lucas, Mack, McLeod, Miller, D. C. Moss, Neilson, M. A. Pitts, Rice, Sandifer, G. M. Smith, G. R. Smith, J. E. Smith, Sottile, Thompson, Weeks, White, Williams, Willis, A. D. Young, Sellers, Erickson, Knight, Whipper, R. L. Brown, Gilliard, Hart and Mitchell: A BILL TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, TO ENACT THE "TRANSPORTATION INFRASTRUCTURE FUNDING FLEXIBILITY ACT" BY ADDING ARTICLE 3 TO CHAPTER 3, TITLE 57 SO AS TO PROVIDE THAT THE DEPARTMENT OF TRANSPORTATION MAY SOLICIT AND ENTER INTO CERTAIN PUBLIC-PRIVATE INITIATIVES TO CONSTRUCT TRANSPORTATION FACILITIES AND TO PROVIDE THE PROCEDURE WHEREBY PUBLIC-PRIVATE INITIATIVES ARE SOLICITED, APPROVED, AND IMPLEMENTED; BY ADDING ARTICLE 9 TO CHAPTER 3, TITLE 57 SO AS TO PROVIDE THE CIRCUMSTANCES WHEREBY TOLLS MAY BE IMPOSED AND COLLECTED ALONG THE STATE'S HIGHWAYS, TO PROVIDE FOR THE PROJECTS THAT MAY BE FINANCED BY TOLL REVENUES, TO PROVIDE PENALTIES FOR A PERSON WHO FAILS TO PAY A TOLL, AND TO PROVIDE THAT THE DEPARTMENT MAY IMPLEMENT AN ELECTRONIC TOLL SYSTEM; BY ADDING SECTION 11-35-3075 SO AS TO PROVIDE THAT THE PROVISIONS THAT ALLOW THE DEPARTMENT OF TRANSPORTATION TO ENTER INTO PUBLIC-PRIVATE INITIATIVES TO CONSTRUCT TRANSPORTATION FACILITIES ARE SUBJECT TO CERTAIN PORTIONS OF THE CONSOLIDATED PROCUREMENT CODE AND TO CERTAIN EXPANDED DISCUSSIONS AND PROPOSAL REVISIONS; TO AMEND SECTION 11-35-710, AS AMENDED, RELATING TO THE PURCHASE OF CERTAIN ITEMS THAT ARE EXEMPT FROM THE PROVISIONS CONTAINED IN THE CONSOLIDATED PROCUREMENT CODE, SO AS TO PROVIDE THAT THE PURCHASE OF ITEMS ASSOCIATED WITH DEPARTMENT OF TRANSPORTATION PUBLIC-PRIVATE INITIATIVES TO CONSTRUCT TRANSPORTATION FACILITIES ARE NOT EXEMPT FROM THE CONSOLIDATED PROCUREMENT CODE; TO AMEND SECTION 11-35-40, AS AMENDED, RELATING TO THE APPLICATION OF THE CONSOLIDATED PROCUREMENT CODE, SO AS TO PROVIDE AN ENTITY THAT UTILIZES A FEDERAL GRANT TO PROCURE AN ITEM MUST COMPLY WITH ALL APPLICABLE LAWS THAT ARE NOT CONTAINED IN THE CONSOLIDATED PROCUREMENT CODE; TO AMEND SECTION 57-5-1625, AS AMENDED, RELATING TO THE DEPARTMENT OF TRANSPORTATION'S AWARDING OF CONTRACTS THAT USE THE DESIGN-BUILD PROCEDURE, SO AS TO REVISE THE DEFINITION OF THE TERM "DESIGN-BUILD CONTRACT"; TO AMEND SECTION 57-5-1310, RELATING TO THE GENERAL ASSEMBLY'S INTENT WHEN IT PROVIDED THE DEPARTMENT OF TRANSPORTATION THE AUTHORITY TO CONSTRUCT TURNPIKE PROJECTS, SO AS TO PROVIDE THAT THE DEPARTMENT ALSO HAS THE AUTHORITY TO IMPROVE THESE FACILITIES PURSUANT TO THIS PROVISION; TO AMEND SECTION 57-5-1320, RELATING TO THE DEFINITION OF TERMS REGARDING TURNPIKE PROJECTS, SO AS TO REVISE THE DEFINITION OF THE TERM "TURNPIKE FACILITY"; TO AMEND SECTION 57-5-1330, RELATING TO THE DEPARTMENT OF TRANSPORTATION'S AUTHORITY TO DESIGNATE, ESTABLISH, PLAN, IMPROVE, CONSTRUCT, OPERATE, AND REGULATE TURNPIKE FACILITIES, SO AS TO PROVIDE THAT THE DEPARTMENT MAY DESIGNATE AS A TURNPIKE FACILITY ANY TRANSPORTATION FACILITY THAT IS FUNDED IN PART BY A LOCAL OPTION SALES AND USE TAX; TO AMEND SECTION 40-11-360, RELATING TO THE ENTITIES THAT ARE EXEMPT FROM THE PROVISIONS THAT REGULATE LICENSED CONTRACTORS, SO AS TO MAKE A TECHNICAL CHANGE; TO AMEND SECTION 57-5-1660, RELATING TO THE DEPARTMENT OF TRANSPORTATION'S REQUIREMENT THAT CERTAIN CONTRACTORS MUST FURNISH A BOND FOR CERTAIN CONSTRUCTION CONTRACTS, SO AS TO PROVIDE THAT THIS PROVISION DOES NOT APPLY TO CERTAIN PUBLIC-PRIVATE INITIATIVES TO CONSTRUCT TRANSPORTATION FACILITIES AND PROVIDE THAT WHEN THE DEPARTMENT UTILIZES THE DESIGN-BUILD DELIVERY METHOD FOR A HIGHWAY CONSTRUCTION PROJECT, THE AMOUNT OF THE PERFORMANCE AND INDEMNITY BOND AND PAYMENT BONDS REQUIRED BY THIS PROVISION RELATE ONLY TO THE PORTION OF THE CONTRACT CONCERNING CONSTRUCTION; AND TO REPEAL SECTIONS 12-28-2920, 57-3-200, 57-3-615, 57-3-618, 57-5-1490, AND 57-5-1495 RELATING TO THE CONSTRUCTION OF TOLL ROADS BY THE DEPARTMENT OF TRANSPORTATION, THE DEPARTMENT'S AUTHORITY TO ENTER INTO AGREEMENTS WITH VARIOUS ENTITIES TO CONSTRUCT, OPERATE, AND MAINTAIN HIGHWAY FACILITIES, THE PROJECTS THAT MAY BE CONSTRUCTED WITH TOLL REVENUES, THE IMPOSITION AND COLLECTION OF A TOLL ALONG INTERSTATE 73, THE PENALTY FOR FAILURE TO PAY A TOLL, AND THE COLLECTION OF TOLLS.

**H. 4478--AMENDED AND ORDERED TO THIRD READING**

The following Bill was taken up:

H. 4478 -- Reps. Harrell, Cato, Cooper, Duncan, Harrison, Owens, Sandifer, White, Bingham, Barfield, D. C. Moss, Horne, Skelton, V. S. Moss, Bannister, Whitmire, Toole, J. R. Smith, Merrill, Hamilton, Thompson, Bedingfield, Stewart, Alexander, Allen, Allison, Anderson, Anthony, Bales, Ballentine, Battle, Bowen, Bowers, Brady, Branham, Brantley, G. A. Brown, Chalk, Clemmons, Clyburn, Cole, Crawford, Daning, Delleney, Dillard, Erickson, Forrester, Gambrell, Govan, Hardwick, Harvin, Hayes, Hearn, Herbkersman, Hiott, Hodges, Hutto, Hosey, Jefferson, Huggins, Kelly, Kennedy, Knight, Limehouse, Littlejohn, Loftis, Long, Lowe, Mack, McEachern, Miller, Millwood, Nanney, J. M. Neal, Norman, Ott, Parker, Parks, Pinson, M. A. Pitts, Rice, Scott, Simrill, D. C. Smith, G. M. Smith, G. R. Smith, J. E. Smith, Sottile, Spires, Stavrinakis, Stringer, Umphlett, Vick, Viers, Weeks, Willis, Wylie, A. D. Young, T. R. Young, Mitchell, Lucas and Jennings: A BILL TO ENACT THE "SOUTH CAROLINA ECONOMIC DEVELOPMENT COMPETITIVENESS ACT OF 2010" INCLUDING PROVISIONS TO AMEND SECTION 2-75-30, AS AMENDED, RELATING TO RESEARCH CENTERS OF EXCELLENCE MATCHING ENDOWMENTS, SO AS TO FURTHER PROVIDE FOR THE PROCESS AND PROCEDURES FOR AWARDING ENDOWMENTS AND FOR THE APPLICABILITY OF MATCHING REQUIREMENTS; TO AMEND SECTION 2-75-50, AS AMENDED, RELATING TO APPLICATION REQUIREMENTS FOR AN AWARD FROM THE CENTERS OF EXCELLENCE MATCHING ENDOWMENT, SO AS TO CLARIFY WHAT THE CONTENTS OF AN APPLICATION TO THE REVIEW BOARD MUST CONTAIN; TO AMEND SECTION 4-12-30, AS AMENDED, RELATING TO FEES IN LIEU OF TAXES, SO AS TO INCREASE THE NUMBER OF YEARS A FEE IS AVAILABLE AND TO DELETE A PROVISION THAT REQUIRES THE FAIR MARKET VALUE OF THE PROPERTY ESTABLISHED FOR THE FIRST YEAR OF THE FEE TO REMAIN THE FAIR MARKET VALUE OF THE REAL PROPERTY FOR THE LIFE OF THE FEE; TO AMEND SECTION 4-29-67, AS AMENDED, RELATING TO INDUSTRIAL DEVELOPMENT PROJECTS REQUIRING A FEE IN LIEU OF PROPERTY TAXES AGREEMENT, SO AS TO ADD CERTAIN DEFINITIONS, TO FURTHER PROVIDE FOR THE MINIMUM LEVEL OF INVESTMENT FOR A QUALIFIED NUCLEAR PLANT FACILITY, TO PROVIDE FOR THE TIMELINE WHEN THE SPONSOR MUST ENTER INTO AN INITIAL LEASE AGREEMENT WITH THE COUNTY IN REGARD TO A QUALIFIED NUCLEAR PLANT FACILITY, AND THE TIMELINES WHEN THE SPONSOR MUST MEET MINIMUM INVESTMENT REQUIREMENTS IN THE CASE OF A QUALIFIED NUCLEAR PLANT FACILITY AND PLACE THE PROJECT INTO SERVICE, AND TO DELETE A PROVISION REQUIRING THE FAIR MARKET VALUE OF THE PROPERTY ESTABLISHED FOR THE FIRST YEAR OF THE FEE TO REMAIN THE FAIR MARKET VALUE OF THE PROPERTY FOR THE LIFE OF THE FEE; TO AMEND SECTION 4-29-68, AS AMENDED, RELATING TO SPECIAL SOURCE REVENUE BONDS WHICH MAY BE ISSUED BASED ON THE RECEIPT OF CERTAIN REVENUES, SO AS TO SPECIFY THAT ONE OF THE PURPOSES FOR THE ISSUANCE OF THESE BONDS IS TO PAY FOR THE COST OF PERSONAL PROPERTY INCLUDING MACHINERY AND EQUIPMENT; BY ADDING CHAPTER 18 TO TITLE 11 SO AS TO ESTABLISH MECHANISMS AND PROCEDURES FOR THE ALLOCATION, REALLOCATION, AND ISSUANCE OF FEDERAL RECOVERY ZONE BONDS; TO AMEND SECTION 4-29-10, AS AMENDED, RELATING TO DEFINITIONS IN REGARD TO INDUSTRIAL DEVELOPMENT PROJECTS, SO AS TO REVISE THE DEFINITION OF "PROJECT" TO INCLUDE RECOVERY ZONE PROPERTY AS DEFINED BY FEDERAL LAW; TO AMEND SECTION 12-6-530, RELATING TO THE CORPORATE INCOME TAX, SO AS TO REDUCE THE RATE OF THE CORPORATE INCOME TAX FROM FIVE PERCENT ANNUALLY TO ZERO BEGINNING IN 2011 OVER A TEN-YEAR PERIOD IN INTERVALS OF ONE-HALF PERCENT PER YEAR; TO AMEND SECTION 12-6-3360, AS AMENDED, RELATING TO JOB TAX CREDITS, SO AS TO REVISE THE DESIGNATION TERMINOLOGY FOR COUNTIES COMING WITHIN SPECIFIC CLASSIFICATIONS, TO FURTHER PROVIDE FOR THE CRITERIA FOR DETERMINING HOW COUNTIES FALL WITHIN CERTAIN TIERS, AND TO REVISE SPECIFIC TERMS OR DEFINITIONS USED FOR PURPOSES OF THIS SECTION; TO AMEND SECTION 12-6-3375, AS AMENDED, RELATING TO TAX CREDITS FOR PORT CARGO VOLUME INCREASES, SO AS TO REVISE THE MANNER IN WHICH TAX CREDIT ALLOCATIONS ARE DETERMINED AND THE AMOUNT OF THE CREDITS WHICH MAY BE ALLOCATED TO A QUALIFYING TAXPAYER; TO AMEND SECTION 12-10-30, AS AMENDED, RELATING TO DEFINITIONS UNDER THE ENTERPRISE ZONE ACT OF 1995, SO AS TO REVISE THE DEFINITIONS OF "EMPLOYEE" AND "PROJECT"; TO AMEND SECTION 12-10-50, AS AMENDED, RELATING TO QUALIFICATIONS FOR BENEFITS UNDER THE ENTERPRISE ZONE ACT OF 1995, SO AS TO REVISE THESE QUALIFICATIONS AND TO FURTHER PROVIDE FOR WHAT A BUSINESS MUST DO TO MEET THESE QUALIFICATIONS; TO AMEND SECTION 12-10-60, AS AMENDED, RELATING TO REVITALIZATION AGREEMENTS UNDER THE ENTERPRISE ZONE ACT OF 1995, SO AS TO FURTHER PROVIDE FOR THE TERMS, CONDITIONS, AND APPLICATION OF THESE REVITALIZATION AGREEMENTS, PROVIDE FOR WHEN SUCH AN AGREEMENT MUST BE EXECUTED, AND PERMIT THE ASSIGNMENT OF ENTERPRISE PROGRAM BENEFITS UNDER CERTAIN CONDITIONS; TO AMEND SECTION 12-10-80, AS AMENDED, RELATING TO JOB DEVELOPMENT CREDITS UNDER THE ENTERPRISE ZONE ACT OF 1995, SO AS TO EXPAND ELIGIBLE EXPENDITURES WHICH QUALIFY FOR THE CREDIT, TO CAP THE AMOUNT OF THE CREDITS PER JOB PER YEAR, TO REVISE CERTAIN TERMINOLOGY TO CONFORM TO EARLIER CHANGES HEREIN, TO FURTHER PROVIDE FOR THE CIRCUMSTANCES WHEN THESE CREDITS MAY BE CLAIMED AND THE MANNER OF THE DETERMINATION OF CERTAIN FACTORS NECESSARY TO QUALIFY FOR THE CREDITS, AND TO PROVIDE FOR THE SUSPENSION OF THE CREDITS UNDER CERTAIN CONDITIONS AND FOR WHEN THE CREDITS MAY BE CLAIMED; TO AMEND SECTION 12-10-85, AS AMENDED, RELATING TO THE PURPOSE AND USE OF STATE RURAL INFRASTRUCTURE FUNDS, SO AS TO REVISE THE PURPOSES FOR WHICH THESE FUNDS MAY BE USED AND THEIR AVAILABILITY; TO AMEND SECTION 12-14-20, RELATING TO THE PURPOSES OF THE ECONOMIC IMPACT ZONE COMMUNITY DEVELOPMENT ACT OF 1995, SO AS TO REVISE THESE PURPOSES; TO AMEND SECTION 12-14-60, AS AMENDED, RELATING TO INVESTMENT TAX CREDITS UNDER THE ECONOMIC IMPACT ZONE COMMUNITY DEVELOPMENT ACT OF 1995, SO AS TO REVISE THE AMOUNT OF THE CREDITS, THE QUALIFYING CRITERIA FOR THE CREDITS, AND FOR THE APPLICABILITY OF CERTAIN PROVISIONS TO THESE CREDITS; TO AMEND SECTION 12-15-10, RELATING TO THE CITATION OF THE SOUTH CAROLINA LIFE SCIENCES ACT, SO AS TO CHANGE THE CITATION; TO AMEND SECTION 12-15-20, RELATING TO DEFINITIONS UNDER THE RENAMED LIFE SCIENCES AND RENEWABLE ENERGY MANUFACTURING ACT, SO AS TO DEFINE THE TERM "RENEWABLE ENERGY MANUFACTURING FACILITY"; TO AMEND SECTION 12-15-30, RELATING TO QUALIFICATIONS OF CERTAIN EXPENSES UNDER THE ENTERPRISE ZONE ACT, PROCEDURES FOR WAIVERS, AND THE DURATION OF THESE PROVISIONS, SO AS TO EXPAND THE TYPES OF FACILITIES THAT QUALIFY AND THE DURATION OF THESE PROVISIONS; TO AMEND SECTION 12-15-40, RELATING TO INCOME TAX ALLOCATION AND APPORTIONMENT AGREEMENTS BETWEEN THE DEPARTMENT OF REVENUE AND TAXPAYERS ESTABLISHING A LIFE SCIENCES FACILITY, SO AS TO EXPAND THE TYPES OF FACILITIES TO WHICH THIS PROVISION APPLIES; TO AMEND SECTION 12-20-105, AS AMENDED, RELATING TO CREDITS AGAINST ITS CORPORATE LICENSE TAX LIABILITY FOR A COMPANY WHO PAYS CASH FOR INFRASTRUCTURE FOR AN ELIGIBLE PROJECT, SO AS TO FURTHER PROVIDE FOR THE ELIGIBILITY FOR THE CREDIT UNDER CERTAIN CIRCUMSTANCES OR THE CONTINUATION OF THE CREDIT; TO AMEND SECTION 12-28-2910, AS AMENDED, RELATING TO THE SOUTH CAROLINA COORDINATING COUNCIL FOR ECONOMIC DEVELOPMENT, SO AS TO AUTHORIZE THE COUNCIL TO EXPEND CERTAIN FUNDS FOR SPECIFIED PURPOSES UNDER SPECIFIED CONDITIONS; TO AMEND SECTION 12-37-930, RELATING TO VALUATION OF PROPERTY FOR PROPERTY TAX PURPOSES AND DEPRECIATION ALLOWANCES FOR MANUFACTURERS, MACHINERY, AND EQUIPMENT, SO AS TO INCLUDE MACHINERY AND EQUIPMENT OF A RENEWABLE ENERGY MANUFACTURING FACILITY WITHIN THE DEPRECIATION ALLOWANCES ALLOWED FOR MACHINERY AND EQUIPMENT OF A LIFE SCIENCES FACILITY, AND TO DEFINE WHAT IS A QUALIFYING FACILITY; TO AMEND SECTION 12-43-220, AS AMENDED, RELATING TO CLASSIFICATION OF REAL PROPERTY FOR AD VALOREM TAX PURPOSES, SO AS TO PROVIDE THAT REAL PROPERTY OWNED BY OR LEASED TO A MANUFACTURER AND USED PRIMARILY RATHER THAN EXCLUSIVELY FOR WAREHOUSING AND WHOLESALE DISTRIBUTION IS NOT CONSIDERED USED BY THE MANUFACTURER IN THE CONDUCT OF ITS BUSINESS FOR PROPERTY TAX CLASSIFICATION PURPOSES; TO AMEND SECTION 12-44-30, AS AMENDED, RELATING TO DEFINITIONS IN REGARD TO THE FEE IN LIEU OF TAX SIMPLIFICATION ACT, SO AS TO REVISE CERTAIN DEFINITIONS AND ADD CERTAIN DEFINITIONS; TO AMEND SECTION 12-44-40, AS AMENDED, RELATING TO THE REQUIRED FEE AGREEMENT BETWEEN THE SPONSOR AND THE COUNTY UNDER THE FEE IN LIEU OF TAX SIMPLIFICATION ACT, SO AS TO PROVIDE THE TIME WITHIN WHICH A SPONSOR HAS TO ENTER INTO A FEE AGREEMENT IN REGARD TO A QUALIFIED NUCLEAR PLANT FACILITY; TO AMEND SECTION 12-44-50, AS AMENDED, RELATING TO THE REQUIREMENT OF A FEE AGREEMENT UNDER THE FEE IN LIEU OF TAX SIMPLIFICATION ACT, SO AS TO DELETE A PROVISION THAT REQUIRES THE FAIR MARKET VALUE OF THE PROPERTY ESTABLISHED FOR THE FIRST YEAR OF THE FEE TO REMAIN THE FAIR MARKET VALUE OF THE PROPERTY FOR THE LIFE OF THE FEE; TO AMEND SECTION 12-44-130, AS AMENDED, RELATING TO MINIMUM INVESTMENTS TO QUALIFY FOR A FEE AND OTHER REQUIREMENTS, SO AS TO CORRECT A REFERENCE; AND TO REPEAL SECTION 12-6-3450 RELATING TO AN INCOME TAX CREDIT FOR PERSONS TERMINATED FROM EMPLOYMENT AS A RESULT OF THE CLOSING OR REALIGNMENT OF A FEDERAL MILITARY INSTALLATION, SECTION 12-10-88 RELATING TO REDEVELOPMENT FEES IN REGARD TO CLOSED OR REALIGNED MILITARY INSTALLATIONS, SECTIONS 12-14-30, 12-14-40, 12-14-50, AND 12-14-70 RELATING TO ECONOMIC IMPACT ZONES AND ALLOWABLE DEDUCTIONS AGAINST SOUTH CAROLINA TAXABLE INCOME IN REGARD TO THESE ECONOMIC IMPACT ZONES.

The Ways and Means Committee proposed the following Amendment No. 1 (COUNCIL\NBD\20818SD10), which was adopted:

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

/ SECTION 1. This act is known and may be cited as the “South Carolina Economic Development Competitiveness Act of 2010”.

SECTION 2.A. Section 2‑75‑30 of the 1976 Code, as last amended by Act 355 of 2008, is further amended to read:

“Section 2‑75‑30. (A) There is created the Centers of Excellence Matching Endowment. The endowment must be funded annually by appropriations from the South Carolina Education Lottery Account in an amount equal to thirty million dollars annually, except that endowment appropriations may not be funded until all state‑supported scholarships are fully funded and only if eighty percent of the total state appropriations have been awarded by the review board as of June thirtieth of the previous fiscal year. Two‑thirds of the endowment shall be awarded by the review board and one‑third by the Coordinating Council for Economic Development. The total state appropriated funding amount shall include funds that have been returned to the endowment due to a dissolution, withdrawal, or termination of a center of excellence. The fund must be managed by the State Treasurer, subject to awards from the endowment as provided in this chapter. Interest earnings of the endowment must remain in the fund, and may be used at the review board’s discretion for additional state awards. Interest earnings are not considered part of the total state appropriations unless used by the review board for additional state awards.

(B) Except as provided in subsection (C), an endowed chair proposal is considered awarded once a full review process is complete and the review board has voted in an affirmative on each proposal. A full review process shall include the following, but is not limited to:

(1) a technical and scientific review of each proposal. The three research universities shall work with the review board staff to nominate reviewers. The review board staff shall select no fewer than five technical reviewers to review each proposal, and a minimum of three technical and scientific reviews must be received by the review board staff for each proposal. The review board staff shall determine an appropriate number of technical reviewers and scientific and technical reviews. The review board staff shall limit the number of university‑nominated reviewers to two per proposal;

(2) an on‑site review of each proposal. The review board staff shall contract with a minimum of five out‑of‑state expert reviewers, to include individuals with expertise in economic development as well as in appropriate scientific disciplines, to serve on a site review team that shall visit each of the research universities. The review board staff shall determine an appropriate number of expert reviewers. The on‑site review team shall interview relevant investigators and other university personnel regarding proposals and shall have access to collected scientific and technical reviews as well as other materials germane to the proposed projects. The on‑site review team shall evaluate the proposals using an approved set of metrics; each recommendation must include a detailed narrative which explains the on‑site review team’s recommendations; and

(3) a presentation of findings. The on‑site review team shall present its findings to the review board, which shall make final decisions on awards. The on‑site review team shall recommend an appropriate level of funding to achieve successfully the stated goals of each project. The review board shall consider these recommendations in determining award amounts for each project.

