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COMMITTEE REPORT

February 3, 2010

**S. 1057**

Introduced by Senator Alexander

S. Printed 2/3/10--S.

Read the first time January 19, 2010.

**THE COMMITTEE ON FINANCE**

To whom was referred a Bill (S. 1057) to amend Section 12‑6‑3622 of the 1976 Code, relating to tax credits for a fire sprinkler system, to create a study committee to develop and expand, etc., respectfully

**REPORT:**

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

Amend the bill, as and if amended, page 1, by striking SECTION 1 and inserting:

/ SECTION 1. Section 12‑6‑3622 of the 1976 Code is amended by adding an appropriately lettered subsection at the end to read:

“( )(1) The General Assembly shall appoint a study committee to develop new strategies to increase participation in the tax credit program by all local taxing entities, and to review and make recommendations for increasing the installation of interconnected hard‑wired smoke alarms. The study committee shall make a report of its findings to the General Assembly no later than January 30, 2011. The committee shall dissolve upon the date of its report.

(2) The study committee shall be composed of six members. Three members shall be appointed by the President Pro Tempore of the Senate and three members appointed by