(C) The Coordinating Council for Economic Development annually may award one‑third of the endowment based upon its own review process. It may submit its own application to the three research universities, issue its own annual application solicitation, provide its own post‑award oversight, and the provisions contained in Sections 2‑75‑50 and 2‑75‑60 do not apply. The matching requirement contained in Sections 2‑75‑90 and 2‑75‑110 do not apply when the Secretary of Commerce certifies to the review board that the endowed professor will directly support a business or industry in South Carolina which will invest within a one‑year period at least one hundred million dollars in capital investment at a single site after January 1, 2010.

B. The Coordinating Council for Economic Development may only make awards from funds appropriated from the South Carolina Lottery Account from Fiscal Year 2011 forward, together with any accrued interest earnings which have not already been awarded by the review board. The Coordinating Council’s awards are subject to the limitations contained in Section 2‑75‑30 regarding full funding of all state‑supported scholarships. The Coordinating Council for Economic Development shall annually provide by March fifteenth of each year to the Chairman of the Senate Finance committee and the House Ways and Means committee a report detailing the awards that it made in the prior year under the program.”

SECTION 3. Section 2‑75‑50(A) of the 1976 Code, as last amended by Act 355 of 2008, is further amended to read:

“(A) An application to the review board for an award from the endowment shall:

(1) provide to the review board documentation of private matching funds, on hand, in an amount equal to the amount for which application is made;

(2) provide to the review board documentation that all matching funds have been committed and raised exclusively from sources other than South Carolina tax dollars, and that the funds have been committed and raised after January 1, 2002;

(3) be in an amount of not less than two million dollars and not more than five million dollars;

(4) document that the application has significant potential to provide for enhanced economic development for the citizens of South Carolina in a specified knowledge‑based industry or field of commerce; and

(5) provide specific partnering activities with other institutions, businesses, or the community.”

SECTION 4. Section 4‑12‑30(B)(4)(b) of the 1976 Code, as last amended by Act 352 of 2008, is further amended to read:

(b) If the project consists of a manufacturing, research and development, corporate office, or distribution facility, as those terms are defined in Section 12‑6‑3360(M), each sponsor or sponsor affiliate is not required to invest the minimum investment required by subsection (B)(3), if the total investment in the project exceeds ~~ten~~ five million dollars.”

SECTION 5.A. Section 4‑12‑30(C)(4) of the 1976 Code, as last amended by Act 116 of 2007, is further amended to read:

“(4) The annual fee provided by subsection (D)(2) is available for no more than ~~twenty~~ thirty years for an applicable piece of property. The sponsor may apply to the county prior to the end of the ~~twenty‑year~~ thirty‑year period for an extension of the fee period for up to ten years. The county council of the county shall approve an extension by resolution upon a finding of substantial public benefit. A copy of the resolution shall be delivered to the department within thirty days of the date the resolution was adopted. For projects completed and placed in service during more than one year, each year’s investment may be subject to the fee in subsection (D)(2) for ~~twenty~~ thirty years or, if extended as provided in this subsection up to ~~thirty~~ forty years, for an aggregate fee period of up to ~~forty~~ fiftyyears. For those sponsors qualifying under subsection (D)(4), the annual fee is available for no more than ~~thirty~~ forty years for an applicable piece of property and for those projects placed in service in more than one year the annual fee is available for an aggregate fee period of up to ~~forty‑three~~ fifty‑three years, or for those sponsors qualifying pursuant to subsection (C)(3), ~~forty‑five~~ fifty‑five years.”

B. This provision takes effect for fee‑in‑lieu agreements executed after January 1, 2011, provided that a county may amend existing fee‑in‑lieu agreements at any time prior to the expiration of the fee to incorporate the amendment to Section 4‑12‑30(C)(4) as contained in subsection A.

SECTION 6. Section 4‑12‑30(D)(2)(a)(i) of the 1976 Code, as last amended by Act 462 of 1996, is further amended to read:

“(i) for real property, using the original income tax basis for South Carolina income tax purposes without regard to depreciation, if real property is constructed for the fee or is purchased in an arm’s length transaction; otherwise, the property must be reported at its fair market value for ad valorem property tax purposes as determined by appraisal. The fair market value estimate established for the first year of the fee remains the fair market value of the real property for the life of the fee. The county and the sponsor or sponsor affiliate may instead provide in the fee agreement or any amendment thereto that any real property subject to the fee shall be reported at its fair market value for ad valorem property taxes as determined by appraisal as if such property were not subject to the fee; and”

SECTION 7. Section 4‑12‑30(J)(1)(b) of the 1976 Code, as last amended by Act 352 of 2008, is further amended to read:

“(b) property which has been subject to South Carolina property taxes, but which has never been placed in service in South Carolina, or which was placed in service in South Carolina pursuant to an inducement agreement or other preliminary approval by the county prior to execution of the lease agreement pursuant to subsection (C)(1), may qualify for the fee.”

SECTION 8.A. Section 4‑29‑67 of the 1976 Code, as last amended by Act 352 of 2008, is further amended to read:

“Section 4‑29‑67. (A)(1) As used in this section:

(a) ‘Department’ means the South Carolina Department of Revenue.

(b) ‘Lease agreement’ means an agreement between the county and a sponsor leasing the property at the project from the county to a sponsor.

(c) ‘Project’ means land, buildings, and other improvements on the land including water, sewage treatment and disposal facilities, air pollution control facilities, and all other machinery apparatus, equipment, office facilities, and furnishings which are considered necessary, suitable, or useful by a sponsor. ‘Project’ also may consist of or include aircraft hangered or utilizing an airport in a county so long as the county expressly consents to its inclusion. Aircraft previously subject to taxation in South Carolina qualify pursuant to this provision.

(d) ‘Qualified nuclear plant facility’ means a nuclear electric power generating plant regulated by the Nuclear Regulatory Commission and includes all real and personal property incorporated into or associated with the facility located or to be located within this State with a total minimum level of investment of one billion dollars.

(~~d~~e) ‘Sponsor’ means one or more entities which sign the inducement agreement with the county and also includes a sponsor affiliate unless the context clearly indicates otherwise.

(~~e~~f) ‘Sponsor affiliate’ means an entity that joins with, or is an affiliate of, a sponsor and that participates in the investment in, or financing of, a project.

(2) Notwithstanding the provisions of Section 4‑29‑60, and notwithstanding that the sponsor does not request the county to issue bonds to finance the property, the county and a sponsor may enter into an inducement agreement that provides for a fee in lieu of taxes as provided in this section for certain property, title to which is held by the county and which is leased to a sponsor.

(B) For property to qualify for the fee as provided in subsection (D)(2):

(1) Title to the property must be held by the county. In the case of a project located in an industrial development park as defined in Section 4‑1‑170, title may be held by more than one county, if each county is a member of the industrial development park. Real property transferred to the county through a lease agreement must include a legal description and plat of the real property. Property titled in the name of a county pursuant to this section is considered privately owned for purposes of Section 58‑3‑240.

(2) The project must be located in a single county or an industrial development park as defined in Section 4‑1‑170. A project located on a contiguous tract of land in more than one county, but not in an industrial development park, may qualify for the fee if:

(a) the counties agree on the terms of the fee and the distribution of the fee payment;

(b) the minimum millage rate is provided for in the agreement; and

(c) all the counties are parties to all agreements establishing the terms of the fee.

(3) The minimum level of investment in the project must be at least forty‑ five million dollars and must be invested within the time period provided in subsection (C). If a county has an average annual unemployment rate of at least twice the state average during the last twenty‑four months based on data available on the most recent November first, the minimum level of investment is one million dollars. The department shall designate these reduced investment counties by December thirty‑first of each year using data from the South Carolina Employment Security Commission and the United States Department of Commerce. The designations are effective for a sponsor whose inducement agreement is signed in the calendar year following the county designation. Investments may include amounts expended by a sponsor or sponsor affiliate as a nonresponsible party in a voluntary cleanup contract on the property at the project pursuant to Article 7, Chapter 56 of Title 44, the Brownfields Voluntary Cleanup Program, if the Department of Health and Environmental Control certifies completion of the cleanup. If the amounts under the Brownfields Voluntary Cleanup Program equal at least one million dollars, the investment threshold requirement of this section is met.

(4)(a) A sponsor and a sponsor affiliate may qualify for the fee if each sponsor and sponsor affiliate invests the minimum level of investment at the project. If the project consists of a manufacturing, research and development, corporate office, or distribution facility as those terms are defined in Section 12‑6‑3360(M) and including a qualified nuclear plant facility as defined in Section 12‑44‑30(17), each sponsor or sponsor affiliate is not required to invest the minimum investment required by subsection (B)(3) if the total investment at the project exceeds forty‑five million dollars.

(b)(i) Investments by sponsor affiliates within the time periods provided in subsection (C)(1) and (2) qualify for the fee regardless of whether or not the sponsor affiliate was part of the inducement agreement, so long as sponsor affiliates are approved specifically by the county and agree to be bound by agreements with the county relating to the fee; except that sponsor affiliates are not bound by agreements, or portions of agreements, to the extent those agreements do not affect the county. The investments pursuant to this subsection must be at the same project. The inducement agreement or the lease agreement may provide for a process for approval of sponsor affiliates.

(ii) The department must be notified in writing of all sponsor affiliates that have investments subject to the fee on or before ninety days after the end of the calendar year during which the project or pertinent phase of the project is placed in service. The department may extend this period upon written request. Failure to meet this notice requirement does not affect adversely the fee, but a penalty of up to ten thousand dollars a month or portion of a month with the total penalty not to exceed one hundred twenty thousand dollars may be assessed by the department for late notification.

(iii)A. Except as provided in subsection (D)(4) if, at any time, a sponsor no longer has the minimum level of investment as provided in subsection (B)(3), that sponsor no longer qualifies for the fee.

B. Except as provided in subsection (Q), if a sponsor qualifies for the fee pursuant to subsection (D)(4), the sponsor must maintain the applicable level of investment, without regard to depreciation, and any applicable job requirements provided in (D)(4). If the sponsor fails to maintain the applicable investment or any job requirements provided in (D)(4), it no longer qualifies for the fee.

C. Except as provided in subsection (Q), if an inducement agreement or a lease agreement provides for an investment above the minimum investment provided in subsection (B)(3), and the sponsor fails to maintain the investment provided for in the agreement, the sponsor no longer qualifies for the fee.

(C)(1) Except as provided in subsection (W)(1), from the end of the property tax year in which the sponsor and the county execute an inducement agreement, the sponsor has five years in which to enter into an initial lease agreement with the county.

(2)(a) From the end of the property tax year in which the sponsor and the county execute the initial lease agreement, the sponsor has five years in which to complete its investment for purposes of qualifying for this section. If the sponsor does not anticipate completing the project within five years, the sponsor may apply to the county before the end of the five‑year period for making the investment for an extension of time to complete the project. If the county agrees to grant the extension, it must be in writing, and a copy must be delivered to the department within thirty days of the date the extension was granted. The extension may not exceed five years. If a project receives an extension of less than five years, the sponsor may apply to the county before the end of the extension period for an additional extension of time to complete the project for an aggregate extension of not more than five years. Unless approved as part of the original lease documentation, the county council of the county may approve any extension by resolution, a copy of which must be delivered to the department within thirty days of the date the resolution was adopted.

(b) An extension of the five‑year period in which to meet the minimum level of investment is not allowed. If the minimum level of investment is not met within five years, all property covered by the lease agreement or agreements reverts retroactively to the payments required by Section 4‑29‑60. The difference between the fee actually paid by the sponsor and the payment due pursuant to Section 4‑29‑60 is subject to interest, as provided in Section 12‑54‑25(D). To the extent necessary to determine if a sponsor or sponsor affiliate has met its investment requirements, any statute of limitation that might apply pursuant to Section 12‑54‑85 is suspended for all sponsors and sponsor affiliates and the department or the county may seek to collect any amounts that may be due pursuant to this section.

(c) Unless property qualifies as replacement property pursuant to a contract provision enacted pursuant to subsection (F)(2), property placed in service after the five‑year period, or the ten‑year period in the case of a project which has received an extension, is not part of the fee agreement pursuant to subsection (D)(2) and is subject to the payments required by Section 4‑29‑60 if the county has title to the property or ad valorem property taxes, if the sponsor has title to the property.

(d) For purposes of those businesses qualifying under subsection (D)(4), the five‑year period referred to in this subsection is eight years. For those sponsors which, after qualifying pursuant to subsection (D)(4), have more than five hundred million dollars in capital invested in this State and employ more than one thousand people in this State, the five‑year period referred to in this subsection is ten years, and the ten‑year period is fifteen years.

(3) The annual fee provided by subsection (D)(2) is available for no more than ~~twenty~~ thirty years for an applicable piece of property. The sponsor may apply to the county prior to the end of the ~~twenty‑year~~ thirty‑year period for an extension of the fee period for up to ten years. The county council of the county may approve an extension by resolution upon a finding of substantial public benefit. A copy of the resolution shall be delivered to the department within thirty days of the date the resolution was adopted. For projects which are completed and placed in service during more than one year, each year’s investment may be subject to the fee in subsection (D)(2) for ~~twenty~~ thirty years or, if extended as provided in this subsection, up to ~~thirty~~ forty years, for an aggregate maximum fee period of up to ~~forty~~ fifty years. For those sponsors qualifying under subsection (D)(4), the annual fee is available for no more than ~~thirty~~ forty years for an applicable piece of property and for those projects placed in service in more than one year, the annual fee is available for an aggregate fee period of up to ~~forty‑three~~ fifty‑three years or, for those sponsors qualifying pursuant to item (2)(d), ~~forty‑five~~ fifty‑five years.

(4) During the time period allowed to meet the minimum investment level, the investor annually must inform the appropriate county official of the total amount invested.

(D) The inducement agreement must provide for fee payments, to the extent applicable, as follows:

(1)(a) Any property is subject to an annual fee payment as provided in Section 4‑29‑60 before being placed in service.

(b) Any undeveloped land is subject to an annual fee payment as provided in Section 4‑29‑60 before being developed and placed in service. The time during which fee payments are made pursuant to Section 4‑29‑60 is not considered part of the maximum periods provided in subsection (C)(2) and (3), and a lease is not an “initial lease agreement” for purposes of this section until the first day of the calendar year for which a fee payment is due pursuant to subsection (D)(2) in connection with the lease.

(2) After property qualifying pursuant to subsection (B) is placed in service, an annual fee payment, determined in accordance with one of the following, is due:

(a) an annual payment in an amount not less than the property taxes that would be due on the project if it were taxable, but using:

(i) an assessment ratio of at least six percent, or four percent for those projects qualifying pursuant to subsection (D)(4);

(ii) a fixed millage rate as provided in subsection (G); and

(iii) a fair market value estimate determined by the department as follows:

A. for real property, using the original income tax basis for South Carolina income tax purposes without regard to depreciation. If real property is constructed for the fee or is purchased in an arms‑length transaction, using the original tax basis, otherwise the property must be reported at its fair market value for ad valorem property tax purposes as determined by appraisal. The fair market value established for the first year of the fee remains the fair market value for the life of the fee. The county and the sponsor or sponsor affiliate may instead provide in the fee agreement or any amendment thereto that any real property subject to the fee shall be reported at its fair market value for ad valorem property taxes as determined by appraisal as if such property were not subject to the fee; and

B. for personal property, using the original tax basis for South Carolina income tax purposes, less depreciation allowable for property tax purposes; except that the sponsor is not entitled to any extraordinary obsolescence;

(b) an annual payment based on an alternative arrangement yielding a net present value of the sum of the fees for the life of the agreement not less than the net present value of the fee schedule as calculated pursuant to subsection (D)(2)(a). Net present value calculations performed pursuant to this subsection must use a discount rate equivalent to the yield in effect for new or existing United States Treasury bonds of similar maturity as published during the month in which the inducement agreement is executed. If no yield is available for the month in which the inducement agreement is executed, the last published yield for the appropriate maturity must be used. If there are no bonds of appropriate maturity available, bonds of different maturities may be averaged to obtain the appropriate maturity; or

(c) an annual payment as provided in subsection (D)(2)(a), except that every fifth year the applicable millage rate may increase or decrease in step with the average actual millage rate applicable in the district where the project is located based on the preceding five‑year period.

(3) At the conclusion of the payments determined pursuant to items (1) and (2) of this subsection the annual fee payment is equal to the taxes due on the project as if it were taxable. When the property is no longer subject to the fee pursuant to subsection (D)(2), the fee or property taxes must be assessed:

(a) with respect to real property, based on the fair market value as of the latest reassessment date for similar taxable property; and

(b) with respect to personal property, based on the then‑depreciated value applicable to the property under the fee, and after that continuing with the South Carolina property tax depreciation schedule.

(4)(a) The assessment ratio may not be lower than four percent:

(i) in the case of a single sponsor investing at least one hundred fifty million dollars and which is creating at least one hundred twenty‑five new full‑time jobs at the project;

(ii) in the case of a single sponsor investing at least four hundred million dollars in this State;

(iii) in the case of a project that satisfies the requirements of Section 11‑41‑30(2)(a), and for which the Secretary of Commerce has delivered certification pursuant to Section 11‑41‑70(2)(a).

For purposes of this item, if a single sponsor enters into a financing arrangement of the type described in Section 4‑29‑67(O)(2), the investment in or financing of the property by a developer, lessor, financing entity, or other third party in accordance with this arrangement is considered investment by the sponsor. Investment by a related person to the sponsor, as described in Section 12‑10‑80(D)(2), is considered investment by the sponsor.

(b) The new full‑time jobs requirement of this item does not apply in the case of a business that paid more than fifty percent of all property taxes actually collected in the county for more than the twenty‑five years ending on the date of the lease agreement.

(c) In an instance in which the governing body of a county has provided, by contractual agreement, for a change in fee in lieu of taxes arrangements conditioned on a future legislative enactment, a new enactment does not bind the original parties to the agreement unless the change is ratified by the governing body of the county.

(5) Notwithstanding the use of the term “assessment ratio”, a sponsor qualifying for the fee may negotiate an inducement agreement with a county using differing assessment ratios for different assessment years or levels of investment covered by the inducement agreement. The lowest assessment ratio allowed is the lowest ratio for which the sponsor may qualify under this section.

(E) Calculations pursuant to subsection (D)(2) must be made on the basis that the property, if taxable, is allowed all applicable property tax exemptions except the exemption allowed pursuant to Section 3(g) of Article X of the Constitution of this State and the exemptions allowed pursuant to Section 12‑37‑220(B)(32) and (34).

(F) With regard to calculation of the fee provided in subsection (D)(2), the inducement agreement may provide for the disposal of property and the replacement of property subject to the fee as follows:

(1) If a sponsor disposes of property subject to the fee, the fee must be reduced by the amount of the fee applicable to that property. Property is disposed of only when it is scrapped or sold or removed from the project. If it is removed from the project, it becomes subject to ad valorem property taxes to the extent it remains in the State. If the sponsor used any method to compute the fee other than that provided in subsection (D)(2)(a), the fee on the property which was disposed of must be recomputed in accordance with subsection (D)(2)(a) and to the extent the amount that would have been paid pursuant to subsection (D)(2)(a) exceeds the fee actually paid by the sponsor, the sponsor must pay the difference with the next fee payment due after the property is disposed of. If the sponsor used the method provided in subsection (D)(2)(c), the millage rate provided in subsection (D)(2)(c) must be used to calculate the amount which would have been paid pursuant to subsection (D)(2)(a). If there is no provision in the agreement dealing with the disposal of property in accordance with this subsection, the fee remains fixed and no adjustment to the fee is allowed for disposed property.

(2) Property placed in service as a replacement for property that is subject to the fee payment may become part of the fee payment as provided in this item:

(a) Replacement property may have a function that differs from the property it is replacing. Replacement property is considered to replace the oldest real or personal property subject to the fee and disposed of in the same property tax year as the replacement property is placed in service. Replacement property qualifies for fee treatment provided in subsection (D)(2) only up to the original income tax basis of fee property it replaces. More than one piece of replacement property may replace a single piece of fee property. To the extent that the income tax basis of the replacement property exceeds the original income tax basis of the property it replaces, the excess amount is subject to payments as provided in Section 4‑29‑60. Replacement property is entitled to the fee payment for the period of time remaining on the twenty‑year fee period for the property it replaces.

(b) The new replacement property that qualifies for the fee provided in subsection (D)(2) is recorded using its income tax basis, and the fee is calculated using the millage rate and assessment ratio provided on the original fee property. The fee payment for replacement property must be based on subsection (D)(2)(a) or (c) if the investor originally used that method, without regard to present value.

(c) To qualify as replacement property, title to the replacement property must be held by the county.

(d) If there is no provision in the inducement agreement dealing with replacement property, any property placed in service after the time period allowed for investments as provided by subsection (C)(2), is subject to the payments required by Section 4‑29‑60 if the county has title to the property or ad valorem property taxes, if the sponsor has title to the property.

(G)(1) The county and the sponsor may enter into a millage rate agreement to establish the millage rate for purposes of calculating payments pursuant to subsection (D)(2)(a) and the first five years pursuant to subsection (D)(2)(c). This millage rate agreement may be executed at any time up to and including, but not later than, the date of the initial lease agreement. This millage rate agreement may be a separate agreement or may be made a part of either the inducement agreement or the initial lease agreement.

(2) The millage rate established pursuant to item (1) of this subsection must be no lower than the cumulative property tax millage rate levied by or on behalf of all taxing entities within which the project is to be located on either:

(a) June thirtieth of the year preceding the year in which the millage rate agreement is executed or the initial lease agreement is executed if no millage rate agreement is executed; or

(b) June thirtieth of the year in which the millage rate agreement is executed if a millage rate agreement is not executed the lease agreement is deemed to be the millage rate agreement for purposes of this item.

(H)(1) Upon agreement of the parties, and except as provided in subsection (H)(2), an inducement agreement, a millage rate agreement, or both, may be amended or terminated and replaced with regard to all matters including, but not limited to, the addition or removal of sponsors or sponsor affiliates.

(2) An amendment or a replacement of an inducement agreement or millage rate agreement may not be used to lower the millage rate, discount rate, assessment ratio, or, except as provided in Sections 4‑29‑67(C)(2) and (C)(4) increase the term of the agreement; except that an existing inducement agreement that has not been implemented by the execution and delivery of a millage rate agreement or a lease agreement may be amended up to the date of execution and delivery of a millage rate agreement or a lease agreement in the discretion of the governing body.

(I) Investment expenditures incurred by a sponsor in connection with the project, or relevant phase of a project, for a project completed and placed in service in more than one year, qualify as expenditures subject to the fee in subsection (D)(2), so long as these expenditures are incurred before the end of the applicable five‑year, eight‑year, ten‑year, or fifteen‑year period referenced in subsection (C)(2) or (3). An inducement agreement must be executed within two years after the date the county adopts an inducement resolution; otherwise, only investment expenditures made or incurred by a sponsor after the date of the inducement agreement in connection with a project qualify as expenditures subject to the fee in subsection (D)(2).

(J) Subject to subsection (K), project expenditures incurred within the applicable time period provided in subsection (I) by an entity whose investments are not computed at the level of investment for purposes of subsection (B) or (C) qualify as investment expenditures subject to the fee in subsection (D)(2) if the:

(a) expenditures are part of the original cost of property that is transferred, within the applicable time period provided in subsection (I) to one or more other investors or investor affiliates whose investments are being computed at the level of investment for purposes of subsection (B) or (C);

(b) property would have qualified for the fee in subsection (D)(2) if it had been initially acquired by the sponsor instead of the transferor entity;

(c) the income tax basis of the property immediately before the transfer equal the income tax basis of the property immediately after the transfer; except that, to the extent income tax basis of the property immediately after the transfer unintentionally exceeds the income tax basis of the property immediately before the transfer, the excess is subject to payments pursuant to Section 4‑29‑60;

(d) the county agrees to an inclusion in the fee of the property described in subsection (J)(1).

(K)(1) Property previously subject to property taxes in South Carolina does not qualify for the fee except as provided in this subsection:

(a) land, excluding improvements on it, on which a new project is located may qualify for the fee even if it has previously been subject to South Carolina property taxes;

(b) property that has been subject previously to South Carolina property taxes, but has never been placed in service in South Carolina, or which was placed in service in South Carolina pursuant to an inducement agreement or other preliminary approval by the county prior to execution of the lease agreement pursuant to subsection (C)(1), may qualify for the fee; and

(c) property placed in service in South Carolina and subject to South Carolina property taxes that is purchased in a transaction other than between any of the entities specified in Section 267(b) of the Internal Revenue Code, as defined pursuant to Chapter 6 of Title 12 as of the time of the transfer, may qualify for the fee if the sponsor invests at least an additional forty‑five million dollars in the project.

(2) Repairs, alterations, or modifications to real or personal property which are not subject to a fee are not eligible for a fee, even if they are capitalized expenditures, except for modifications to existing real property improvements constituting an expansion of the improvements.

(L)(1) For a project not located in an industrial development park as defined in Section 4‑1‑170, distribution of the fee in lieu of taxes on the project must be made in the same manner and proportion that the millage levied for school and other purposes would be distributed if the property were taxable but without regard to exemptions otherwise available to a project pursuant to Section 12‑37‑220 for that year.

(2) For a project located in an industrial development park as defined in Section 4‑1‑170, distribution of the fee in lieu of taxes on the project must be made in the manner provided for by the agreement establishing the industrial development park.

(3) A county or municipality or special purpose district that receives and retains revenues from a payment in lieu of taxes may use a portion of this revenue for the purposes outlined in Section 4‑29‑68 without the requirement of issuing special source revenue bonds or the requirements of Section 4‑29‑68(A)(4) by providing a credit against or payment derived from the fee due from the sponsor.

(4) Misallocations of the distribution of the fee in lieu of taxes on the project pursuant to this chapter may be corrected by adjusting later distributions, but these adjustments must be made in the same fiscal year as the misallocations. To the extent distributions are made improperly in prior years, a claim for adjustment must be made within one year of the distribution.

(M) As a directly foreseeable result of negotiating the fee, gross revenue of a school district in which a project is located in any year a fee negotiated pursuant to this section is paid may not be less than gross revenues of the district in the year before the first year for which a fee in lieu of taxes is paid. In negotiating the fee, the parties shall assume that the formulas for the distribution of state aid at the time of the execution of the inducement agreement must remain unchanged for the duration of the lease agreement.

(N) Projects on which a fee in lieu of taxes is paid pursuant to this section are considered taxable property at the level of the negotiated payments for purposes of bonded indebtedness pursuant to Sections 14 and 15 of Article X of the Constitution of this State, and for purposes of computing the index of taxpaying ability pursuant to Section 59‑20‑20(3). However, for a project located in an industrial development park as defined in Section 4‑1‑170, projects are considered taxable property in the manner provided in Section 4‑1‑170 for purposes of bonded indebtedness pursuant to Sections 14 and 15 of Article X of the Constitution of this State, and for purposes of computing the index of taxpaying ability pursuant to Section 59‑20‑20(3). Provided, however, that the computation of bonded indebtedness limitation is subject to the requirements of Section 4‑29‑68(E).

(O)(1) An interest in an inducement agreement, millage rate agreement, and lease agreement, and property to which these agreements relate, may be transferred to another entity at any time. Notwithstanding another provision of this chapter, an equity interest in a sponsor or sponsor affiliate may be transferred to another entity or person at any time. To the extent an agreement is transferred, the transferee assumes the current basis the sponsor has in the property subject to the fee for purposes of calculating the fee.

(2) A sponsor or county may enter into a lending, financing, security, lease, or similar arrangement, or succession of such arrangements, with a financing entity, concerning all or part of a project including, without limitation, a sale‑leaseback arrangement, equipment lease build‑to‑suit‑lease, synthetic lease, Nordic lease, defeased tax benefit, transfer lease, assignment, sublease, or similar arrangement, or succession of such arrangements, with one or more financing entities, concerning all or part of a project, regardless of the identity of the income tax owner of the property which is subject to the fee payment pursuant to subsection (D)(2). Even though income tax basis is changed for income tax purposes, neither the original transfer to the financing entity nor the later transfer from the financing entity back to the original sponsor pursuant to terms in the sale‑leaseback agreement, affects the amount of the fee due.

(3) A transfer undertaken with respect to other projects to effect a financing authorized by subsection (O) must meet the following requirements:

(a) The department and the county shall receive written notification, within sixty days after the transfer, of the identity of each transferee and other information required by the department with the appropriate returns. Failure to meet this notice requirement does not affect adversely the fee, but a penalty up to ten thousand dollars a year or portion of a year up to a maximum penalty of fifty thousand dollars may be assessed by the department for late notification.

(b) If the financing entity is the income tax owner of property, either the financing entity is primarily liable for the fee as to that portion of the project to which the transfer relates with the sponsor remaining secondarily liable for the payment of the fee or the sponsor agrees to be primarily liable for the payment of the fee as to that portion of the project to which the transfer relates.

(4) A sponsor may transfer an inducement agreement, millage rate agreement, lease agreement, or the assets subject to the lease agreement, if it obtains the prior approval, or subsequent ratification, of the county with which it entered into the original agreement. The county’s prior approval or subsequent ratification may be evidenced by any one of the following, in the absolute and sole discretion of the county providing the approval or ratification: (i) a letter or other writing executed by an authorized county representative as designated in the respective inducement, millage rate, or lease agreement; (ii) a resolution passed by the county council; or (iii) an ordinance passed by the county council following three readings and a public hearing. That approval is not required in connection with transfers to sponsor affiliates or other financing‑related transfers.

(P) An inducement agreement, a millage rate agreement, or a lease agreement, or the rights of a sponsor or sponsor affiliate pursuant to that agreement including, without limitation, the availability of the subsection (D)(2) fee, may not be affected adversely if the bonds issued pursuant to that agreement are purchased by one or more of the entities that are or become sponsor or sponsor affiliates.

(Q) Except as provided in subsection (B)(4)(a), if a sponsor fails to make the minimum investment required by subsection (D)(2) or an investment under subsection (D)(4) if applicable, within the time provided in subsection (C)(2), then the sponsor is entitled to the benefits of Chapter 12 of this title if and to the extent allowed pursuant to an applicable agreement between the sponsor and the county, and if the requirements of subsection (B)(4)(a) are satisfied. Otherwise, the fee provided in subsection (D)(2) or (D)(4) is no longer available and the sponsor must make the payments due pursuant to Section 4‑29‑60 for the remainder of the lease period.

(R) The minimum amount of the initial investment provided in subsection (B)(3) of this section may not be reduced except by a special vote which, for purposes of this section, means an affirmative vote in each branch of the General Assembly by two‑thirds of the members present and voting, but not less than three‑fifths of the total membership in each branch.

(S)(1) The sponsor shall file the returns, contracts, and other information that may be required by the department.

(2) Fee payments, and returns showing investments and calculating fee payments, are due at the same time as property tax payments and property tax returns would be due if the property were owned by the sponsor obligated to make the fee payments and file such returns.

(3) Failure to make a timely fee payment and file required returns results in penalties being assessed as if the payment or return were a property tax payment or return.

(4) The department may issue rulings and promulgate regulations necessary or appropriate to carry out the purpose of this section.

(5) The provisions of Chapters 4 and 54 of Title 12, applicable to property taxes, apply to this section, and, for purposes of that application, the fee is considered a property tax. Sections 12‑54‑20, 12‑54‑80, and 12‑54‑155 do not apply to this section.

(6) Within thirty days of the date of execution of an inducement or lease agreement, a copy of the agreement must be filed with the department and the county auditor and the county assessor for every county in which the project is located. If the project is located in an industrial development park, the agreements must be filed with the auditors and assessors for all counties participating in the industrial development park.

(7) The department, for good cause, may allow additional time for filing of returns required under this section. The request for an extension may be granted only if the request is filed with the department on or before the date the return is due. However, the extension must not exceed sixty days from the date the return is due. The department shall develop applicable forms and procedures for handling and processing extension requests. An extension may not be granted to a sponsor who has been granted an extension for a previous period and has not fulfilled the requirements of the previous period.

(8) To the extent a form or return is filed with the department, the sponsor must file a copy of the form or return with the county auditor, assessor, and treasurer of the county or counties in which the project is physically located. To the extent requested, the county auditor of the county in which the project is physically located shall make these forms and returns available to any county auditor of a county participating in an industrial development park in which the project is located.

(T) Except as otherwise expressly provided in subsection (C)(2), a loss of fee benefits pursuant to this section is prospective only from the date of noncompliance and, subject to subsection (Q), only with respect to that portion of the project to which the noncompliance relates; except that the loss of fee benefits may not result in the recovery from the sponsor of fee payments for more than:

(1) three years from the date a return concerning the fee is filed for the time period during which the noncompliance occurs. A showing of bad faith noncompliance increases the three‑year period to a ten‑year period; or

(2) ten years if a return is not filed for the time period during which the noncompliance occurs.

(U) Section 4‑29‑65 does not apply to this section. All references in this section to taxes mean South Carolina taxes unless otherwise expressly stated.

(V)(1) Notwithstanding another provision of this section, in the case of a project consisting of a qualified recycling facility, the annual fee is available for no more than thirty years, and for those projects constructed or placed in service during a period of more than one year, the annual fee is available for a maximum of forty years.

(2) Notwithstanding another provision of this section, for a qualified recycling facility, the assessment ratio must be at least three percent.

(3) Any machinery and equipment foundations, port facilities, or railroad track systems used, or to be used, for a qualified recycling facility is considered tangible personal property.

(4) Notwithstanding subsections (F) and (I) of this section, the total costs of all investments made for a qualified recycling facility are eligible for fee payments as provided in this section.

(5) For purposes of fees that may be due on undeveloped property for which title has been transferred to the county by or for the owner or operator of a qualified recycling facility, the assessment ratio is three percent.

(6) Notwithstanding subsection (D)(2)(b) of this section, in the case of a qualified recycling facility, net present value calculations performed pursuant to that subsection must use a discount rate equivalent to the yield in effect for new or existing United States Treasury bonds of similar maturity as published on any day selected by the sponsor during the year in which assets are placed into service or in which the inducement agreement is executed.

(7) As used in this subsection, ‘qualified recycling facility’ and ‘investment’ have the meaning provided in Section 12‑7‑1275(A).

(W)(1) Notwithstanding subsection (C)(1), in the case of a qualified nuclear plant facility, the sponsor has five years from the end of the calendar year in which the Nuclear Regulatory Commission grants the sponsor a combined license to construct and operate a nuclear power plant to enter into an initial lease agreement with the county but in no event more than fifteen years from the latter of the adoption of an inducement resolution or execution of an inducement agreement by the county.

(2) Notwithstanding subsection (C)(2)(d), in the case of a qualified nuclear plant facility, the sponsor has fifteen years from the end of the calendar year in which the initial lease agreement is executed to meet the minimum investment and fifteen years from the end of the calendar year in which the first piece of property is placed into service to complete the project.

(~~W~~X)(1) All agreements entered into pursuant to this section must include as the first portion of the document a recapitulation of the remaining contents of the document which includes, but is not limited to, the following:

(a) the legal name of each party to the agreement;

(b) the county and street address of the project and property to be subject to the agreement;

(c) the minimum investment agreed upon;

(d) the length and term of the agreement;

(e) the assessment ratio applicable for each year of the agreement;

(f) the millage rate applicable for each year of the agreement;

(g) a schedule showing the amount of the fee and its calculation for each year of the agreement;

(h) a schedule showing the amount to be distributed annually to each of the affected taxing entities;

(i) a statement answering the following questions:

(i) Is the project to be located in a multi‑county park formed pursuant to Chapter 29 of Title 4?;

(ii) Is disposal of property subject to the fee allowed?;

(iii) Will special source revenue bonds be issued or credits for infrastructure investment be allowed in connection with this project?;

(iv) Will payment amounts be modified using a net present value calculation?; and

(v) Do replacement property provisions apply?;

(j) any other feature or aspect of the agreement which may affect the calculation of subitems (g) and (h) of this item;

(k) a description of the effect upon the schedules required by subitems (g) and (h) of this item of any feature covered by subitems (i) and (j) not reflected in the schedules for subitems (g) and (h);

(l) which party or parties to the agreement are responsible for updating any information contained in the summary document.

(2) The auditor shall prepare a bill for each installment of the fee according to the schedule set forth in subitem (1)(g) or as modified pursuant to subitem (1)(j), (k), or (l) and that payment must be distributed to the affected taxing entities according to the schedule in subitem (1)(g) or as modified pursuant to subitem (1)(j), (k), or (l).

(3) The county and the sponsor and sponsor affiliates may agree to waive any or all of the items described in this subsection.”

B. The provisions of this section take effect upon approval by the Governor except that the provisions of Section 4‑29‑67(C)(3) take effect January 1, 2011, provided that a county may amend an existing fee‑in‑lieu agreement at any time prior to the expiration of the fee to incorporate the amendments to Section 4‑29‑67(C)(3) as contained in subsection A.

SECTION 9. Section 4‑29‑68(A)(2) of the 1976 Code, as last amended by Act 116 of 2007, is further amended to read:

“(2) The bonds are issued for the purpose of paying the cost of designing, acquiring, constructing, improving, or expanding (a) the infrastructure serving the issuer or the project, (b) for improved or unimproved real estate and personal property including machinery and equipment used in the operation of a manufacturing or commercial enterprise, or (c) aircraft which qualifies as a project pursuant to Section 12‑44‑30(16), which property is determined by the issuer to enhance the economic development of the issuer. Costs of issuance of the bonds also may be paid from bond proceeds. Bonds issued pursuant to this section to finance the acquisition of real or personal property may be additionally secured by a mortgage of that real or personal property.”

SECTION 10.A. Title 11 of the 1976 Code is amended by adding:

“CHAPTER 18

South Carolina Volume Cap Allocation Act

Section 11–18–5. This chapter shall be known as the South Carolina Volume Cap Allocation Act.

Section 11–18–10. The General Assembly finds and determines that:

(a) Sections 1400U–2 and 1400U–3 of the American Recovery and Reinvestment Act of 2009, Pub. L. No. 111–5.123 Stat. 115 (2009) (codified at Section 1400U–2 and –3 of the Internal Revenue Code) (‘ARRA’) added two new types of bonds as recovery zone bonds:

(1) a new type of exempt facility bonds called ‘recovery zone facility bonds’ to be used to finance construction, renovation, and equipping of recovery zone property for use in any trade or business in a recovery zone, all as defined in ARRA; and

(2) a new type of governmental bond called ‘recovery zone economic development bonds.’

(b) The provisions of ARRA provide a formula for allocation of authority to issue recovery zone facility bonds and recovery zone economic development bonds to the states and by the states to the counties and large municipalities within the states. The United States Department of the Treasury, Internal Revenue Service provided for recovery zone bond volume cap allocations in IRS Notice 2009–50 and provided calculations for individual counties and large municipalities on that same date. The notice made specific provision for reallocation of the volume cap allocations that are waived or deemed waived by a county or municipality by giving the state in which such county or municipality is located the authority to reallocate the waived volume cap in any reasonable manner as it shall determine in good faith in its discretion.

(c) Section 1112 of ARRA amended Section 54D(d) of the Internal Revenue Code to increase the volume cap authorization for qualified energy conservation bonds, which were created by Section 301(a) of Tax Extenders and Alternative Minimum Tax Relief Act of 2008, Pub. L. 110–343.122 Stat. 1365 (2008). The United States Department of the Treasury, Internal Revenue Service provided for qualified energy conservation bond volume cap allocations to the states in IRS Notice 2009–29 and authorized the states to allocate such volume cap allocations.

(d) Because of several factors, including the relatively small amounts of some of the allocations, limitations on legal borrowing capacity affecting counties and large municipalities and the lack of access to borrowing by possible beneficiaries of the bonds described above, very little of the allocations of bonds described herein have been utilized in connection with the issuance of these bonds in South Carolina.

(e) These bonds are a valuable resource to South Carolina in its efforts to revitalize its economy and to provide additional employment, all to the promotion of the health and welfare of the citizens of South Carolina.

(f) Because recovery zone bonds must be issued before January 1, 2011, it is in the best interests of the State to provide a procedure for determining as to when counties or large municipalities have waived their allocations of these bonds and to provide for the reallocation of such waived allocations.

(g) Recovery zone facility bonds are bonds with substantially all of the proceeds of which are used for ‘recovery zone property, as defined in the ARRA. The definition of ‘recovery zone property’ includes facilities that may not currently be authorized under the State’s private activity bond enabling statutes. These projects will provide much needed employment, thus it is the best interest of the health and welfare of the citizens of the State to provide authorization for bonds to finance recovery zone property.

(h) The purposes of this chapter is to provide the procedures for the reallocation of recovery zone bonds as well as provide the authorization for the allocation of Qualified Energy Conservation Bonds and Other Federal Bonds as defined below.

Section 11–18–20. (a) ‘ARRA bonds’ mean:

(1) recovery zone bonds authorized under Section 1401 of ARRA; and

(2) Qualified Energy Conservation Bonds authorized under Section 301(a) of Tax Extenders and Alternative Minimum Tax Relief Act of 2008, Pub. L. 110–343, 122 Stat. 1365 (2008) as amended by Section 112 of ARRA.

(b) ‘Board’ means the South Carolina Budget and Control Board.

(c) ‘Code’ means the Internal Revenue Code of 1986, as amended.

(d) ‘Local Government’ means each county and municipality that received an allocation of Volume Cap pursuant to the Code and IRS Notice 2009–50.

(e) ‘Other federal bonds’ mean any such bond, whether tax–exempt, taxable or tax credit, created after the date hereof whereby a volume cap limitation is proscribed under the Code.

(f) ‘Qualified energy conservation bond’ means the term as defined in Section 54D(a) of the Code.

(g) ‘Recovery zone’ means the term as defined in Section 1400U–1(b) of the Code.

(h) ‘Recovery zone economic development bond’ means the term as defined in Section 1400U–2 of the Code.

(i) ‘Recovery zone facility bond’ means the term as defined in Section1400U–3 of the Code.

(j) ‘State’ means the State of South Carolina.

(k) ‘Volume Cap’ means the amount or other limitation of ARRA Bonds allocated to each state and to counties and large municipalities within each state in accordance with Section 1400U–1(a)(4) of the Code, with respect to Recovery Zone Economic Development Bonds and Recovery Zone Facility Bonds, Section 54D(e)(1) of the Code, with respect to Qualified Energy Conservation Bonds, and any other section of the Code which imposes a volume cap limitation on any other Federal Bonds.

Section 11–18–30. For any Volume Cap allocation of Qualified Energy Conservation Bonds and any other Volume Cap allocation for Other Federal Bonds, which has not been or shall not be further suballocated by the Code, the Internal Revenue Service or the United States Department of the Treasury, the Board is authorized to suballocate such Volume Cap allocation.

Section 11–18–40. (A) In accordance with the provisions of this chapter, the Board shall establish a method for determining when a Local Government has waived all or part of its Volume Cap allocation and shall manage the reallocation of such Volume Cap. All allocations and reallocations made pursuant to this chapter shall be made by the Board with the advice and recommendation of an advisory committee which the Board may from time to time appoint and which shall be comprised of members who are, in the sole determination of the Board, familiar with the subject matter germane to the specific federal bond program.

(B) When appropriate, the Board shall provide written notice of Volume Cap allocations of ARRA Bonds and Other Federal Bonds to Local Governments by United States registered or certified mail. Written notice shall be effective on the date shown on the return receipt. Such notice may include a deadline by which ARRA Bonds and Other Federal Bonds must be issued.

(C) A Local Government may waive its Volume Cap allocation by providing written notice of such waiver to the Board within thirty days of the written notice provided in subsection (b).

(D) In determining when a Local Government has waived all or part of its Volume Cap, the Board shall provide that if it has not received from a Local Government a notice of intent to use its Volume Cap allocation within a designated number of days of the written notice provided in subsection (B), the Local Government shall be deemed to have waived its Volume Cap allocation. The form of the notice of intent to use a Local Government’s Volume Cap allocation shall be determined by the Board. Each notice of intent to use its Volume Cap allocation submitted by a Local Government must contain evidence satisfactory to the Board, in its sole discretion, that the allocation will in fact be used. This evidence may consist of:

(1) resolution or otherwise of the designation of a Recovery Zone, if such designation is required;

(2) the form of the resolution or ordinance in substantially final form authorizing the issuance of bonds or approving such other financing as may be done accompanied by a written opinion of legal counsel that the Local Government has the legal ability to effect such issuance or borrowing;

(3) a written opinion of legal counsel that the ARRA Bonds or Other Federal Bonds that the Local Government intends to issue will qualify, based on information available at that time to such legal counsel, as such ARRA Bonds or Other Federal Bonds when issued;

(4) a schedule for the closing of the issue which must not be later than a date determined by the Board; and

(5) other documentation as the Board deems appropriate.

(E) Failure to issue ARRA Bonds or Other Federal Bonds by any deadline established by the Board shall constitute a waiver of Volume Cap allocation unless the Board extends such deadline.

Section 11–18–50. (A) Within thirty days of the effective date of this chapter, the Board shall develop a form for use by any eligible issuer in applying for reallocation of any waived Volume Cap allocation. Applications for reallocation may be accepted by the Board at times prescribed by the Board. The Board may make reallocations as soon as it determines that there is an actual or deemed waiver of any Volume Cap allocation.

(B) In making reallocations, the Board may consider the following factors:

(1) the likelihood of successful completion of such financing;

(2) the number of jobs to be created or preserved and the wages for such jobs;

(3) relative economic need and benefit to the applicant and any other entity benefiting from the proposed issue; and

(4) the overall best interest of the State and the people of the State.

(C) Upon making any reallocation, the Board shall provide written notice of the reallocation of Volume Cap to the eligible issuer by United States registered or certified mail.

Section 11–18–60. Local Governments allocated Volume Cap pursuant to this chapter may, by order or resolution of its governing body, suballocate such allocation to any other eligible issuers authorized to issue ARRA Bonds or Other Federal Bonds pursuant to the Code or any related pronouncements made by the Internal Revenue Service or the United States Treasury Department. Each Local Government that suballocates Volume Cap shall attach a copy of the order, ordinance or resolution authorizing the suballocation to its notice of intent to use Volume Cap required by Section 11–18–40. Local Governments shall be authorized to take any other action required by the Code or related pronouncements made by the Internal Revenue Service or the Treasury Department to issue ARRA Bonds or Other Federal Bonds.

Section 11–18–70. (A) The purpose of this chapter is to ensure that the State’s allocations of ARRA Bonds and Other Federal Bonds are used. To that end, the Board is authorized and directed to make such exceptions and waivers or extend or shorten time requirements as it deems most likely to effect the purposes hereof. The Board is encouraged to avoid the development of rigid procedures and formalities in the determination of waived allocations or reallocations. The Board is directed focus on the probability of the Local Governments’ using the Volume Cap for ARRA Bonds prior to January 1, 2011.

(B) The Board may adopt any further policies and procedures it considers necessary for the equitable and effective administration of this chapter.

Section 11–18–80. In order to make the maximum use of Volume Cap allocations, any bond enabling act which specifies particular projects or users must be construed to provide that any recovery zone property as defined in Section 1400U–3(b) of the Code will be deemed to qualify as a project. Accordingly any person engaged in a qualified business as defined in Section 1400U–3(b)(2) of the Code will be permitted as beneficiary of any such bonds.”

B. Section 4‑29‑10(3) of the 1976 Code, as last amended by 89 of 2001, is further amended to read:

“(3) ‘Project’ means any land and any buildings and other improvements on the land including, without limiting the generality of the foregoing, water, sewage treatment and disposal facilities, air pollution control facilities, and all other machinery, apparatus, equipment, office facilities, and furnishings which are considered necessary, suitable, or useful by the following investors or any combination of them:

(a) any enterprise for the manufacturing, processing, or assembling of any agricultural or manufactured products;

(b) any commercial enterprise engaged in storing, warehousing, distributing, transporting, or selling products of agriculture, mining, or industry, or engaged in providing laundry services to hospitals, to convalescent homes, or to medical treatment facilities of any type, public or private, within or outside of the issuing county or incorporated municipality and within or outside of the State;

(c) any enterprise for research in connection with any of the foregoing or for the purpose of developing new products or new processes or improving existing products or processes;

(d) any enterprise engaged in commercial business including, but not limited to, wholesale, retail, or other mercantile establishments; residential and mixed use developments of two thousand five hundred acres or more; office buildings; computer centers; tourism, sports, and recreational facilities; convention and trade show facilities; and public lodging and restaurant facilities if the primary purpose is to provide service in connection with another facility qualifying under this subitem; and

(e) any enlargement, improvement, or expansion of any existing facility in subitems (a), (b), (c), and (d) of this item.

The term ‘project’ does not include facilities for an enterprise primarily engaged in the sale or distribution to the public of electricity, gas, or telephone services. A project may be located in one or more counties or incorporated municipalities. The term ‘project’ also includes any structure, building, machinery, system, land, interest in land, water right, or other property necessary or desirable to provide facilities to be owned and operated by any person, firm, or corporation for the purpose of providing drinking water, water, or wastewater treatment services or facilities to any public body, agency, political subdivision, or special purpose district. This definition is for purposes of industrial revenue bonds only.

Notwithstanding another provision hereof, the term ‘project’ shall include any recovery zone property as defined in Section 1400U–3(b) of the Internal Revenue Code and any ‘Qualified Conservation Purpose’ as defined in Section 54D(f) of the Code or other purposes set forth in Section 54D(e) of the Code. No restriction herein relating to the user or use of a project shall apply to any recovery zone property.”

SECTION 11. Section 12‑6‑530 of the 1976 Code is amended to read:

“Section 12‑6‑530. (A) An income tax is imposed annually at the rate of five percent on the South Carolina taxable income of every corporation, other than those described in Sections 12‑6‑540 and 12‑6‑550, and any other entity taxed using the rates of a corporation for federal income tax purposes, transacting, conducting, or doing business within this State or having income within this State, regardless of whether these activities are carried on in intrastate, interstate, or foreign commerce. The terms ‘transacting’, ‘conducting’, and ‘doing business’ include transacting or engaging in any activity for the purpose of financial profit or gain.

(B) Beginning with the year 2011, the corporate income tax rate of five percent annually imposed by this section is reduced by one‑half percent per year until the rate reaches zero for the year 2020 and thereafter.”

SECTION 11A. Section 12‑6‑590 of the 1976 Code, as last amended by Act 116 of 2007, is further amended by adding:

“(C) One‑half of all income taxes paid by resident shareholders, and nonresident shareholders under Section 12‑8‑590 or other provisions of law, up to five million dollars, of an ‘S’ Corporation with a new five hundred million dollar capital investment at a single site and four hundred new employees, for a period of five years, must be paid by the department to the State Treasurer to be deposited into a fund and distributed pursuant to the approval of the Coordinating Council for Economic Development. The county or municipality in which the project is located may apply to the Council for grants from the fund by submitting a grant application. Upon review of the grant application, the Council shall determine the amount of monies to be received by each of the eligible counties or municipalities. All monies must be used for public infrastructure improvements which directly support the project. Grants may run for more than a year and may be based upon a specified dollar amount or a percentage of the monies deposited annually into the fund. After approval of a grant application, the Council may approve the release of monies. The Council shall adopt guidelines to administer the fund, including, but not limited to, grant application criteria for review and approval of grant applications.”

SECTION 12. Section 12‑6‑3360 of the 1976 Code, as last amended by Act 116 of 2007, is further amended to read:

“Section 12‑6‑3360. (A) Taxpayers that operate manufacturing, tourism, processing, warehousing, distribution, research and development, corporate office, qualifying service‑related facilities, extraordinary retail establishment, and qualifying technology intensive facilities, and banks as defined pursuant to this title are allowed an annual jobs tax credit as provided in this section. In addition, taxpayers that operate retail facilities and service‑related industries qualify for an annual jobs tax credit in counties designated as ~~least developed or distressed, and in counties that are under developed and not traversed by an interstate highway~~ Tier IV. As used in this section, ‘corporate office’ includes general contractors licensed by the South Carolina Department of Labor, Licensing and Regulation. Credits pursuant to this section may be claimed against income taxes imposed by Section 12‑6‑510 or 12‑6‑530, ~~bank taxes imposed pursuant to Chapter 11 of this title, and~~ insurance premium taxes imposed pursuant to Chapter 7 ~~of~~, Title 38, and are limited in use to fifty percent of the taxpayer’s South Carolina income tax~~, bank tax,~~ or insurance premium tax liability. In computing a tax payable by a taxpayer pursuant to Section 38‑7‑90, the credit allowable pursuant to this section must be treated as a premium tax paid pursuant to Section 38‑7‑20.

(B) The department shall rank and designate the state’s counties by December thirty‑first each year using data from the South Carolina Employment Security Commission and the United States Department of Commerce. The county designations are effective for taxable years that begin in the following calendar year. ~~A county’s designation may not be lowered in credit amount more than one tier in the following calendar year.~~ The counties are ranked using the last three completed calendar years of per capita income data and the last thirty‑six months of unemployment rate data that are available on November first, with equal weight given to unemployment rate and per capita income as follows:

(1)~~(a)~~ The twelve counties with a combination of the highest unemployment rate and lowest per capita income are designated ~~distressed~~ Tier IV counties. Notwithstanding any other provision of law, no more than twelve counties may be designated or classified as ~~distressed~~ Tier IV and notwithstanding any other provision of this section, a county may be designated as ~~distressed~~ Tier IV only by virtue of the criteria provided in this subitem.

~~(b)~~ ~~A category with the same criteria as provided in subitem (a) of this item is designated least developed county which consists of underdeveloped counties otherwise eligible for this category.~~

(2) The twelve counties with a combination of the next highest unemployment rate and next lowest per capita income are designated ~~underdeveloped~~ Tier III counties.

(3) The eleven counties with a combination of the next highest unemployment rate and the next lowest per capita income are designated ~~moderately developed~~ Tier II counties.

(4) The eleven counties with a combination of the lowest unemployment rate and the highest per capita income are designated ~~developed~~ Tier I counties.

~~(5)(a)~~ ~~A county, any portion of which is located within twenty‑five miles of the boundaries of an applicable military installation or applicable federal facility as defined in Section 12‑6‑3450(1), shall receive the next increased credit designation for five years beginning with the year in which the military installation or federal facility became an applicable military installation or applicable federal facility as defined in Section 12‑6‑3450(1), with the additional requirement that the military installation must have reduced employment on the installation of at least three thousand employees.~~

~~(b)~~ ~~In addition to the designation in subitem (a), a county in which an applicable military installation or applicable federal facility is located is allowed an additional increased credit designation for five years beginning with the year the installation or facility meets the requirements.~~

~~(c)~~ ~~Notwithstanding the designations in Section 12‑6‑3360, Laurens, Cherokee, and Union Counties shall qualify for the next increased credit designation.~~

~~(d)~~ ~~In a county where less than five percent of the work force is in manufacturing, the credit allowed is one tier higher than the credit for which the county would otherwise qualify.~~

~~(e)~~ ~~For a job created in a county that is not traversed by an interstate highway, the credit allowed is one tier higher than the credit for which jobs created in the county would otherwise qualify. This subitem does not apply to a job created in a county eligible for a higher tier pursuant to another provision of this item.~~

~~(f)~~ ~~In a county in which one employer has lost at least 1,500 jobs in a calendar year, the credit allowed is one tier higher than the credit for which the county would otherwise qualify. The one‑tier‑higher credit allowed by this subsection is allowed for five taxable years for jobs created in 2006, 2007, and 2008. This subsection does not apply to a job created in a county eligible for a higher tier pursuant to another provision of this section.~~

~~(g)~~ ~~In a county which is at least one thousand square miles in size and which has had an unemployment rate greater than the state average for the past ten years and an average per capita income lower than the average state per capita income for the past ten years, and which is not included in any of the county classifications contained in subitems (a) through (f) of this item, the credit allowed is two tiers higher than the credit for which the county otherwise would qualify.~~

~~(h)~~ ~~In a county in which one employer has lost at least 1,500 jobs in calendar year 2006, the credit allowed is three tiers higher than the credit for which the county would otherwise qualify. The three‑tier‑higher credit allowed by this subsection is allowed for five taxable years for jobs created in 2007 and 2008. This subsection does not apply to a job created in a county eligible for a higher tier pursuant to another provision of this section.~~

(C)(1) Subject to the conditions provided in subsection (N) of this section, a job tax credit is allowed for five years beginning in year two after the creation of the job for each new full‑time job created if the minimum level of new jobs is maintained. The credit is available to taxpayers that increase employment by ten or more full‑time jobs, and no credit is allowed for the year or any subsequent year in which the net employment increase falls below the minimum level of ten. The amount of the initial job credit is as follows:

(a) Eight thousand dollars for each new full‑time job created in ~~distressed~~ Tier IV counties.

(b) ~~Four thousand five hundred dollars for each new full‑time job created in least developed counties.~~

~~(c)~~ Three thousand five hundred dollars for each new full‑time job created in ~~under developed~~ Tier III counties.

(~~d~~c) Two thousand five hundred dollars for each new full‑time job created in ~~moderately developed~~ Tier II counties.

(~~e~~d) One thousand five hundred dollars for each new full‑time job created in ~~developed~~ Tier I counties.

(2)(a) Subject to the conditions provided in subsection (N) of this section, a job tax credit is allowed for five years beginning in year two after the creation of the job for each new full‑time job created if the minimum level of new jobs is maintained. The credit is available to taxpayers with ninety‑nine or fewer employees that increase employment by two or more full‑time jobs, and may be received only if the gross wages of the full‑time jobs created pursuant to this section amount to a minimum of one hundred twenty percent of the county’s or state’s average per capita income, whichever is lower. No credit is allowed for the year or any subsequent year in which the net employment increase falls below the minimum level of two. The amount of the initial job credit is as described in (C)(1).

(b) If the taxpayer with ninety‑nine or fewer employees increases employment by two or more full‑time jobs but the gross wages do not amount to a minimum one hundred twenty percent of the county’s or state’s average per capita income, whichever is lower, then the amount of the initial job credit is as follows:

(i) Four thousand dollars for each new full‑time job created in ~~distressed~~ Tier IV counties.

(ii) ~~Two thousand two hundred fifty dollars for each new full‑time job created in least developed counties.~~

~~(iii)~~ One thousand seven hundred fifty dollars for each new full‑time job created in ~~under developed~~ Tier III counties.

(~~iv~~iii) One thousand two hundred fifty dollars for each new full‑time job created in ~~moderately developed~~ Tier II counties.

(~~v~~iv) Seven hundred fifty dollars for each new full‑time job created in ~~developed~~ Tier I counties.

(D) If the taxpayer qualifying for the new jobs credit under subsection (C) creates additional new full‑time jobs in years two through six, the taxpayer may obtain a credit for those new jobs for five years following the year in which the job is created. The amount of the credit for each new full‑time job is the same as provided in subsection (C).

(E)(1) Taxpayers which qualify for the job tax credit provided in subsection (C) and which are located in a business or industrial park jointly established and developed by a group of counties pursuant to Section 13 of Article VIII of the Constitution of this State are allowed an additional one thousand dollar credit for each new full‑time job created. This additional credit is permitted for five years beginning in the taxable year following the creation of the job.

(2) Taxpayers which otherwise qualify for the job tax credit provided in subsection (C) and which are located and the qualifying jobs are located on property where a response action has been completed pursuant to a nonresponsible party voluntary cleanup contract pursuant to Article 7, Chapter 56 of Title 44, the Brownfields Voluntary Cleanup Program, are allowed an additional one thousand dollar credit for each new full‑time job created. This additional credit is permitted for five years beginning in the taxable year following the creation of the job. No credit under this item is allowed a taxpayer that is a ‘responsible party’ as defined in that article.

(F)(1) The number of new and additional new full‑time jobs is determined by comparing the monthly average number of full‑time employees subject to South Carolina income tax withholding in the applicable county for the taxable year with the monthly average in the prior taxable year. For purposes of calculating the monthly average number of full‑time employees in the first year of operation in this State, a taxpayer may use the actual months in operation or a full twelve‑month period. If a taxpayer’s business is in operation for less than twelve months a year, the number of new and additional new full‑time jobs is determined using the monthly average for the months the business is in operation.

(2)(a) A taxpayer who makes a capital investment of at least fifty million dollars at a single site within a three‑year period may elect to have the number of new and additional new full‑time jobs determined by comparing the monthly average number of full‑time jobs subject to South Carolina income tax withholding at the site for the taxable year with the monthly average for the prior taxable year.

(b) For purposes of this item, ‘single site’ means a stand‑alone building whether or not several stand‑alone buildings are located in one geographical location.

(c) The calculation of new and additional jobs provided for in this item is allowed for only a five‑year period commencing in the year in which the fifty million dollars of capital investment is completed.

(d) For purposes of this subsection a ‘new job’ does not include a job transferred from one site to another site by the taxpayer or a related person. A related person includes any entity or person that bears a relationship to the taxpayer as set forth in Section 267 of the Internal Revenue Code. ~~However, this exclusion of a new job created by a job transferred from one site to another site does not extend to a job created at a new or expanded facility located in a county in which is located an ‘applicable federal facility’ as defined in Section 12‑6‑3450(A)(1)(b).~~

(G) Except for credits carried forward under subsection (H), the credits available under this section are only allowed for the job level that is maintained in the taxable year that the credit is claimed. If the job level for which a credit was claimed decreases, the five‑year period for eligibility for the credit continues to run.

(H) A credit claimed pursuant to this section but not used in a taxable year may be carried forward for fifteen years from the taxable year in which the credit is earned by the taxpayer. Credits that are carried forward must be used in the order earned and before jobs credits claimed in the current year. A taxpayer who earns credits allowed by this section and who also is eligible for the moratorium provided in Section 12‑6‑3367 may claim the credits and may carry forward unused credits beginning after the moratorium period expires.

(I) The merger, consolidation, or reorganization of a taxpayer, where tax attributes survive, does not create new eligibility in a succeeding taxpayer, but unused job tax credits may be transferred and continued by the succeeding taxpayer subject to the limitations of Section 12‑6‑3320. In addition, a taxpayer may assign its rights to its jobs tax credit to another taxpayer if it transfers all or substantially all of the assets of the taxpayer or all or substantially all of the assets of a trade or business or operating division of a taxpayer related to the generation of the jobs tax credits to that taxpayer if the required number of new jobs is maintained for that amount of credit. A taxpayer is not allowed a jobs tax credit if the net employment increase for that taxpayer falls below two. The appropriate agency shall determine if qualifying net increases or decreases have occurred and may require reports, adopt rules or promulgate regulations, and hold hearings needed for substantiation and qualification.

(J) For a taxpayer which plans a significant expansion in its labor forces at a location in this State, the appropriate agency shall prescribe certification procedures to ensure that the taxpayer can claim credits in future years even if a particular county is removed from the list of ~~distressed, least developed, under developed, or moderately developed~~ Tier IV, Tier III, or Tier II counties.

(K)(1) An S corporation, limited liability company taxed as a partnership, or partnership that qualifies for a credit under this section may pass through the credit earned to each shareholder of the S corporation, partner of the partnership, or member of the limited liability company. For purposes of this subsection, limited liability company means a limited liability company taxed as a partnership.

(a) The amount of the credit allowed a shareholder, partner, or member by this subsection is equal to the shareholder’s percentage of stock ownership, partner’s interest in the partnership, or member’s interest in the limited liability company for the taxable year multiplied by the amount of the credit earned by the entity. This nonrefundable credit is allowed against taxes due under Section 12‑6‑510 or 12‑6‑530 and bank taxes imposed pursuant to Chapter 11 of this title and may not exceed fifty percent of the shareholder’s, partner’s, or member’s tax liability under Section 12‑6‑510 or 12‑6‑530 or bank tax liability imposed pursuant to Chapter 11 of this title.

(b) Notwithstanding subitem (a), the credit earned pursuant to this section by an S corporation owing corporate level income tax must be used first at the entity level. Only the remaining credit passes through to each shareholder.

(3) A credit claimed pursuant to this subsection but not used in a taxable year may be carried forward by each shareholder, partner, or member for fifteen years from the close of the tax year in which the credit is earned by the S corporation, partnership, or limited liability company. The entity earning the credit may not carry over credit that passes through to its shareholders, partners, or members.

(L) ~~Notwithstanding any other provision of this section, a county with a population under twenty‑five thousand as determined by the most recent United States Census shall receive the next increased credit designation for purposes of the credit allowed by this section.~~

~~(M)~~ As used in this section:

(1) ‘Taxpayer’ means a sole proprietor, partnership, corporation of any classification, limited liability company, or association taxable as a business entity that is subject to South Carolina taxes as contained in Section 12‑6‑510, Section 12‑6‑530, Chapter 11 ~~of~~, Title 12, or Chapter 7 ~~of~~, Title 38.

(2) ‘Appropriate agency’ means the Department of Revenue, except that for taxpayers subject to the premium tax imposed by Chapter 7 ~~of~~, Title 38, it means the Department of Insurance.

(3) ‘New job’ means a job created in this State at the time a new facility or an expansion is initially staffed. Except as otherwise provided in this item, the term does not include a job created when an employee is shifted from an existing location in this State to a new or expanded facility whether the transferred job is from, or to, a facility of the taxpayer or a related person. A related person includes any entity or person that bears a relationship to the taxpayer as described in Section 267 of the Internal Revenue Code. However, this exclusion of a new job created by employee shifting does not extend to a job created at a new or expanded facility located in a county in which is located an ‘applicable federal facility’ as defined in Section 12‑6‑3450(A)(1)(b). The term ‘new job’ also includes an existing job at a facility of an employer which is reinstated after the employer has rebuilt the facility due to:

(a) its destruction by accidental fire, natural disaster, or act of God;

(b) involuntary conversion as a result of condemnation or exercise of eminent domain by the State or any of its political subdivisions or by the federal government.

Destruction for purposes of this provision means that more than fifty percent of the facility was destroyed. For purposes of this section, involuntary conversion as a result of condemnation or exercise of eminent domain includes a legally binding agreement for the purchase of a facility of an employer entered into between an employer and the State of South Carolina or a political subdivision of the State under threat of exercise of eminent domain by the State or its political subdivision.

The year of reinstatement is the year of creation of the job. All reinstated jobs qualify for the credit pursuant to this section, and a comparison is not required to be made between the number of full‑time jobs of the employer in the taxable year and the number of full‑time jobs of the employer with the corresponding period of the prior taxable year.

~~Notwithstanding another provision of law, ‘new job’ includes jobs created by a taxpayer when the taxpayer hires more than five hundred full‑time individuals:~~

~~(a) at a manufacturing facility located in a county classified as distressed;~~

~~(b)~~ ~~immediately before their employment by the taxpayer, the individuals were employed by a company operating, as of the effective date of this paragraph, under Chapter 11 of the United States Bankruptcy Code; and~~

~~(c)~~ ~~the taxpayer, as an unrelated entity, acquires as of March 12, 2004, substantially all of the assets of the company operating under Chapter 11 of the United States Bankruptcy Code.~~

(4) ‘Full‑time’ means a job requiring a minimum of thirty‑five hours of an employee’s time a week for the entire normal year of company operations or a job requiring a minimum of thirty‑five hours of an employee’s time for a week for a year in which the employee was hired initially for or transferred to the South Carolina facility. For the purposes of this section, two half‑time jobs are considered one full‑time job. A ‘half‑time job’ is a job requiring a minimum of twenty hours of an employee’s time a week for the entire normal year of the company’s operations or a job requiring a minimum of twenty hours of an employee’s time a week for a year in which the employee was hired initially for or transferred to the South Carolina facility.

(5) ‘Manufacturing facility’ means an establishment where tangible personal property is produced or assembled.

(6) ‘Processing facility’ means an establishment that prepares, treats, or converts tangible personal property into finished goods or another form of tangible personal property. The term includes a business engaged in processing agricultural, aquacultural, or maricultural products. It does not include an establishment in which retail sales of tangible personal property are made to retail customers.

(7) ‘Warehousing facility’ means an establishment where tangible personal property is stored but does not include any establishment where retail sales of tangible personal property are made to retail customers.

(8) ‘Distribution facility’ means an establishment where shipments of tangible personal property are processed for delivery to customers. The term does not include an establishment where retail sales of tangible personal property are made to retail customers on more than twelve days a year except for a facility which processes customer sales orders by mail, telephone, or electronic means, if the facility also processes shipments of tangible personal property to customers and if at least seventy‑five percent of the dollar amount of goods sold through the facility are sold to customers outside of South Carolina. Retail sales made inside the facility to employees working at the facility are not considered for purposes of the twelve‑day and seventy‑five percent limitation. For purposes of this definition, ‘retail sale’ and ‘tangible personal property’ have the meaning provided in Chapter 36 of this title.

(9) ‘Research and development facility’ means an establishment engaged in laboratory, scientific, or experimental testing and development related to new products, new uses for existing products, or improving existing products. The term does not include an establishment engaged in efficiency surveys, management studies, consumer surveys, economic surveys, advertising, promotion, banking, or research in connection with literary, historical, or similar projects.

(10) ‘Corporate office facility’ means a corporate headquarters that meets the definition of a ‘corporate headquarters’ contained in Section 12‑6‑3410(J)(1). The corporate headquarters of a general contractor licensed by the South Carolina Department of Labor, Licensing and Regulation qualifies even if it is not a regional or national headquarters as those terms are defined in Section 12‑6‑3410(J)(1).

(11) The terms ‘retail sales’ and ‘tangible personal property’ for purposes of this section are defined in Chapter 36 of this title.

(12) ‘Tourism facility’ means an establishment used for a theme park; amusement park; historical, educational, or trade museum; botanical garden; cultural center; theater; motion picture production studio; convention center; arena; auditorium; or a spectator or participatory sports facility; and similar establishments where entertainment, education, or recreation is provided to the general public. Tourism facility also includes new hotel and motel construction, except that to qualify for the credits allowed by this section and regardless of the county in which the facility is located, the number of new jobs that must be created by the new hotel or motel is twenty or more. It does not include that portion of an establishment where retail merchandise or retail services are sold directly to retail customers.

(13) ‘Qualifying service‑related facility’ means:

(a) an establishment engaged in an activity or activities listed under the North American Industry Classification System Manual (NAICS) Section 62, subsectors 621, 622, and 623; or

(b) a business, other than a business engaged in legal, accounting, banking, or investment services or retail sales, which has a net increase of at least:

(i) ~~two~~ one hundred fifty jobs at a single location;

(ii) ~~one hundred twenty‑five~~ seventy‑five jobs at a single location and the jobs have an average cash compensation level of more than one and one‑half times the lower of state per capita income or per capita income in the county where the jobs are located; or

(iii) ~~seventy‑five~~ forty jobs at a single location and the jobs have an average cash compensation level of more than twice the lower of state per capita income or per capita income in the county where the jobs are located; ~~or~~

~~(iv)~~ ~~thirty jobs at a single location and the jobs have an average cash compensation level of more than two and one‑half times the lower of state per capita income or per capita income in the county where the jobs are located.~~

A taxpayer shall use the most recent per capita income data available as of the end of the taxable year in which the jobs are filled. Determination of the required number of jobs is in accordance with the monthly average described in subsection (F).

(14) ‘Technology intensive facility’ means:

(a) a facility at which a firm engages in the design, development, and introduction of new products or innovative manufacturing processes, or both, through the systematic application of scientific and technical knowledge. Included in this definition are the following North American Industrial Classification Systems, NAICS, codes published by the Office of the Management and Budget of the federal government:

(i) 5114 database and directory publishers;

(ii) 5112 software publishers;

(iii) 54151 computer systems design and related services;

(iv) 541511 custom computer programming services;

(v) 541512 computer systems design services;

(vi) 541710 scientific research and development services;

(vii) 9271 space research and technology; or

(b) a facility primarily used for one or more activities listed under the 2002 version of the NAICS Codes 51811 (Internet Service Providers and Web Search Portals).

(15) ‘Extraordinary retail establishment’ as defined in Sections 12‑21‑6520 and 12‑21‑6590.

(~~N~~M) Except for employees employed in ~~distressed~~ Tier IV counties, the maximum aggregate credit that may be claimed in any tax year for a single employee pursuant to this section and Section 12‑6‑3470(A) is five thousand five hundred dollars.”

SECTION 13. Section 12‑6‑3375 of the 1976 Code, as last amended by Act 386 of 2006, is further amended to read:

“Section 12‑6‑3375. (A)(1) A taxpayer engaged in manufacturing, warehousing, or distribution which uses port facilities in this State and which increases its port cargo volume at these facilities by a minimum of five percent in a single calendar year over its base year port cargo volume is eligible to claim ~~a~~ an income tax credit or a credit against employee withholding in the amount determined by the ~~Coordinating Council for Economic Development (council)~~ State Ports Authority Board.

(2) The maximum amount of tax credits allowed to all qualifying taxpayers pursuant to this section may not exceed eight million dollars for each calendar year and credits against employee withholdings may not exceed four million dollars out of eight million dollars. ~~A qualifying taxpayer may not receive more than one million dollars for each calendar year except as provided in subsection (B)(2).~~ The ~~council~~ board has sole discretion in allocating the credits provided by this section on a priority basis or such other basis as the board deems appropriate, taking into consideration the following factors:

(a) the amount of base year port cargo volume;

(b) the total and percentage increase in port cargo volume;

(c) the number of qualifying taxpayers;

(d) the type of cargo transported; and

(e) other factors related to the economic benefit of the State, as determined by the ~~council~~ board.

(3) If the credit exceeds the taxpayer’s tax liability for the taxable year, the excess amount may be carried forward and claimed against income taxes in the next five succeeding taxable years.

(4) The credit may be claimed by the taxpayer as provided in (A)(1) only if the taxpayer owns the cargo at the time the port facilities are used.

(B)(1) For every year in which a taxpayer claims the credit, the taxpayer shall submit an application to the ~~council by March first of the calendar year~~ board after the calendar year in which the increase in port cargo volume occurs. The board may make allocations of the credit on a monthly, quarterly, or annual basis. The taxpayer shall attach a schedule to the taxpayer’s application to the ~~council~~ board with the following information and information requested by the ~~council~~ board or the department:

(a) a description of how the base year port cargo volume and the increase in port cargo volume was determined;

(b) the amount of the base year port cargo volume;

(c) the amount of the increase in port cargo volume for the taxable year stated both as a percentage increase and as a total increase in net tons of noncontainerized cargo and TEUs of cargo, including information which demonstrates an increase in port cargo volume in excess of the minimum amount required to claim the tax credits pursuant to this section;

(d) any tax credit utilized by the taxpayer in prior years; and

(e) the amount of tax credit carried over from prior years.

(2) ~~If on March fifteenth of each year, the eight‑million‑dollar amount of credit is not fully allocated among qualifying taxpayers, then those taxpayers who have been allocated the maximum one million dollar credit for a year must be allowed a pro rata share of the remaining allocated credit up to eight million dollars.~~

~~(3)~~ To receive the credit the taxpayer shall claim the credit on its income tax or withholding return in a manner prescribed by the department. The department may require a copy of the certification form issued by the ~~council~~ board be attached to the return or otherwise provided.

(C) As used in this section:

(1) ‘TEU’ means a ‘twenty‑foot equivalent unit’; a volumetric measure based on the size of a container twenty feet long by eight feet wide by eight feet, six inches high.

(2) ‘Base year port cargo volume’ initially means the total amount of net tons of noncontainerized cargo or TEUs of cargo actually transported by way of a waterborne ship through a port facility during the period from January 1, ~~2005~~ 2009, through December 31, ~~2005~~ 2009. Base year port cargo volume must be at least seventy‑five net tons of noncontainerized cargo or ten TEUs for a taxpayer to be eligible for the credits provided in this section. For a taxpayer that does not ship that amount in the year ending December 31, ~~2005~~ 2009, including a taxpayer who locates in South Carolina after December 31, ~~2005~~ 2009, its base cargo volume will be measured by the initial January first through December thirty‑first calendar year in which it meets the requirements of seventy‑five net tons of noncontainerized cargo or ten loaded TEUs. Base year port cargo volume must be recalculated each calendar year after the initial base year.

(3) ‘Port facility’ means any publicly or privately owned facility located within this State through which cargo is transported by way of a waterborne ship or vehicle to or from destinations outside this State and which handles cargo owned by third parties in addition to cargo owned by the port facility’s owner.

(4) ‘Port cargo volume’ means the total amount of net tons of noncontainerized cargo or containers measured in twenty‑foot equivalent units (TEUs) of cargo transported by way of a waterborne ship or vehicle through a port facility.

(D) The South Carolina State Ports Authority board may annually award up to one million dollars of the eight million dollars of credits to a new warehouse or distribution facility which commits to expending at least forty million dollars at a single site and creating one hundred new full‑time jobs, and the base year cargo provisions contained in this section do not apply. The board may make the award in the year the facility is announced provided that it may not tender the certificate until it has received satisfactory proof that the capital investment and job creation requirements have, or will be, satisfied. Any credit certificate expires three years after issuance if satisfactory proof has not been received.

(~~D~~E) Notwithstanding Section 12‑54‑240, the department and the ~~Department of Commerce~~ board may exchange information submitted by a taxpayer pursuant to this section.”

SECTION 14. Title 6, Chapter 12 of the 1976 Code is amended by adding:

“Section 12‑6‑3411. A corporation establishing a national corporate headquarters in this State or expanding or adding to an existing national corporate headquarters, which in connection therewith adds at least fifty new full‑time jobs performing corporate headquarters related functions and services as defined in Section 12‑6‑3410 shall be exempt from paying state corporate income taxes imposed under Section 12‑6‑530 for a period of ten years from the date of establishment.”

SECTION 15.A. Article 25, Chapter 6, Title 12 of the 1976 Code is amended by adding:

“Section 12‑6‑3586. (A) As used in this section:

(1) ‘Solar energy equipment’ is equipment that uses solar radiation as a substitute for traditional energy for water heating, active space heating and cooling, passive heating, daylighting, generating electricity, distillation, desalination, detoxification, or the production of industrial or commercial process heat. The term also includes related devices necessary for collecting, storing, exchanging, conditioning, or converting solar energy to other useful forms of energy.

(2) ‘Tax liability’ includes income taxes imposed pursuant to this chapter, license taxes imposed pursuant to Chapter 20 of this title, bank and building and loan taxes imposed pursuant to Chapters 11 and 13 of this title, and premium taxes imposed pursuant to Title 38.

(B) If a taxpayer that has purchased solar energy equipment places it in service in this State during the taxable year, the taxpayer is allowed a credit against his tax liability equal to thirty‑five percent of the cost of the equipment. In the case of solar energy equipment that serves a single‑family dwelling, the credit must be taken for the taxable year in which the equipment is placed in service. Unused credit with respect to a single family dwelling may be carried forward to the ten succeeding taxable years. For all other solar energy equipment, the entire credit may not be taken for the taxable year in which the equipment is placed in service but must be taken in five equal annual installments beginning with the taxable year in which the equipment is placed in service and subject to this annual limit, unused credit may be carried forward for taxable years six through fifteen succeeding the year the equipment was placed in service.

(C) If, in one of the years in which the installment of a credit accrues, the solar energy equipment with respect to which the credit was claimed is disposed of, taken out of service, or moved out of State, the credit expires and the taxpayer may not take any remaining installment of the credit. The taxpayer however, may take the portion of an installment that accrued in a previous year and was carried forward to the extent permitted pursuant to subsection (B) of this section. No credit is allowed pursuant to this section to the extent the cost of the solar energy equipment was provided by public funds and the amount of any credit allowed pursuant to this section must be reduced by any credit claimed pursuant to Section 12‑6‑3587 or any other credit allowed pursuant to this title for solar energy equipment. In no case may a credit allowed pursuant to this section exceed one half of the taxpayer’s tax liability for a taxable year.

(D) The credit allowed by this section may not exceed the applicable ceilings provided in this subsection.

(1) A ceiling of two million five hundred thousand dollars for each installation applies to solar energy equipment placed in service for any purpose other than residential.

(2) The following ceilings apply to solar energy equipment placed in service for residential purposes:

(a) one thousand four hundred dollars for each dwelling unit for solar energy equipment for domestic water heating, including pool heating;

(b) three thousand five hundred dollars for each dwelling unit for solar energy equipment for active space heating, combined active space and domestic hot water systems, and passive space heating;

(c) ten thousand five hundred dollars for each installation for any other solar energy equipment for residential purposes.”

B. This section takes effect upon approval by the Governor and applies for installations of solar energy equipment placed in service in taxable years beginning after 2009.

SECTION 16. Chapter 6, Title 12 of the 1976 Code is amended by adding:

“Section 12‑6‑3588. (A) The General Assembly has determined to enact the ‘South Carolina Renewable Energy Tax Incentive Program’ as contained in this section to encourage business investment that will produce high quality employment opportunities and enhance this State’s position as a center for production and use of renewable energy products. The program accomplishes this goal by providing tax incentives to companies in the solar, wind, geothermal, and other renewable energy industries who are expanding or locating in South Carolina.

(B) As used in this section:

(1) ‘Capital investment’ means an expenditure to acquire, lease, or improve property that is used in operating a business, including land, buildings, machinery, and fixtures.

(2) ‘Manufacturing’ means fabricating, producing, or manufacturing raw or unprepared materials into usable products, imparting new forms, qualities, properties, and combinations. Manufacturing does not include generating electricity for off‑site consumption.

(3) ‘Qualifying investment’ means investment in land, buildings, machinery, and fixtures for expansion of an existing facility or establishment of a new facility in this State. Qualifying investment does not include relocating an existing facility in this State to another location in this State without additional capital investment.

(4) ‘Renewable energy operations’ are limited to manufacturers of systems and components that are used or useful in manufacturing renewable energy equipment for the generation, storage, testing and research and development, and transmission or distribution of electricity from renewable sources, including specialized packaging for the renewable energy equipment manufactured at the facility.

(C) A business or corporation meeting the requirements of this section beginning in 2010 is eligible to receive a ten percent nonrefundable income tax credit of the cost of the company’s total qualifying investments in plant and equipment in this State for renewable energy operations.

(D) The business or corporation must:

(1) manufacture renewable energy systems and components in South Carolina for solar, wind, geothermal, or other renewable energy uses in order to be eligible for the tax credit authorized by this section;

(2) invest at least five hundred million dollars in the year the tax credit is claimed in new qualifying plant and equipment; and

(3) have created one and one‑half fulltime jobs for every five hundred thousand dollars of capital investment qualifying for the credit that each pays at least one hundred twenty‑five percent of this State’s average annual median wage as defined by the Department of Commerce .

(E) The income tax credit program is for a five‑year period beginning January 1, 2010, and ending December 31, 2015.

(F) A taxpayer may separately qualify for new facilities in separate locations or for separate expansions of existing facilities located in this State.

(G) A taxpayer’s total credit for all expenditures allowed pursuant to this section must not exceed five hundred thousand dollars for any year and five million dollars total for all years. Unused credits may be carried forward for fifteen years after the tax year in which a qualified expenditure was made. The credit is nonrefundable.

(H) Expenditures qualifying for a tax credit allowed by this section must be certified by the State Energy Office. The State Energy Office may consult with appropriate state and federal officials on standards for certification.

(I) To obtain the amount of the credit available to a taxpayer, each taxpayer must submit a request for the credit to the State Energy Office by January thirty‑first for qualifying expenses incurred in the previous calendar year and the State Energy Office must notify the taxpayer that the submitted expenditures qualify for the credit and the amount of credit allocated to such taxpayer by March first of that year. A taxpayer may claim the maximum amount of the credit for its taxable year which contains the December thirty‑first of the previous calendar year. The Department of Commerce must certify to the State Energy Office that the taxpayer has met the job creation requirements of subsection (D)(4).

(J) The credits authorized by this section are in lieu of any other applicable income tax credits or abatements allowed by state law, and in the event of an overlap or conflict in available credits or abatements to a taxpayer, the taxpayer must select the credit or abatement he desires in the manner prescribed by the Department of Revenue to the extent the credits or abatements conflict or overlap.”

SECTION 17. Section 12‑10‑30(3) and (8) of the 1976 Code, as last amended by Act 399 of 2000, is further amended to read:

“(3) ‘Employee’ means an employee of the qualifying business who works full time at the project. Leased employees and any employee who works less than thirty‑eight and one‑half hours a week do not qualify as employees.

(8) ‘Project’ means an investment for one or more purposes pursuant to this chapter needed for a qualifying business to locate, remain, or expand in this State and otherwise fulfill the requirements of this chapter. A qualifying business which has officially announced the project prior to submitting an application is not eligible, provided that the council may waive this requirement. The council may require, at its discretion, the company to commit in writing to the project.”

SECTION 18. Section 12‑10‑60 of the 1976 Code, as last amended by Act 399 of 2000, is further amended to read:

“Section 12‑10‑60. (A) The council may enter into a revitalization agreement with each qualifying business with respect to the project. The terms and provisions of each revitalization agreement must be determined by negotiations between the council and the qualifying business. The decision to enter into a revitalization agreement with a qualifying business is solely within the discretion of the council based on the appropriateness of the negotiated incentives to the project and the determination that approval of the project is in the best interests of the State. The revitalization agreement must set a date by which the qualifying business shall have completed the project. Within three months of the completion date, the qualifying business shall document the actual costs of the project in a manner acceptable to the council.

(B) Unless waived by the council, a final revitalization agreement must be executed between the council and the company within twelve months of the effective date of the preliminary revitalization agreement.

(C) The council may consent to the assignment of Enterprise Program benefits from a company with an approved preliminary or final revitalization agreement to another entity.

(~~B~~D) If a qualifying business that entered into a revitalization agreement ~~before January 1, 1997,~~ receives council approval to amend its revitalization agreement to increase its minimum job requirement, the law in effect on the date of the amendment determines the amount of job development credit a qualifying business may claim pursuant to Section 12‑10‑80 for additional jobs created after the date of the amendment. ~~This subsection does not apply to a business whose application for job development fees or credits pursuant to Section 12‑10‑81 has been approved by council before the effective date of this act.~~”

SECTION 19. Section 12‑10‑80 of the 1976 Code, as last amended by Act 352 of 2008, is further amended to read:

“Section 12‑10‑80. (A) A business that qualifies pursuant to Section 12‑10‑50(A) and has certified to the council that the business has met the minimum job requirement and minimum capital investment provided for in the revitalization agreement may claim job development credits as determined by this section.

(1) A business may claim job development credits against its withholding on its quarterly state withholding tax return for the amount of job development credits allowable pursuant to this section.

(2) A business that is current with respect to its withholding tax and other tax due and owing the State and that has maintained its minimum employment and investment levels identified in the revitalization agreement may claim the credit on a quarterly basis beginning with the first quarter after the council’s certification to the department that the minimum employment and capital investment levels were met for the entire quarter. If a qualifying business is not current as to all taxes due and owing to the State as of the date of the return on which the credit would be claimed, without regard to extensions, the business may claim the credit only in an amount reduced by the amount of taxes due and owing to the State as of the date of the return on which the credit is claimed.

(3) A qualifying business may claim its initial job development credit only after the council has certified to the department that the qualifying business has met the required minimum employment and capital investment levels.

(4) To be eligible to apply to the council to claim a job development credit, a qualifying business shall create at least ten new, full‑time jobs, as defined in Section 12‑6‑3360(M), at the project described in the revitalization agreement within five years of the effective date of the agreement.

(5) A qualifying business is eligible to claim a job development credit pursuant to the revitalization agreement for not more than fifteen years.

(6) A company’s job development credits shall be suspended during any quarter in which the company fails to maintain one hundred percent of the minimum job requirement set forth in the company’s revitalization agreement. A company may only claim credits on jobs, including a range of jobs approved by the council, as set forth in the company’s final revitalization agreement.

(7) Credits may be claimed beginning the quarter subsequent to the council’s approval of the company’s documentation that the minimum jobs and capital investment requirements have been met.

(~~6~~8) To the extent any return of an overpayment of withholding that results from claiming job development credits is not used as permitted by subsection (C) or by Section 12‑10‑95, it must be treated as misappropriated employee withholding.

(~~7~~9) Job development credits may not be claimed for purposes of this section with regard to an employee whose job was created in this State before the taxable year of the qualifying business in which it enters into a preliminary revitalization agreement.

(~~8~~10) If a qualifying business claims job development credits pursuant to this section, it shall make its payroll books and records available for inspection by the council and the department at the times the council and the department request. Each qualifying business claiming job development credits pursuant to this section shall file with the council and the department the information and documentation requested by the council or department respecting employee withholding, the job development credit, and the use of any overpayment of withholding resulting from the claiming of a job development credit according to the revitalization agreement.

(~~9~~11) Each qualifying business claiming in excess of ten thousand dollars in a calendar year must furnish to the council and to the department a report that itemizes the sources and uses of the funds. The report must be filed with the council and the department no later than June thirtieth following the calendar year in which the job development credits are claimed, except when a qualifying business obtains the written approval by the council for an extension of that date. Extensions may be granted only for good cause shown. The department shall impose a penalty pursuant to Section 12‑54‑210 for all reports filed after June thirtieth or the approved extension date, whichever is later. The department shall audit each qualifying business with claims in excess of ten thousand dollars in a calendar year at least once every three years to verify proper sources and uses of the funds.

(~~10~~12) Each qualifying business claiming ten thousand dollars or less in any calendar year must furnish a report prepared by the company that itemizes the sources and uses of the funds. This report must be filed with the council and the department no later than June thirtieth following the calendar year in which the job development credits are claimed, except when a qualifying business obtains the written approval by the council for an extension of that date. Extensions may be granted only for good cause shown. The department shall impose a penalty pursuant to Section 12‑54‑210 for all reports filed after June thirtieth or the approved extension date, whichever is later.

(~~11~~13) An employer may not claim an amount that results in an employee’s receiving a smaller amount of wages on either a weekly or on an annual basis than the employee would receive otherwise in the absence of this chapter.

(B)(1) The maximum job development credit a qualifying business may claim for new employees is limited to the lesser of withholding tax paid to the State on a quarterly basis or the sum of the following amounts:

(a) two percent of the gross wages of each new employee who earns ~~$6.95~~ $8.74 or more an hour but less than ~~$9.27~~ $11.64 an hour;

(b) three percent of the gross wages of each new employee who earns ~~$9.27~~ $11.65 or more an hour but less than ~~$11.58~~ $14.55 an hour;

(c) four percent of the gross wages of each new employee who earns ~~$11.58~~ $14.56 or more an hour but less than ~~$17.38~~ $21.84 an hour; and

(d) five percent of the gross wages of each new employee who earns ~~$17.38~~ $21.85 or more an hour.

(2) The hourly gross wage figures in item (1) must be adjusted annually by an inflation factor determined by the State Budget and Control Board.

(3) The council, in its discretion, may allow a qualifying business which has invested at least one hundred million dollars and hired one hundred fifty new employees to collect credits at double the percentages contained in subsection (1) for a term not to exceed seven and one‑half years, but the credit collected for an employee for a quarter may not exceed the withholding for that employee for that quarter.

(C) To claim a job development credit, the qualifying business must incur qualified expenditures at the project or for utility or transportation improvements that serve the project. To be qualified, the expenditures must be:

(1) incurred during the term of the revitalization agreement, including a preliminary revitalization agreement, or within sixty days before council’s receipt of an application for benefits pursuant to this section;

(2) authorized by the revitalization agreement; and

(3) used for any of the following purposes:

(a) training costs and facilities;

(b) acquiring and improving real ~~estate~~ property whether constructed or acquired by purchase, or in cases approved by the council, acquired by capital or operating lease with at least a five‑year term or otherwise;

(c) improvements to both public and private utility systems including water, sewer, electricity, natural gas, and telecommunications;

(d) fixed transportation facilities including highway, rail, water, and air;

(e) construction or improvements of real property and fixtures constructed or improved primarily for the purpose of complying with local, state, or federal environmental laws or regulations;

(f) employee relocation expenses ~~associated with new or expanded qualifying service‑related facilities as defined in Section 12‑6‑3360(M)(13) or new or expanded technology intensive facilities as defined in Section 12‑6‑3360(M)(14) or relocation expenses associated with new national, regional, or global headquarters as defined in Section 12‑6‑3410(J)(1)(a) or relocation expenses associated with an expanded research and development facility to include personnel and laboratory research and development equipment~~, but only for those employees to whom the company is paying gross wages at least two times the lower of the per capita income for either the state or the county in which the project is located;

(g) financing the costs of a purpose described in items (a) through (f).

(h) training for all relevant employees that enable a company to export or increase a company’s ability to export its products, including training for logistics, regulatory, and administrative areas connected to the company’s export process and other export process training that allows a qualified company to maintain or expand its business in this State;

(i) apprenticeship programs.

(j) quality improvement programs of the South Carolina Quality Forum.”

(D)(1) The amount of job development credits a qualifying business may claim for its use for qualifying expenditures is limited according to the designation of the county as defined in Section 12‑6‑3360(B) as follows:

(a) one hundred percent of the maximum job development credits may be claimed by businesses located in counties designated as ~~distressed or least developed~~ ‘Tier IV’;

(b) eighty‑five percent of the maximum job development credits may be claimed by businesses located in counties designated as ‘~~underdeveloped~~ Tier III’;

(c) seventy percent of the maximum job development credits may be claimed by businesses located in counties designated as ‘~~moderately developed~~ Tier II’; or

(d) fifty‑five percent of the maximum job development credits may be claimed by businesses located in counties designated as ‘~~developed~~ Tier I’.

(2) The amount that may be claimed as a job development credit by a qualifying business is limited by this subsection and by the revitalization agreement. The council may approve a waiver of ninety‑five percent of the limits provided in item (1) for:

(a) a significant business; and

(b) a related person to a significant business if the related person is located at the project site of the significant business and qualifies for job development credits pursuant to this chapter.

For purposes of this item, a related person includes any entity or person that bears a relationship to a significant business as provided in Internal Revenue Code Section 267 and includes, without limitation, a limited liability company of which more than fifty percent of the capital interest or profits is owned directly or indirectly by a significant business or by a person or entity, or group of persons or entities which owns, more than fifty percent of the capital interest or profits in the significant business.

(3) The county designation of the county in which the project is located on the date the application for job development credit incentives is received in the Office of the Coordinating Council remains in effect for the entire period of the revitalization agreement, except as to additional jobs created pursuant to an amendment to a revitalization agreement entered into before June 1, 1997, as provided in Section 12‑10‑60. In that case the county designation on the date of the amendment remains in effect for the remaining period of the revitalization agreement as to any additional jobs created after the effective date of the amendment. ~~This item does not apply to a business whose application for job development fees or credits pursuant to Section 12‑10‑81 has been approved by council before the effective date of this act.~~

(E) The council shall certify to the department the maximum job development credit for each qualifying business. After receiving certification, the department shall remit an amount equal to the difference between the maximum job development credit and the job development credit actually claimed to the State Rural Infrastructure Fund as defined and provided in Section 12‑10‑85.

(F) Any job development credit of a qualifying business permanently lapses upon expiration or termination of the revitalization agreement. If an employee is terminated, the qualifying business immediately must cease to claim job development credits as to that employee.

(G) For purposes of the job development credit allowed by this section, an employee is a person whose job was created in this State.

(H) Job development credits may not be claimed by a governmental employer who employs persons at a closed or realigned military installation as defined in Section 12‑10‑88(E).

(I) A taxpayer who qualifies for the job development credit pursuant to the provisions of this section and who is located in a multicounty business or industrial park jointly established pursuant to Section 13 of Article VIII of the Constitution of this State is allowed a job development credit equal to the amount allowed pursuant to subsection (D) for the designation of the county which has the lowest development status of the counties containing the park if:

(1) the park is developed and established on the geographical boundary of adjacent counties; and

(2) the written agreement, pursuant to Section 4‑1‑170, requires revenue from the park to be allocated to each county on an equal basis.

(J) Where the qualifying business that creates new jobs under this section is a qualifying service‑related facility as defined in Section 12‑6‑3360~~(M)~~(L)(13), the determination of the number of jobs created must be based on the total number of new jobs created within five years of the effective date of the revitalization agreement, without regard to monthly or other averaging.”

SECTION 20. Section 12‑10‑85 of the 1976 Code, as last amended by Act 353 of 2008, is further amended to read:

“Section 12‑10‑85. (A) Funds received by the department for the State Rural Infrastructure Fund must be deposited in the State Rural Infrastructure Fund of the Council. The fund must be administered by the council for the purpose of providing financial assistance ~~to~~ through local governments ~~for infrastructure and other~~ exclusively for economic development activities including, but not limited to:

(1) training costs and facilities;

(2) improvements to regionally planned public and private water and sewer systems;

(3) improvements to both public and private electricity, natural gas, and telecommunications systems including, but not limited to, an electric cooperative, electrical utility, or electric supplier described in Chapter 27 ~~of~~, Title 58; ~~or~~

(4) fixed transportation facilities including highway, rail, water, and air~~.~~;

(5) site preparation;

(6) acquiring or improving real property; and

(7) relocation expenses, but only for those employees to whom the company is paying gross wages at least two times the lower of the per capita income for either the state or the county in which the project is located.

The council may retain up to five percent of the revenue received for the State Rural Infrastructure Fund for administrative, reporting, establishment of grant guidelines, review of grant applications, and other statutory obligations.

(B) Rural Infrastructure Fund grants must be available to benefit counties or municipalities designated as ‘~~distressed~~ Tier IV’ or ‘~~least developed~~ Tier III’ as defined in Section 12‑6‑3360 according to guidelines established by the council, except that up to twenty‑five percent of the funds annually available in excess of ten million dollars must be set aside for grants to areas of ‘~~underdeveloped,~~ ‘~~moderately developed, and ‘developed’~~ ‘Tier II’ and ‘Tier I’ counties. ~~A governing body of an ‘underdeveloped’, ‘moderately developed’, or ‘developed’ county must apply to the council for these set‑aside grants stating the reasons that certain areas of the county qualify for these grants because the conditions in that area of the county are comparable to those conditions qualifying a county as ‘distressed’ or ‘least developed’~~.

(C) For purposes of this section, ‘local government’ means a county, municipality, or group of counties organized pursuant to Section 4‑9‑20(a), (b), (c), or (d).

(D) The council shall submit a report to the Governor and General Assembly by March fifteenth covering activities for the prior calendar year.

(E) The department shall retain unexpended or uncommitted funds at the close of the state’s fiscal year of the State and expend the funds in subsequent fiscal years for like purposes.”

SECTION 21. Section 12‑14‑20 of the 1976 Code is amended to read:

“Section 12‑14‑20. It is the purpose of this chapter to establish a program of providing tax incentives for the creation of ~~economic impact zones~~ capital investment in order:

(1) to revitalize ~~economically and physically distressed areas impacted as a result of the closing or realignment of a federal military installation area~~ capital investment in this State, primarily by encouraging the formation of new businesses and the retention and expansion of existing businesses; and

(2) to promote meaningful employment ~~for economic impact zone residents; and~~

~~(3)~~ ~~to encourage individuals to reside in the economic impact zones in which they are employed~~.”

SECTION 22. Section 12‑14‑60 of the 1976 Code, as last amended by Act 113 of 2005, is further amended to read:

“Section 12‑14‑60. (A)(1) There is allowed an ~~economic impact zone~~ investment tax credit against the tax imposed pursuant to Chapter 6 of this title for any taxable year in which the taxpayer places in service ~~economic impact zone~~ qualified manufacturing and productive equipment property.

(2) The amount of the credit allowed by this section is equal to the aggregate of:

three‑year property ~~one~~ one‑half percent of total aggregate bases for all three‑year property that qualifies;

five‑year property ~~two~~ one percent of total aggregate bases for all five‑year property that qualifies;

seven‑year property ~~three~~ one and one‑half percent of total aggregate bases for all seven‑year property that qualifies;

ten‑year property ~~four~~ two percent of total aggregate bases for all ten‑year property that qualifies;

fifteen‑year property ~~five~~ two and one‑half percent of total aggregate bases for all or greater fifteen‑year or greater property that qualifies.

For purposes of this section, whether property is three‑year property, five‑year property, seven‑year property, ten‑year property, or fifteen‑year property is determined based on the applicable recovery period for such property under Section 168(e) of the Internal Revenue Code.

(B) For purposes of this section:

(1) ‘~~economic impact zone~~ qualified manufacturing and productive equipment property’ means any property:

(a) which is used as an integral part of manufacturing or production, or used as an integral part of extraction of or furnishing transportation, communications, electrical energy, gas, water, or sewage disposal services in the economic impact zone;

(b) which is tangible property to which Section 168 of the Internal Revenue Code applies;

(c) which is Section 1245 property (as defined in Section 1245(a)(3)of the Internal Revenue Code); and

(d)(i) the construction, reconstruction, or erection of which is completed by the taxpayer in ~~the economic impact zone~~ this State; or

(ii) which is acquired by the taxpayer if the original use of such property commences with the taxpayer inside ~~the economic impact zone~~ this State.

(2) In the case of any computer software which is used to control or monitor a manufacturing or production process inside ~~the economic impact zone~~ this State and with respect to which depreciation (or amortization in lieu of depreciation) is allowable, the software must be treated as qualified manufacturing and productive equipment property.

(C) This section does not apply to any property to which the other tax credits would apply unless the taxpayer elects to waive the application of the other credits to the property.

(D)(1) Unused credit allowed pursuant to this section may be carried forward for ten years from the close of the tax year in which the credit was earned.

(2) In the case of credit unused within the initial ten‑year period, a taxpayer may continue to carry forward unused credits for use in any subsequent tax years if the taxpayer:

(a) is engaged in this State in an activity or activities listed under the North American Industry Classification System Manual (NAICS) Section 31, 32, or 33;

(b)(i) is employing one thousand or more full‑time workers in this State and having a total capital investment in this State of not less than five hundred million dollars; or

(ii) is employing eight hundred fifty or more full‑time workers in this State and having a total capital investment in this State of not less than seven hundred fifty million dollars; and

(c) made a total capital investment of not less than fifty million dollars in the previous five years.

Credits carried forward beyond the initial ten‑year period may not reduce a taxpayer’s state income tax liability in any subsequent tax year by more than twenty‑five percent.

(E) If during any taxable year and before the end of applicable recovery period for such property as determined under Section 168(e) of the Internal Revenue Code, the taxpayer disposes of or removes from ~~the economic impact zone, economic impact zone~~ this State qualified manufacturing and productive equipment property, then the tax due under Chapter 6 by the taxpayer for the current taxable year must be increased by an amount of any credit claimed in prior years with respect to such property determined by assuming the credit is earned ratably over the useful life of the property and recapturing pro rata the unearned portion of the credit.

(F) For South Carolina income tax purposes, the basis of the ~~economic impact zone~~ qualified manufacturing and productive equipment property must be reduced by the amount of any credit claimed with respect to the property. If a taxpayer is required to recapture the ~~economic impact zone~~ investment tax credit in accordance with subsection (E), the taxpayer may increase the basis of the property by the amount of any basis reduction attributable with claiming the ~~economic impact zone~~ investment tax credit in prior years. The basis must be increased in the year in which the credit is recaptured.

(G) ~~Credits claimed under this section for taxable years beginning after 1997 for investments made before July 1, 1998, may not reduce a taxpayer’s state income tax liability by more than fifty percent.~~

~~(H)~~ The credit allowed by this section for investments made after June 30, 1998, is limited to no more than five million dollars for an entity subject to the license tax as provided in Section 12‑20‑100.

~~(I)~~ ~~Notwithstanding any amendments to Section 12‑14‑60 of the 1976 Code enacted in the 1998 session of the General Assembly reducing the percentage amount of the economic impact zone investment tax credit or otherwise reducing the amount of the credit allowed, in the case of investments at a project operated by a company pursuant to a revitalization agreement entered into between the company and the South Carolina Advisory Council for Economic Development effective on or before July 1, 1996, the provisions of Section 12‑14‑60 in existence prior to the 1998 amendment shall apply.~~”

SECTION 23. Section 12‑15‑10 of the 1976 Code, as added by Act 187 of 2004, is amended to read:

“Section 12‑15‑10. This chapter may be cited as the South Carolina Life Sciences and Renewable Energy Manufacturing Act.”

SECTION 24. Section 12‑15‑20 of the 1976 Code, as added by Act 187 of 2004, is amended to read:

“Section 12‑15‑20. (A) For purposes of this chapter, a ‘life sciences facility’ means a business engaged in pharmaceutical, medicine, and related laboratory instrument manufacturing, processing, or research and development. Included in this definition are the following North American Industrial Classification Systems, NAICS Codes published by the Office of Management and Budget of the federal government:

(1) 3254 Pharmaceutical and Medical Manufacturing;

(2) 334516 Analytical Laboratory Instrument Manufacturing.

(B) A ‘renewable energy manufacturing facility’ means a business which manufactures qualifying machinery and equipment for use by solar and wind turbine energy producers. It also includes manufacturers of qualifying advanced lithium ion, or other batteries for the alternative energy motor vehicles described in Section 12‑6‑3377 or other vehicles certified by the South Carolina Energy Office. The South Carolina Energy Office shall qualify the Renewable Energy Manufacturing Facility and the machinery, equipment, and batteries.”

SECTION 25. Section 12‑15‑30 of the 1976 Code, as added by Act 187 of 2004, is amended to read:

“Section 12‑15‑30. (1) For all purposes of Chapter 10, Title 12 of the 1976 Code, the Enterprise Zone Act of 1995, including all definitions applicable to that chapter:

(a) Employee relocation expenses that qualify for reimbursement pursuant to Section 12‑10‑80(C)(3)(f) ~~of the 1976 Code~~ include such expenses associated with a new or expanded ~~life sciences~~ facility qualifying under Section 12‑15‑20 investing a minimum of one hundred million dollars in the project, as defined in Section 12‑10‑30(8) of the 1976 Code, and creating at least two hundred new full‑time jobs at the project with an average annual cash compensation of at least one hundred fifty percent of annual per capita income in this State or the county in which the facility is located, whichever is less. Per capita income must be determined using the most recent per capita income data available as of the end of the taxable year in which the jobs are filled.

(b) The waiver that may be approved by the Coordinating Council for Economic Development pursuant to Section 12‑10‑80(D)(2) ~~of the 1976 Code~~ on maximum job development credits that may be claimed also may be approved for a ~~life sciences~~ facility meeting the requirements of ~~subitem (1)(a) of this section~~ Section 12‑15‑20. In determining whether to approve a waiver for such a facility, the Coordinating Council for Economic Development shall consider the creditworthiness of the business and economic viability of the project, as defined in Section 12‑10‑30(8) ~~of the 1976 Code~~.

(2) The provisions of item (1) of this section apply with respect to capital investment made and new jobs created after June 30, ~~2004~~ 2010, and before July 1, ~~2008~~ 2014.”

SECTION 26. Chapter 15, Title 12 of the 1976 Code is amended by Adding:

“Section 12‑15‑35. A facility qualifying under Section 12‑15‑20 and Section 12‑15‑30 shall be exempt from state corporate income taxes imposed under Section 12‑6‑530 for a period of ten years from the date of its qualification.”

SECTION 27. Section 12‑15‑40 of the 1976 Code, as added by Act 187 of 2004, is amended to read:

“Section 12‑15‑40. In the case of a taxpayer establishing a ~~life sciences~~ facility meeting the requirements of ~~subitem (1)(a) of Section 13‑23‑30~~ Section 12‑15‑20, the South Carolina Department of Revenue, in its discretion, may enter into an agreement with the taxpayer pursuant to Section 12‑6‑2320 of the 1976 Code for a period not to exceed fifteen years if the facility otherwise meets the requirements of that section.”

SECTION 28. Section 12‑20‑105 of the 1976 Code, as last amended by Act 313 of 2008, is further amended to read:

“Section 12‑20‑105. (A) Any company subject to a license tax under Section 12‑20‑100 may claim a credit against its license tax liability for amounts paid in cash to provide infrastructure for an eligible project.

(B)(1) To be considered an eligible project for purposes of this section, the project must qualify for income tax credits under Chapter 6, Title 12, withholding tax credit under Chapter 10, Title 12, income tax credits under Chapter 14, Title 12, or fees in lieu of property taxes under either Chapter 12, Title 4, Chapter 29, Title 4, or Chapter 44, Title 12.

(2) If a project ~~consists of~~ is located in an office, business, commercial, or industrial park, or combination of these, is used exclusively for economic development ~~which~~ and is owned or constructed by a county ~~or~~, political subdivision, or agency of this State when the qualifying improvements are paid for, the project does not have to meet the qualifications of item (1) to be considered an eligible project. As provided in subsection (C)(4), the county or political subdivision may sell all or a portion of the business or industrial park.

(C) For the purpose of this section, ‘infrastructure’ means improvements for water, wastewater, hydrogen fuel, sewer, gas, steam, electric energy, and communication services made to a building or land that are considered necessary, suitable, or useful to an eligible project. These improvements include, but are not limited to:

(1) improvements to both public or private water and sewer systems;

(2) improvements to both public or private electric, natural gas, and telecommunications systems including, but not limited to, ones owned or leased by an electric cooperative, electric utility, or electric supplier, as defined in Chapter 27, Title 58;

(3) fixed transportation facilities including highway, road, rail, water, and air;

(4) for a qualifying project under subsection (B)(2), infrastructure improvements include shell buildings, incubator buildings whose ownership is retained by the county, political subdivision, or agency of the State and the purchase of land for an office, business, commercial, or industrial park, or combination of these, used exclusively for economic development which is owned or constructed by a county ~~or~~, political subdivision, or agency of this State. The county ~~or~~, political subdivision, or agency may sell the shell building or all or a portion of the park at any time after the company has paid in cash to provide the infrastructure for an eligible project; and

(5) for a qualifying project pursuant to subsection (B)(2), infrastructure improvements also include due diligence expenditures relating to environmental conditions made by a county or political subdivision after it has acquired contractual rights to an industrial park. Due diligence expenditures include such items as Phase I and II studies and environmental or archeological studies required by state or federal statutes or guidelines or similar lender requirements. Contractual rights include options to purchase real property or other similar contractual rights acquired before the county or political subdivision files a deed to the property with the Register of Mesne Conveyances.

(D) A company is not allowed the credit provided by this section for actual expenses it incurs in the construction and operation of any building or infrastructure it owns, leases, manages, or operates.

(E) The maximum aggregate credit that may be claimed in any tax year by a single company is three hundred thousand dollars.

(F) The credits allowed by this section may not reduce the license tax liability of the company below zero. If the applicable credit originally earned during a taxable year exceeds the liability and is otherwise allowable under subsection (D), the amount of the excess may be carried forward to the next taxable year.

(G) For South Carolina income tax and license purposes, a company that claims the credit allowed by this section is ineligible to claim the credit allowed by Section 12‑6‑3420.”

SECTION 29. Section 12‑28‑2910 of the 1976 Code, as last amended by Act 176 of 2005, is further amended by adding:

“(E) From the amount set aside pursuant to subsection (A), the council is authorized to expend funds which were not obligated or committed as of July first of the current fiscal year only as necessary for the location or expansion of an industry or business facility in South Carolina. Eligible expenditures include water and sewer projects, road or rail construction and improvement projects, land acquisition, fiber‑optic cable, relocation of new employees, pollution control equipment, environmental testing and related due diligence reports, acquiring and improving real property, and site preparation. Site preparation is defined as surveying, environmental and geotechnical study and mitigation, clearing, filling, and grading. Relocation expenses constitute eligible expenditures only for those employees to whom the company is paying gross wages at least two times the lower of the per capita income for either the state or the county in which the project is located. The Coordinating Council annually shall prepare a detailed report for submission to the General Assembly by March fifteenth which itemizes the expenditures from the fund for the preceding calendar year. The report shall include an identification of the following information:

(a) company name or confidential project number;

(b) location of project;

(c) amount of grant award; and

(d) scope of grant award.”

SECTION 30. Section 12‑37‑930 35. of the 1976 Code, as added by Act 187 of 2004, is amended to read:

“35. Life sciences and renewable energy manufacturing…...20%

Includes machinery and equipment used directly in the manufacturing process by a life sciences or renewable energy manufacturing facility. For purposes of this item, ~~life sciences~~ a qualifying facility means a business engaged in pharmaceutical, medicine, and related laboratory instrument manufacturing, processing, or research and development, or that manufactures qualifying machinery and equipment for use by solar and wind turbine energy producers, as well as manufacturers of qualifying batteries for alternative energy motor vehicles, that invests a minimum of one hundred million dollars in the project, as defined in Section 12‑10‑30(8), and creates at least two hundred new full‑time jobs at the project with an average cash compensation level of at least one hundred and fifty percent of the annual per capita income in this State or the county in which the facility is located, whichever is less. Per capita income must be determined using the most recent per capita income data available as of the end of the taxable year in which the jobs are filled. Included in this definition are the following North American Industrial Classification Systems, NAICS Codes published by the Office of Management and Budget of the federal government:

(i) 3254 Pharmaceutical and Medical Manufacturing;

(ii) 334516 Analytical Laboratory Instrument Manufacturing.”

SECTION 31. Section 12‑43‑220(a)(4) of the 1976 Code, as last amended by Act 313 of 2008, is further amended to read:

“(4) Real property owned by or leased to a manufacturer and used ~~exclusively~~ primarily for warehousing and wholesale distribution is not considered used by a manufacturer in the conduct of the business of the manufacturer for purposes of classification of property pursuant to this item (a).”

SECTION 32.A. Section 12‑44‑30 of the 1976 Code, as last amended by Act 352 of 2008, is further amended to read:

“Section 12‑44‑30. As used in this chapter:

(1) ‘Alternative payment method’ means fee payments as provided in Section 12‑44‑50(A)(3).

(2) ‘Commencement date’ means the last day of the property tax year during which economic development property is placed in service, except that this date must not be later than the last day of the property tax year which is three years from the year in which the county and the sponsor enter into a fee agreement. The commencement date for an economic development project as defined in Section 12‑44‑30(17) is the last day of the first property tax year in which economic development property is placed in service.

(3) ‘County’ means the county or counties in which the project is proposed to be located. A project may be located in more than one county, subject to the provisions of Section 12‑44‑40(~~G~~H).

(4) ‘County council’ means the governing body of the county in which the economic development property is located, except as specifically provided by Section 12‑44‑40(~~G~~H).

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

(6) ‘Economic development property’ means each item of real and tangible personal property comprising a project which satisfies the provisions of Section 12‑44‑40(C) and other requirements of this chapter and is subject to a fee agreement. That property, other than replacement property qualifying under Section 12‑44‑60, must be placed in service by the end of the investment period.

(7) ‘Enhanced investment’ means a project that results in a total investment:

(a) by a single sponsor investing at least one hundred fifty million dollars and creating at least one hundred twenty‑five new full‑time jobs at the project; provided that the new full‑time jobs requirement of this subsection does not apply to a taxpayer who paid more than fifty percent of all property taxes actually collected in the county for more than twenty‑five years, ending on the date of the fee agreement;

(b)by a single sponsor investing at least four hundred million dollars; or

(c) that satisfies the requirements of Section 11‑41‑30(2)(a), and for which the Secretary of Commerce has delivered certification pursuant to Section 11‑41‑70(2)(a).

For purposes of this item, if a single sponsor enters into a financing arrangement of the type described in Section 12‑44‑120(B), the investment in or financing of the property by a developer, lessor, financing entity, or other third party in accordance with this arrangement is considered investment by the sponsor. Investment by a related person to the sponsor, as described in Section 12‑10‑80(D)(2), is considered investment by the sponsor.

(8) ‘Exemption period’ means the period beginning on the first day of the property tax year after the property tax year in which an applicable piece of economic development property is placed in service and ending on the termination date. For projects which are completed and placed in service during more than one year, the exemption period applies to each year’s investment made by a sponsor during the investment period.

(9) ‘Fee’ means the amount paid in lieu of ad valorem property tax as provided in the fee agreement.

(10) ‘Fee agreement’ means an agreement between the sponsor and the county obligating the sponsor to pay fees instead of property taxes during the exemption period for each item of economic development property as more particularly described in Section 12‑44‑40.

(11) ‘Inducement resolution’ means a resolution of the county setting forth the commitment of the county to enter into a fee agreement.

(12) ‘Infrastructure improvement credit’ means a credit against the fee as provided by Section 12‑44‑70.

(13) ‘Investment period’ means the period beginning with the first day that economic development property is purchased or acquired and ending five years after the commencement date; except that for a project with an enhanced investment as described above, the period ends eight years after the commencement date. The minimum investment must be completed within five years of the commencement date. For an enhanced investment, the applicable minimum investment and job requirements under Section 12‑44‑30(7) must be completed within eight years of the commencement date. Investment period means for a qualified nuclear plant facility the period beginning with the first day that economic development property is purchased or acquired and ending ten years after the commencement date. For those sponsors that, after qualifying for the enhanced investment, have more than five hundred million dollars in capital invested in this State and employ more than one thousand people in this State, the investment period ends ten years after the commencement date. If the sponsor does not anticipate completing the project within these periods, the sponsor may apply to the county before the end of the investment period for an extension of time to complete the project. The extension may not exceed five years. If a project receives an extension of less than five years, the sponsor may apply to the county before the end of the extension period for an additional extension of time to complete the project for an aggregate extension of not more than five years. Unless approved as part of the original fee documentation, the county council of the county may approve an extension by resolution, a copy of which must be delivered to the department within thirty days of the date the resolution was adopted. An extension is not allowed for the time period in which the sponsor must meet the minimum investment requirement.

(14) ‘Minimum investment’ means an investment in the project of at least two and one‑half million dollars within the investment period. If a county has an average annual unemployment rate of at least twice the state average during the last twenty‑four month period based on data available on the most recent November first, the minimum investment is one million dollars. The department shall designate these reduced investment counties by December thirty‑first of each year using data from the South Carolina Employment Security Commission and the United States Department of Commerce. The designations are effective for a sponsor whose fee agreement is signed in the calendar year following the county designation. For all purposes of this chapter, the minimum investment may include amounts expended by a sponsor or sponsor affiliate as a nonresponsible party in a voluntary cleanup contract on the property pursuant to Article 7, Chapter 56 of Title 44, the Brownfields Voluntary Cleanup Program, if the Department of Health and Environmental Control certifies completion of the cleanup. If the amounts under the Brownfields Voluntary Cleanup Program equal at least one million dollars, the investment threshold requirement of this chapter is deemed to have been met.

(15) ‘Industrial development park’ means an industrial or business park developed by two or more counties as defined in Section 4‑1‑170.

(16)’Project’ means land, buildings, and other improvements on the land, including water, sewage treatment and disposal facilities, air pollution control facilities, and all other machinery, apparatus, equipment, office facilities, and furnishings which are considered necessary, suitable, or useful by a sponsor. “Project” also may consist of or include aircraft hangered or utilizing an airport in a county so long as the county expressly consents to its inclusion. Aircraft previously subject to taxation in South Carolina qualify pursuant to this provision.

(17) ‘Qualified nuclear plant facility’ means a nuclear electric power generating plant regulated by the Nuclear Regulatory Commission and includes all real and personal property incorporated into or associated with the facility located or to be located within this State with a total minimum level of investment of one billion dollars.

(~~17~~18) ‘Replacement property’ means property placed under the fee agreement to replace economic development property previously subject to the fee agreement, as provided in Section 12‑44‑60.

(~~18~~19) ‘Sponsor’ means one or more entities which sign the fee agreement with the county and makes the minimum investment, subject to the provisions of Section 12‑44‑40, each of which makes the minimum investment as provided in Section 12‑44‑30(13) and also includes a sponsor affiliate unless the context clearly indicates otherwise. If a project consists of a manufacturing, research and development, corporate office, or distribution facility, as those terms are defined in Section 12‑6‑3360(M) and including a qualified nuclear plant facility as defined in subsection (17) of this section, each sponsor or sponsor affiliate is not required to invest the minimum investment if the total investment at the project exceeds ~~ten~~ five million dollars.

(~~19~~20) ‘Sponsor affiliate’ means an entity that joins with or is an affiliate of a sponsor and that participates in the investment in, or financing of, a project.

(~~20~~21) ‘Termination date’ means the date that is the last day of a property tax year that is the ~~nineteenth~~ twenty‑ninth year following the first property tax year in which an applicable piece of economic development property is placed in service~~; provided, however, that the~~. A sponsor may apply to the county prior to the termination date for an extension of the termination date beyond the ~~nineteenth~~ twenty‑ninth year up to ten years. The county council of the county shall approve an extension by resolution upon a finding of substantial public benefit. A copy of the resolution must be delivered to the department within thirty days of the date the resolution was adopted. ~~With respect to a fee agreement involving an enhanced investment, the termination date is the last day of a property tax year that is the twenty‑ninth year following the first property tax year in which an applicable piece of economic development property is placed in service.~~ If the fee agreement is terminated in accordance with Section 12‑44‑140, the termination date is the date the agreement is terminated.”

B. The provisions of this section take effect upon approval by the Governor except that the provisions of Section 12‑44‑30(21) take effect January 1, 2011, provided that a county may amend an existing fee‑in‑lieu agreement at any time prior to the expiration of the fee to incorporate the amendments to Section 12‑44‑30(21) as contained in subsection A.

SECTION 33. Section 12‑44‑40 of the 1976 Code, as last amended by Act 116 of 2007, is further amended to read:

“Section 12‑44‑40. (A) To obtain the benefits provided by this chapter, the sponsor and the county must enter into a fee agreement requiring the payment of the fee described in Section 12‑44‑50. The county must adopt an ordinance approving the fee agreement with the sponsor.

(B) If the county and the sponsor enter into a fee agreement, all economic development property is exempt from all ad valorem property taxation for the entire exemption period. Upon termination of the exemption period, the property is subject to property taxation in the manner provided by law, unless the property is otherwise exempt.

(C) Subject to the provisions of subsection (D) and the provisions of Section 12‑44‑110, real or tangible personal property of a sponsor or sponsor affiliate which has been acquired for which expenditures have been incurred by the sponsor or sponsor affiliate and which are used in connection with a project or a portion of a project, qualifies as economic development property, if the expenditures are incurred or the property is acquired before the end of the investment period.

(D) A county has two years from the date it takes action reflecting or identifying the project, or proposed project, to adopt an inducement resolution if the inducement resolution was not the original county action reflecting or identifying the project or proposed project. Otherwise, expenditures incurred before adoption of the inducement resolution do not qualify as economic development property.

(E) If a fee agreement is not executed within five years after action by the county identifying or reflecting the project, the real property or tangible personal property of a sponsor for which expenditures have been incurred by the sponsor with respect to the project does not qualify as economic development property. An action includes an inducement resolution adopted by the county council of the county.

(F) Notwithstanding another provision of this chapter, in the case of a qualified nuclear plant facility, the sponsor has five years from the end of the calendar year in which the Nuclear Regulatory Commission grants the sponsor a combined license to construct and operate a nuclear power plant to enter into a fee agreement with the county but in no event more than fifteen years from the latter of the adoption of an inducement resolution or execution of an inducement agreement by the county.

(~~F~~G) To be eligible to enter into a fee agreement, the sponsor shall commit to a project which meets the minimum investment level and, with respect to applicable enhanced investments, the total applicable investment and the minimum job creation levels required for an enhanced investment.

(~~G~~H) The project must be located in a single county or in an industrial development park. A project located on contiguous tracts of land in more than one county, but not in an industrial development park, may qualify for the fee if:

(1) the counties agree on the terms of the fee and the distribution of the fee payment;

(2) a minimum millage rate is provided for in the agreement; and

(3) all counties are parties to all agreements establishing the terms of the fee.

(~~H~~I)(1) Before undertaking a project, the county council shall find that:

(a) the project is anticipated to benefit the general public welfare of the locality by providing services, employment, recreation, or other public benefits not otherwise adequately provided locally;

(b) the project gives rise to no pecuniary liability of the county or incorporated municipality or a charge against its general credit or taxing power; and

(c) the purposes to be accomplished by the project are proper governmental and public purposes and the benefits of the project are greater than the costs.

(2) In making the findings of this subsection, the county council may seek the advice and assistance of the department or the Board of Economic Advisors. The determination and findings must be set forth in an ordinance.

(~~I~~J) If the county council has by contractual agreement provided for a change in fee in lieu of taxes arrangements conditioned on a future legislative enactment, a new enactment does not bind the original parties to the agreement unless the change is ratified by the county council.

(~~J~~K)(1) Upon agreement of the parties, and except as provided in item (2), a fee agreement may be amended or terminated and replaced with regard to all matters, including the addition or removal of sponsors or sponsor affiliates.

(2) An amendment or replacement of a fee agreement must not be used to lower the millage rate, discount rate, assessment ratio, or, except as provided in Sections 12‑44‑30(13) and (~~20~~21), increase the term of the agreement.”

SECTION 34. Section 12‑44‑50(A)(1)(c)(i) of the 1976 Code, as last amended by Act 69 of 2003, is further amended to read:

“(i) if real property is constructed for the fee or is purchased in an arm’s length transaction, the fair market value of real property is determined by using the original income tax basis for South Carolina income tax purposes without regard to depreciation, otherwise the property must be reported at its fair market value for ad valorem property taxes as determined by appraisal. The fair market value estimate established for the first year of the fee remains the fair market value of the real property for the life of the fee. The county and the sponsor or sponsor affiliate may instead provide in the fee agreement or any amendment thereto that any real property subject to the fee shall be reported at its fair market value for ad valorem property taxes as determined by appraisal as if such property were not subject to the fee;”

SECTION 35. Section 12‑44‑110(2) of the 1976 Code, as last amended by Act 69 of 2003, is further amended to read:

“(2) property which has been subject to property taxes in this State, but which has never been placed in service in this State, or which was placed in service in this State pursuant to an inducement agreement or other preliminary approval by the county prior to execution of the fee agreement pursuant to Section 12‑44‑40(E), may qualify as economic development property;”

SECTION 36. Section 12‑44‑130(A) of the 1976 Code, as last amended by Act 384 of 2006, is further amended to read:

“(A) Except as otherwise provided in Section 12‑44‑30(~~18~~19), to be eligible for the fee, a sponsor and each sponsor affiliate must invest the minimum investment as defined in Section 12‑44‑30(14). For an enhanced investment pursuant to Section 12‑44‑30(7), a single sponsor must make the investment, unless otherwise provided in that section. The county and the sponsors who are part of the fee agreement may agree that investments by other sponsor affiliates within the investment period qualify for the fee regardless of whether the sponsor affiliate was part of the fee agreement, except that each new sponsor affiliate must invest at least the minimum investment or the enhanced investment if applicable in the project, unless the project is a manufacturing, research and development corporate office, or distribution facility as provided in Section 12‑44‑30(~~18~~19). To qualify for the fee, the sponsor affiliates must be approved specifically by the county and must agree to be bound by agreements with the county relating to the fee. These sponsor affiliates are not bound by agreements, or portions of agreements, to the extent the agreements do not affect the county. The investments pursuant to this subsection must be at the sponsor’s project. The fee agreement may provide for a process for approval of sponsor affiliates.”

SECTION 37.A. Chapter 52, Title 48 of the 1976 Code is amended by adding:

“Article 13

South Carolina Renewable Energy Plan

Section 48‑52‑1110. (A) The Public Service Commission may approve a renewable energy project to demonstrate the feasibility and viability of a clean energy system. The commission shall provide for full cost recovery of a reasonable and prudent cost incurred by a provider for a renewable energy project that is low greenhouse gas emitting at the point of generation, up to a total of 100 megawatts annually for a utility and for which the provider has secured necessary land, zoning permits, and transmission rights within the state. A cost is considered reasonable and prudent for the purpose of cost recovery if the provider uses reasonable and customary industry practices in the design, procurement, and construction of the project in a cost‑effective manner appropriate to the location of the facility. As part of a cost‑recovery proceeding, the provider shall report to the commission the construction costs, in‑service costs, operating and maintenance costs, and hourly energy production of the renewable energy project, and other information the commission considers relevant.

(B) The provisions of this section may not be construed to impede or impair a term or condition of an existing contract.

(C) The commission may adopt appropriate goals for increasing the use of existing, expanded, and new South Carolina renewable energy resources.

(D) The commission may adopt regulations to administer and implement the provisions of this section.

(E) Each municipal electric utility, each rural electric cooperative, and the South Carolina Public Service Authority shall develop standards for the promotion, encouragement, and expansion of the use of renewable energy resources in their service territories. Before January 2, 2011, and annually afterward, each municipal electric utility, each rural electric cooperative, and the South Carolina Public Service Authority shall submit to the South Carolina Energy Office a report that identifies these standards.

Section 48‑52‑1120. (A)(1) There is established in the State Treasury a separate and distinct fund known as the ‘South Carolina Renewable Energy Infrastructure Development Fund’. The revenue of the fund must be distributed by the South Carolina Renewable Energy Revolving Loan Program and the South Carolina Renewable Energy Grant Program. The South Carolina Renewable Energy Oversight Committee shall approve disbursement of these funds by the loan and grant programs. The committee must consist of seven members; one appointed by each of the following persons: the Governor, the Commissioner of Agriculture, the Secretary of Commerce, the President *Pro Tempore* 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.

(2) The South Carolina Renewable Energy Revolving Loan Program shall provide a low interest loan 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, fuel for 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 may not exceed two hundred fifty thousand dollars for a project. The Department of Agriculture, in cooperation with the State Energy Office, shall administer the South Carolina Renewable Energy Revolving Loan Program.

(3) The South Carolina Renewable Energy Grant Program shall provide grants to private and public entities located in South Carolina for the purpose of helping the entity become 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, in cooperation with the State Energy Office and the South Carolina Research Authority, shall administer the South Carolina Renewable Energy Grant Program. Grants are available in the following three categories:

(a) a planning grant less than ten thousand dollars is available to a research institution or private organization seeking to develop a proposal to obtain a federal grant and another funding source for biomass, solar, geothermal, wind, wave, tidal, and small hydropower energy resources in this State;

(b) a matching grant less than two hundred thousand dollars is available for a research and development project related to development of biomass, solar, geothermal, wind, wave, tidal, and small hydropower energy resources in this State, provided that this grant does not exceed fifty percent of the total cost of the project; and

(c) a matching grant less than two hundred thousand dollars is available for a demonstration project that validates the effectiveness of new and future biomass, solar, geothermal, wind, wave, tidal, and small hydropower resources in this State, provided this grant does not exceed fifty percent of the total cost of the demonstration project.

(B) For purposes of this article ‘biomass’ has the meanings provided in Section 12‑6‑3631(B)(1)(b) and (c) and Section 12‑63‑20(B)(2).

(C) The Department of Agriculture may prescribe forms and procedures, issue policy documents, and distribute funds as necessary to ensure the orderly and timely implementation of a provision of this section. The Department of Agriculture shall coordinate its efforts with the efforts of the State Energy Office as necessary.”

B. Section 12‑6‑3631(B)(1)(b) and (c) of the 1976 Code, as last amended by Act 261 of 2008, is further amended to read:

“(b) best and most cost efficient feedstocks for South Carolina; ~~or~~

(c) product and development, including cellulosic ethanol or algae‑derived biodiesel products; or

(d) demethylation of glycerin byproduct from biodiesel production.”

C. Section 12‑63‑20(B)(2) of the 1976 Code, as last amended by Act 261 of 2008, is further amended to read:

“(2) For purposes of this subsection, a biomass resource means wood, wood waste, agricultural waste, animal waste, sewage, landfill gas, nonhazardous industrial solid waste, materials recovered by a materials recovery facility (MRF) as defined in Chapter 96 of Title 44, the Solid Waste Policy and Management Act, and other organic materials, not including fossil fuels.”

D. Section 46‑3‑260(A)(2)(c) of the 1976 Code, as last amended by Act 261 of 2008, is further amended to read:

“(c) matching grants up to two hundred thousand dollars are available for demonstration projects that validate the effectiveness of new and future biomass, as defined in Section 12‑63‑20(B)(2), solar, geothermal, wind energy, nonhazardous industrial solid waste, materials recovery facility (MRF) recovered solid waste, and small hydropower technologies and products, provided that the grant does not exceed fifty percent of the total cost of the demonstration project.”

SECTION 38. Sections 12‑6‑3450, 12‑14‑30, 12‑14‑40, 12‑14‑50, and 12‑14‑70 of the 1976 Code are repealed.

SECTION 39. Unless otherwise provided specifically herein, this act takes effect on January 1, 2011, except for SECTION 8, SECTION 10, SECTION 15, SECTION 16, SECTION 32, SECTION 33, and SECTION 37 which take effect upon approval by the Governor. /

Renumber sections to conform.

Amend title to conform.

Rep. COOPER explained the amendment.

Rep. SELLERS spoke against the amendment.

Rep. SELLERS moved to adjourn debate on the Bill.

Rep. COOPER moved to table the motion.

Rep. A. D. YOUNG demanded the yeas and nays which were taken, resulting as follows:

Yeas 82; Nays 24

Those who voted in the affirmative are:

|  |  |  |
| --- | --- | --- |
| Allison | Anderson | Anthony |
| Bales | Bannister | Barfield |
| Bedingfield | Bingham | Bowen |
| Brady | G. A. Brown | H. B. Brown |
| R. L. Brown | Cato | Chalk |
| Clemmons | Clyburn | Cole |
| Cooper | Crawford | Daning |
| Delleney | Edge | Erickson |
| Forrester | Frye | Gambrell |
| Govan | Hamilton | Hardwick |
| Harrell | Harrison | Hayes |
| Hearn | Herbkersman | Hiott |
| Horne | Huggins | Jennings |
| Kelly | Kirsh | Limehouse |
| Littlejohn | Loftis | Long |
| Lucas | McEachern | Miller |
| Millwood | D. C. Moss | Nanney |
| Neilson | Norman | Ott |
| Owens | Parker | Pinson |
| M. A. Pitts | Rice | Sandifer |
| Scott | Simrill | Skelton |
| D. C. Smith | G. M. Smith | G. R. Smith |
| J. R. Smith | Sottile | Spires |
| Stewart | Stringer | Thompson |
| Toole | Umphlett | Vick |
| Weeks | White | Whitmire |
| Willis | Wylie | A. D. Young |
| T. R. Young |  |  |

**Total--82**

Those who voted in the negative are:

|  |  |  |
| --- | --- | --- |
| Agnew | Alexander | Allen |
| Ballentine | Brantley | Dillard |
| Duncan | Funderburk | Gilliard |
| Gunn | Haley | Harvin |
| Hosey | Hutto | Kennedy |
| King | Knight | Mack |
| McLeod | J. H. Neal | J. M. Neal |
| Sellers | Stavrinakis | Williams |

**Total--24**

So, the motion to adjourn debate was tabled.

The question then recurred to the adoption of the amendment.

The amendment was then adopted.

Reps. HARDWICK, COBB-HUNTER, OTT, FRYE, TOOLE, J. H. NEAL and BATTLE proposed the following Amendment No. 3 (LEGWORK\HOUSE\COMBINED\_COUNCIL\_AMENDMENTS\9601HTC10KRL), which was adopted:

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

/ SECTION \_\_. The Commissioner of Agriculture and the Secretary of Commerce shall consult and produce a report with recommendations providing a plan to promote agribusiness economic development projects designed to expand markets for South Carolina-grown crops and produce. The report and recommendations must be submitted to the General Assembly before January 1, 2011. /

Renumber sections to conform.

Amend title to conform.

Rep. HARDWICK explained the amendment.

The amendment was then adopted.

Reps. OTT and KENNEDY proposed the following Amendment No. 4 (COUNCIL\BBM\9609HTC10), which was adopted:

Amend the bill, as and if amended, in Section 12‑10‑80 of the 1976 Code as contained in SECTION 19, by adding the following immediately after / agreement/ on the last line of subsection (A)(4) on page [4478‑49] to read:

/ Provided, however, that if the qualifying small business organized under the law of this State is a business with at least five current employees at the time the revitalization agreement is entered into, the qualifying business is required to create at least one full‑time job at the project described in the revitalization agreement within five years of the effective date of the agreement. /

Renumber sections to conform.

Amend title to conform.

Rep. OTT explained the amendment.

The amendment was then adopted.

Reps. HARDWICK, J. H. NEAL and COBB‑HUNTER proposed the following Amendment No. 5 (LEGWORK\HOUSE\ COMBINED\_COUNCIL\_AMENDMENTS\9611HTC10KRL), which was adopted:

Amend the bill, as and if amended, in Section 12‑6‑3360(A), as contained in SECTION 12, page 4478‑30, by inserting after /facilities, / on line 22 / agribusiness operations, /.

Amend further, in Section 12‑6‑3360(L)(6), as contained in SECTION 12, page 4478‑38, by inserting immediately before the period on line 28 / and specifically includes meat, poultry, and any other variety of food processing operations /.

Renumber sections to conform.

Amend title to conform.

Rep. HARDWICK explained the amendment.

The amendment was then adopted.

Reps. OTT and J. H. NEAL proposed the following Amendment No. 6 (LEGWORK\HOUSE\COMBINED\_COUNCIL\_AMEND-MENTS\22521SD10KRL), which was adopted:

Amend the bill, as and if amended, by striking Section 12-6-530 of the 1976 Code, as contained in SECTION 11, which begins on page [4478-29] and inserting:

/ “Section 12‑6‑530. (A) An income tax is imposed annually at the rate of five percent on the South Carolina taxable income of every corporation, other than those described in Sections 12‑6‑540 and 12‑6‑550, and any other entity taxed using the rates of a corporation for federal income tax purposes, transacting, conducting, or doing business within this State or having income within this State, regardless of whether these activities are carried on in intrastate, interstate, or foreign commerce. The terms ‘transacting’, ‘conducting’, and ‘doing business’ include transacting or engaging in any activity for the purpose of financial profit or gain.

(B) Beginning with the year 2013, the corporate income tax rate of five percent annually imposed by this section is reduced by one‑half percent per year until the rate reaches zero for the year 2022 and thereafter.” /

Renumber sections to conform.

Amend title to conform.

Rep. COOPER explained the amendment.

The amendment was then adopted.

Reps. COOPER and HARRELL proposed the following Amendment No. 9 (COUNCIL\GGS\22536SD10), which was adopted:

Amend the bill, as and if amended, by striking SECTION 37 which begins on line 12 of page [4478-70] in its entirety.

Renumber sections to conform.

Amend title to conform.

Rep. COOPER explained the amendment.

The amendment was then adopted.

Rep. G. M. SMITH proposed the following Amendment No. 10 (COUNCIL\NBD\12008AC10), which was adopted:

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

/SECTION \_\_. Section 12‑6‑3631(B)(1)(b) and (c) of the 1976 Code, as last amended by Act 261 of 2008, is further amended to read:

“(b) best and most cost efficient feedstocks for South Carolina; ~~or~~

(c) product and development, including cellulosic ethanol or algae‑derived biodiesel products; or

(d) demethylation of glycerin byproduct from biodiesel production.”

SECTION \_\_. Section 12‑63‑20(B)(2) of the 1976 Code, as last amended by Act 261 of 2008, is further amended to read:

“(2) For purposes of this subsection, a biomass resource means wood, wood waste, agricultural waste, animal waste, sewage, landfill gas, nonhazardous industrial solid waste, materials recovered by a materials recovery facility (MRF) as defined in Chapter 96 of Title 44, the Solid Waste Policy and Management Act, and other organic materials, not including fossil fuels.”/

Renumber sections to conform.

Amend title to conform.

Rep. G. M. SMITH explained the amendment.

The amendment was then adopted.

Rep. FUNDERBURK spoke upon the Bill.

Rep. FUNDERBURK proposed the following Amendment No. 12 (COUNCIL\GGS\22537SD10), which was ruled out of order:

Amend the bill, as and if amended, by striking SECTION 11 and inserting:

/ SECTION 11. Section 12-6-545(B)(2) of the 1976 Code is amended to read:

“(2) The rate of the income tax imposed pursuant to this subsection is:

Taxable Year Beginning in Rate of Tax

2006 6.5 percent

2007 6 percent

2008 5.5 percent

after ~~2008~~2010 ~~5~~3.5 percent

Renumber sections to conform.

Amend title to conform.

Rep. FUNDERBURK explained the amendment.

**POINT OF ORDER**

Rep. COOPER raised the Point of Order that Amendment No. 12 was out of order under House Rule 9.3 in that it was not germane to the bill. He stated that the amendment dealt with personal income taxes, while the bill dealt with corporate income taxes and economic incentives and development.

Rep. FUNDERBURK argued contra.

SPEAKER HARRELL sustained the Point of Order and ruled the amendment out of order.

Rep. MCLEOD proposed the following Amendment No. 13 (COUNCIL\MS\7744AHB10), which was tabled:

Amend the bill, as and if amended, by striking SECTION 11 in its entirety.

Renumber sections to conform.

Amend title to conform.

Rep. MCLEOD explained the amendment.

Rep. MCLEOD spoke in favor of the amendment.

Rep. COOPER moved to table the amendment.

Rep. VICK demanded the yeas and nays which were taken, resulting as follows:

Yeas 71; Nays 41

Those who voted in the affirmative are:

|  |  |  |
| --- | --- | --- |
| Allison | Ballentine | Bannister |
| Barfield | Bedingfield | Bingham |
| Bowen | Brady | Cato |
| Chalk | Clemmons | Cole |
| Cooper | Crawford | Daning |
| Delleney | Duncan | Erickson |
| Forrester | Gambrell | Haley |
| Hamilton | Hardwick | Harrell |
| Harrison | Hearn | Herbkersman |
| Hiott | Horne | Huggins |
| Hutto | Kelly | Kirsh |
| Limehouse | Littlejohn | Loftis |
| Long | Lucas | McEachern |
| Millwood | D. C. Moss | V. S. Moss |
| Nanney | Norman | Owens |
| Parker | Pinson | M. A. Pitts |
| Rice | Sandifer | Scott |
| Simrill | Skelton | D. C. Smith |
| G. M. Smith | G. R. Smith | J. R. Smith |
| Sottile | Spires | Stavrinakis |
| Stewart | Stringer | Thompson |
| Toole | Umphlett | White |
| Whitmire | Willis | Wylie |
| A. D. Young | T. R. Young |  |

**Total--71**

Those who voted in the negative are:

|  |  |  |
| --- | --- | --- |
| Alexander | Allen | Anderson |
| Anthony | Bales | Bowers |
| Branham | Brantley | G. A. Brown |
| H. B. Brown | R. L. Brown | Clyburn |
| Cobb-Hunter | Dillard | Funderburk |
| Gilliard | Govan | Gunn |
| Harvin | Hayes | Hodges |
| Hosey | Howard | Jefferson |
| Jennings | Kennedy | King |
| Knight | Mack | McLeod |
| Miller | Mitchell | J. H. Neal |
| J. M. Neal | Neilson | Ott |
| Rutherford | Vick | Weeks |
| Whipper | Williams |  |

**Total--41**

So, the amendment was tabled.

Rep. OTT spoke upon the Bill.

Rep. KENNEDY spoke upon the Bill.

Rep. WHIPPER spoke against the Bill.

Rep. J. H. NEAL spoke against the Bill.

The question then recurred to the passage of the Bill on second reading.

Pursuant to Rule 7.7 the yeas and nays were taken resulting as follows:

Yeas 105; Nays 9

Those who voted in the affirmative are:

|  |  |  |
| --- | --- | --- |
| Agnew | Alexander | Allen |
| Allison | Anderson | Anthony |
| Bales | Ballentine | Bannister |
| Barfield | Bedingfield | Bingham |
| Bowen | Bowers | Brady |
| Branham | Brantley | G. A. Brown |
| H. B. Brown | Cato | Chalk |
| Clemmons | Clyburn | Cole |
| Cooper | Crawford | Daning |
| Delleney | Dillard | Duncan |
| Edge | Erickson | Forrester |
| Frye | Funderburk | Gambrell |
| Govan | Gunn | Haley |
| Hamilton | Hardwick | Harrell |
| Harrison | Harvin | Hayes |
| Hearn | Herbkersman | Hiott |
| Hodges | Horne | Huggins |
| Hutto | Jefferson | Jennings |
| Kelly | Kennedy | King |
| Kirsh | Knight | Limehouse |
| Littlejohn | Loftis | Long |
| Lucas | McEachern | Miller |
| Millwood | Mitchell | D. C. Moss |
| V. S. Moss | Nanney | J. M. Neal |
| Neilson | Norman | Ott |
| Owens | Parker | Pinson |
| M. A. Pitts | Rice | Sandifer |
| Scott | Simrill | Skelton |
| D. C. Smith | G. M. Smith | G. R. Smith |
| J. R. Smith | Sottile | Spires |
| Stavrinakis | Stewart | Stringer |
| Thompson | Toole | Umphlett |
| Vick | Weeks | White |
| Whitmire | Williams | Willis |
| Wylie | A. D. Young | T. R. Young |

**Total--105**

Those who voted in the negative are:

|  |  |  |
| --- | --- | --- |
| Cobb-Hunter | Gilliard | Hosey |
| Howard | Mack | McLeod |
| J. H. Neal | Rutherford | Whipper |

**Total--9**

So, the Bill, as amended, was read the second time and ordered to third reading.

**H. 4478--ORDERED TO BE READ THIRD TIME TOMORROW**

On motion of Rep. COOPER, with unanimous consent, it was ordered that H. 4478 be read the third time tomorrow.

**H. 4551--AMENDED AND ORDERED TO THIRD READING**

The following Bill was taken up:

H. 4551 -- Reps. Sandifer, Thompson, Bedingfield, Hayes, Brady, Mack, Harrell, Cato, Ott, Harrison, Duncan, J. R. Smith, White, Cooper, Hutto, Horne, Cobb-Hunter, Anderson, Hodges, Harvin, Skelton, Gunn and Bales: A BILL TO AMEND SECTION 23-47-10, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO DEFINITION OF TERMS ASSOCIATED WITH THE PUBLIC SAFETY COMMUNICATIONS CENTER, SO AS TO REVISE THE DEFINITION OF SEVERAL EXISTING TERMS AND TO PROVIDE DEFINITIONS FOR SEVERAL NEW TERMS; TO AMEND SECTION 23-47-20, AS AMENDED, RELATING TO 911 SYSTEM SERVICE REQUIREMENTS, SO AS TO DELETE "A CAPABILITY TO HAVE CELLULAR PHONES ROUTED TO 911" AS A SYSTEM REQUIREMENT AND TO ADD "ROUTING AND CAPABILITIES TO RECEIVE AND PROCESS CMRS SERVICE AND VOIP SERVICE CAPABLE OF MAKING 911 CALLS" AS A SYSTEM REQUIREMENT; TO AMEND SECTION 23-47-50, RELATING TO SUBSCRIBER BILLING OR 911 SERVICE, SO AS TO PROVIDE THAT FOR THE BILLING OF 911 CHARGES FOR LOCAL EXCHANGE ACCESS FACILITIES THAT ARE CAPABLE OF SIMULTANEOUSLY CARRYING FIVE OR MORE OUTGOING 911 VOICE CALLS, TO REVISE THE 911 CHARGE THAT PREPAID WIRELESS TELECOMMUNICATIONS SERVICE IS SUBJECT TO AND TO MAKE TECHNICAL CHANGES; TO AMEND SECTION 23-47-65, RELATING TO THE CMRS EMERGENCY TELEPHONE ADVISORY COMMITTEE, SO AS TO REVISE THE NAME OF THE COMMITTEE AND ITS MEMBERSHIP, TO MAKE TECHNICAL CHANGES, AND TO PROVIDE THAT THE COMMITTEE AND THE STATE BUDGET AND CONTROL BOARD ARE AUTHORIZED TO REGULATE PREPAID WIRELESS SELLERS; BY ADDING SECTION 23-47-67 SO AS TO IMPOSE A VOIP 911 CHARGE ON EACH LOCAL EXCHANGE ACCESS FACILITY, AND TO PROVIDE FOR THE COLLECTION OF THE CHARGE AND ITS DISTRIBUTION; BY ADDING SECTION 23-47-68 SO AS TO IMPOSE A PREPAID WIRELESS 911 CHARGE, AND TO PROVIDE FOR ITS COLLECTION AND DISTRIBUTION; BY ADDING SECTION 23-47-69 SO AS TO LIMIT THE CHARGES THAT MAY BE IMPOSED FOR 911 SERVICE; AND TO AMEND SECTION 23-47-70, RELATING TO LIABILITY FOR DAMAGES THAT MAY OCCUR FROM A GOVERNMENTAL AGENCY PROVIDING 911 SERVICE, SO AS TO PROVIDE FOR LIABILITY WHEN 911 SERVICE IS PROVIDED AND WHEN IT IS NOT PROVIDED PURSUANT TO TARIFFS ON FILE WITH THE PUBLIC SERVICE COMMISSION AND TO MAKE A TECHNICAL CHANGE.

The Labor, Commerce and Industry Committee proposed the following Amendment No. 1 (COUNCIL\SWB\7057CM10), which was adopted:

Amend the bill, as and if amended, Section 23‑47‑50(A), as contained in SECTION 3, by striking / an / on line 37, page 6 and inserting / ~~an~~ each / and by adding before the /./ on line 39, page 6 /, subject to the maximum of fifty 911 charges an account set above /.

When amended, Section 23‑47‑50(A) shall read:

/ Section 23‑47‑50. (A) The maximum 911 charge that a subscriber may be billed for an individual local exchange access facility must be in accordance with the following scale:

Tier I‑‑1,000 to 40,999 access lines‑‑$1.50 for start‑up costs, $1.00 for on‑going costs.

Tier II‑‑41,000 to 99,999 access lines‑‑$1.00 for start‑up costs, $.60 for on‑going costs.

Tier III‑‑more than 100,000 access lines‑‑$.75 for start‑up costs, $.50 for on‑going costs.

Start‑up includes a combination of recurring and nonrecurring costs and up to a maximum of fifty local exchange lines an account. On and after the effective date of this act, a subscriber must be billed five 911 charges for each individual local exchange access facility that is capable of simultaneously carrying five or more outgoing 911 voice calls subject to the maximum of fifty 911 charges an account as set forth above. For any service provided before the effective date of this act, a subscriber is not liable to a person or entity for a different number of 911 charges for any such facility, and no service supplier is liable to a person or entity for collecting or remitting a different number of 911 charges for any such facility, or for both. /

Amend the bill further, Section 23‑47‑50(G)(2), as contained in SECTION 3, by striking / , including CMRS911 charge, / on line 32, page 8, and inserting / ~~, including CMRS911 charge,~~ imposed by this chapter /.

When amended, Section 23‑47‑50(g)(2) shall read:

/ (2) ~~A~~ Except as provided in Section 23‑47‑68(B), a 911 charge~~, including a CMRS 911 charge,~~ imposed by this chapter shall be added to the billing by the service supplier to the service subscriber and may be stated separately. /

Amend the bill further, Section 23‑47‑50(G)(3), as contained in SECTION 3, by striking / , including a CMRS 911 charge, / on lines 35 and 36, page 8.

When amended, Section 23‑47‑50(G)(3) shall read:

/ (3) A billed subscriber shall be liable for any 911 charge~~, including a CMRS 911 charge,~~ imposed under this chapter until it has been paid to the service supplier. /

Amend the bill further, Section 23‑47‑67 as contained in SECTION 5, by deleting Section 23‑47‑67 in its entirety and inserting:

/ Section 23‑47‑67. (A) There is hereby imposed a VoIP 911 charge in an amount identical to the amount of the 911 charge imposed on each local exchange access facility pursuant to Sections 23‑47‑40(A) and 23‑47‑50(A).

(B) A VoIP provider must collect the VoIP 911 charge established in subsection (A) on each VoIP service line. This VoIP 911 charge must be sourced to the local government in the same manner as CMRS is sourced pursuant to the Mobile Telecommunications Sourcing Act as provided in Title 4 of the United States Code.

(C) Funding from the VoIP 911 charge established in subsection (A) must be used in the same manner as set forth in Section 23‑47‑40(B) and (C). The provisions of Section 23‑47‑50(B),(C),(D),(E), and (G) apply with equal force with regard to the VoIP 911 charge.

(D) A VoIP provider that purchases its 911 capabilities in South Carolina from another person or entity is responsible for directly remitting the VoIP 911 charge as set forth in this section unless the VoIP provider and the other person or entity have agreed in writing that the other person or entity will remit the VoIP 911 charge on behalf of the VoIP provider.

(E) For any service provided before the effective date of this act, no subscriber is liable to any person or entity for having imposed a different 911 charge on VoIP service or VoIP service lines, and no service supplier is liable to any person or entity for either collecting or remitting a different 911 charge on VoIP service or VoIP service lines, or both. /

Amend the bill further, Section 23‑47‑70(C), as contained in SECTION 8, by striking / CMRS / on line 18, page 15 and inserting / ~~CMRS~~ 911 /

When amended, Section 23‑47‑70(C) shall read:

/ (C) ~~Notwithstanding any other provision of law,~~ To the extent that a 911 service is not provided pursuant to tariffs on file with the South Carolina Public Service Commission, in no event shall ~~any CMRS service supplier~~ the provider of these services or its officers, employees, assigns, or agents be liable for civil damages or criminal liability in connection with the development, design, installation, operation, maintenance, performance, or provision of 911 service unless such event was the result of reckless, wilful, or wanton conduct of the ~~CMRS~~ 911 service supplier or its officers, employees, assigns, or agents. /

Renumber sections to conform.

Amend title to conform.

Rep. THOMPSON explained the amendment.

The amendment was then adopted.

Pursuant to Rule 7.7 the yeas and nays were taken resulting as follows:

Yeas 107; Nays 3

Those who voted in the affirmative are:

|  |  |  |
| --- | --- | --- |
| Allen | Allison | Anderson |
| Anthony | Bales | Ballentine |
| Bannister | Barfield | Bedingfield |
| Bingham | Bowen | Bowers |
| Brady | Branham | Brantley |
| G. A. Brown | H. B. Brown | R. L. Brown |
| Cato | Chalk | Clemmons |
| Clyburn | Cobb-Hunter | Cole |
| Cooper | Daning | Delleney |
| Dillard | Duncan | Edge |
| Erickson | Forrester | Frye |
| Funderburk | Gambrell | Gilliard |
| Govan | Gunn | Haley |
| Hamilton | Hardwick | Harrell |
| Harrison | Harvin | Hayes |
| Hearn | Herbkersman | Hiott |
| Hodges | Horne | Hosey |
| Howard | Huggins | Hutto |
| Jefferson | Jennings | Kelly |
| Kirsh | Knight | Limehouse |
| Littlejohn | Loftis | Long |
| Lucas | Mack | McEachern |
| McLeod | Miller | Millwood |
| Mitchell | D. C. Moss | V. S. Moss |
| Nanney | J. H. Neal | J. M. Neal |
| Neilson | Norman | Ott |
| Owens | Parker | Pinson |
| M. A. Pitts | Rice | Sandifer |
| Simrill | Skelton | D. C. Smith |
| G. M. Smith | G. R. Smith | J. R. Smith |
| Sottile | Spires | Stavrinakis |
| Stewart | Stringer | Thompson |
| Toole | Umphlett | Vick |
| Weeks | White | Whitmire |
| Williams | Willis | Wylie |
| A. D. Young | T. R. Young |  |

**Total--107**

Those who voted in the negative are:

|  |  |  |
| --- | --- | --- |
| Crawford | King | Scott |

**Total--3**

**OBJECTION TO MOTION**

Rep. THOMPSON asked unanimous consent that H. 4551 be read a third time tomorrow.

Rep. KING objected.

**RECURRENCE TO THE MORNING HOUR**

Rep. LOFTIS moved that the House recur to the Morning Hour, which was agreed to.

**MESSAGE FROM THE SENATE**

The following was received:

Columbia, S.C., March 4, 2010

Mr. Speaker and Members of the House:

The Senate respectfully informs your Honorable Body that it has overridden the Veto by the Governor on R. 136, H. 4432 by a vote of 1 to 0:

(R136) H. 4432 -- Rep. H.B. Brown: AN ACT TO AMEND ACT 191 OF 1991, AS AMENDED, RELATING TO THE FAIRFIELD COUNTY SCHOOL DISTRICT, SO AS TO REVISE THE MEMBERSHIP OF THE BOARD OF TRUSTEES, TO REVISE COMPENSATION OF BOARD MEMBERS, TO PROVIDE FOR THE FILLING OF VACANCIES, TO PROVIDE FOR THE ABOLITION OF CERTAIN BOARD SEATS UPON CERTAIN CONDITIONS, AND TO REQUIRE THE SCHOOL DISTRICT

BOARD AND SUPERINTENDENT TO COOPERATE WITH NEWLY APPROVED BOARD MEMBERS.

Very respectfully,

President

Received as information.

**MESSAGE FROM THE SENATE**

The following was received:

Columbia, S.C., March 4, 2010

Mr. Speaker and Members of the House:

The Senate respectfully informs your Honorable Body that it has overridden the Veto by the Governor on R. 135, H. 4431 by a vote of 1 to 0:

(R135) H. 4431 -- Rep. H. B. Brown: AN ACT TO AMEND ACT 191 OF 1991, AS AMENDED, RELATING TO THE FAIRFIELD COUNTY SCHOOL DISTRICT, SO AS TO REQUIRE THE FINANCE COMMITTEE ESTABLISHED BY THIS ACT TO PREPARE THE DISTRICT BUDGET AND TO SUBMIT IT FOR BOARD REVIEW, TO REQUIRE THE BOARD TO SUBMIT THE BUDGET TO THE FAIRFIELD COUNTY COUNCIL FOR APPROVAL, TO AUTHORIZE THE FAIRFIELD COUNTY COUNCIL TO NOTIFY THE COUNTY AUDITOR OF THE AMOUNT OF THE LEVY NEEDED TO OPERATE SCHOOLS IN THE DISTRICT, TO CREATE A FINANCE COMMITTEE TO OVERSEE THE FINANCIAL OPERATIONS OF THE DISTRICT AND TO PROVIDE ITS MEMBERSHIP, DUTIES, AND GOALS, TO PROVIDE FOR THE HIRING OF A FINANCE DIRECTOR FOR THE DISTRICT AND TO PROVIDE HIS RESPONSIBILITIES AND DUTIES, TO PROVIDE FOR THE ABOLITION OF THE FINANCE COMMITTEE AND THE POSITION OF FINANCE DIRECTOR UPON CERTAIN CONDITIONS, AND TO DEFINE THE DUTIES OF BOTH THE BOARD AND THE DISTRICT SUPERINTENDENT.

Very respectfully,

President

Received as information.

**S. 454--COMMITTEE OF CONFERENCE APPOINTED**

The following was received:

**MESSAGE FROM THE SENATE**

Columbia, S.C., March 4, 2010

Mr. Speaker and Members of the House:

The Senate respectfully informs your Honorable Body that it insists upon its amendments to S. 454:

S. 454 -- Senators Peeler and Ford: A BILL TO AMEND CHAPTER 56, TITLE 40, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE STATE BOARD OF PYROTECHNIC REGULATIONS, SO AS TO REVISE THE CHAPTER TITLE, TO PROVIDE STATE POLICY CONCERNING PYROTECHNICS, TO INCREASE THE STATE BOARD OF PYROTECHNIC SAFETY FROM SIX TO SEVEN MEMBERS, TO DEFINE TERMS, TO REQUIRE LICENSURE FOR THE MANUFACTURING, SALE, OR STORAGE OF FIREWORKS, TO AUTHORIZE THE DEPARTMENT OF LABOR, LICENSING AND REGULATION, FIRE CHIEFS, AND LAW ENFORCEMENT OFFICERS TO INVESTIGATE COMPLAINTS, TO PROVIDE GROUNDS FOR DISCIPLINARY ACTION, TO REQUIRE LIABILITY INSURANCE, TO REQUIRE REPORTING OF FIRES AND EXPLOSIONS, TO PROVIDE CRIMINAL AND CIVIL PENALTIES FOR VIOLATIONS, AND TO FURTHER PROVIDE FOR THE LICENSURE AND REGULATION OF PERSONS HANDLING FIREWORKS.

and asks for a Committee of Conference and has appointed Senators Senators Peeler, Bryant, and Nicholson to the Committee of Conference on the part of the Senate.

Very respectfully,

President

Whereupon, the Chair appointed Reps. SANDIFER, HAYES and HUGGINS to the Committee of Conference on the part of the House and a message was ordered sent to the Senate accordingly.

**CONCURRENT RESOLUTION**

The following was introduced:

H. 4694 -- Reps. Erickson, Herbkersman, Agnew, Alexander, Allen, Allison, Anderson, Anthony, Bales, Ballentine, Bannister, Barfield, Battle, Bedingfield, Bingham, Bowen, Bowers, Brady, Branham, Brantley, G. A. Brown, H. B. Brown, R. L. Brown, Cato, Chalk, Clemmons, Clyburn, Cobb-Hunter, Cole, Cooper, Crawford, Daning, Delleney, Dillard, Duncan, Edge, Forrester, Frye, Funderburk, Gambrell, Gilliard, Govan, Gunn, Haley, Hamilton, Hardwick, Harrell, Harrison, Hart, Harvin, Hayes, Hearn, Hiott, Hodges, Horne, Hosey, Howard, Huggins, Hutto, Jefferson, Jennings, Kelly, Kennedy, King, Kirsh, Knight, Limehouse, Littlejohn, Loftis, Long, Lowe, Lucas, Mack, McEachern, McLeod, Merrill, Miller, Millwood, Mitchell, D. C. Moss, V. S. Moss, Nanney, J. H. Neal, J. M. Neal, Neilson, Norman, Ott, Owens, Parker, Parks, Pinson, E. H. Pitts, M. A. Pitts, Rice, Rutherford, Sandifer, Scott, Sellers, Simrill, Skelton, D. C. Smith, G. M. Smith, G. R. Smith, J. E. Smith, J. R. Smith, Sottile, Spires, Stavrinakis, Stewart, Stringer, Thompson, Toole, Umphlett, Vick, Viers, Weeks, Whipper, White, Whitmire, Williams, Willis, Wylie, A. D. Young and T. R. Young: A CONCURRENT RESOLUTION TO COMMEND THE UNIVERSITY OF SOUTH CAROLINA BEAUFORT FOR ITS MANY YEARS OF SERVICE TO THE STATE OF SOUTH CAROLINA, AND TO HONOR AND CONGRATULATE THE UNIVERSITY OF SOUTH CAROLINA BEAUFORT ON THE OCCASION OF ITS FIFTIETH ANNIVERSARY.

The Concurrent Resolution was agreed to and ordered sent to the Senate.

**INTRODUCTION OF BILL**

The following Bill was introduced, read the first time, and referred to appropriate committee:

H. 4695 -- Reps. Anderson, Miller, Crawford, Brantley, Allen, G. A. Brown, Dillard, Hayes, Hodges, Hosey, Jefferson, Littlejohn, Lowe and J. H. Neal: A BILL TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 33-31-1040 SO AS TO PROVIDE FOR THE MANNER IN WHICH A NONPROFIT CORPORATION MAY CONVERT TO A FOR PROFIT CORPORATION; BY ADDING SECTION 33-31-1045 SO AS TO PROVIDE FURTHER CONDITIONS FOR THE CONVERSION OF A PUBLIC BENEFIT OR RELIGIOUS CORPORATION TO A FOR PROFIT CORPORATION; AND TO AMEND SECTION 33-1-200, AS AMENDED, RELATING TO FILING REQUIREMENTS UNDER THE BUSINESS CORPORATION ACT, SO AS TO ADD A REFERENCE TO THE CHAPTER ON NONPROFIT CORPORATIONS.

Referred to Committee on Judiciary

**MOTION NOTED**

Rep. ALLEN moved to reconsider the vote whereby H. 4200 was rejected and the motion was noted.

Rep. OWENS moved that the House do now adjourn, which was agreed to.

**RETURNED WITH CONCURRENCE**

The Senate returned to the House with concurrence the following:

H. 4678 -- Reps. Gilliard, Barfield, Mack, Agnew, Alexander, Allen, Allison, Anderson, Anthony, Bales, Ballentine, Bannister, Battle, Bedingfield, Bingham, Bowen, Bowers, Brady, Branham, Brantley, G. A. Brown, H. B. Brown, R. L. Brown, Cato, Chalk, Clemmons, Clyburn, Cobb-Hunter, Cole, Cooper, Crawford, Daning, Delleney, Dillard, Duncan, Edge, Erickson, Forrester, Frye, Funderburk, Gambrell, Govan, Gunn, Haley, Hamilton, Hardwick, Harrell, Harrison, Hart, Harvin, Hayes, Hearn, Herbkersman, Hiott, Hodges, Horne, Hosey, Howard, Huggins, Hutto, Jefferson, Jennings, Kelly, Kennedy, King, Kirsh, Knight, Limehouse, Littlejohn, Loftis, Long, Lowe, Lucas, McEachern, McLeod, Merrill, Miller, Millwood, Mitchell, D. C. Moss, V. S. Moss, Nanney, J. H. Neal, J. M. Neal, Neilson, Norman, Ott, Owens, Parker, Parks, Pinson, E. H. Pitts, M. A. Pitts, Rice, Rutherford, Sandifer, Scott, Sellers, Simrill, Skelton, D. C. Smith, G. M. Smith, G. R. Smith, J. E. Smith, J. R. Smith, Sottile, Spires, Stavrinakis, Stewart, Stringer, Thompson, Toole, Umphlett, Vick, Viers, Weeks, Whipper, White, Whitmire, Williams, Willis, Wylie, A. D. Young and T. R. Young: A CONCURRENT RESOLUTION TO HONOR KALYN LEWIS AND AMY LEWIS, BOTH OF CHARLESTON COUNTY, FOR THEIR EXCEPTIONAL SPELLING PROWESS, TO CONGRATULATE KALYN FOR CAPTURING THE 2010 CHARLESTON COUNTY SCHOOL DISTRICT SPELLING BEE CHAMPIONSHIP TITLE AND EARNING THE RIGHT TO COMPETE IN THE SPELLBOUND! REGIONAL SPELLING BEE ON MARCH 11, 2010, AND TO CONGRATULATE AMY FOR EARNING FIRST RUNNER-UP HONORS IN THE DISTRICT SPELLING BEE.

**ADJOURNMENT**

At 2:08 p.m. the House, in accordance with the motion of Rep. KIRSH, adjourned in memory of David Glenn Stanton, Sr. of Clover, to meet at 10:00 a.m. tomorrow.

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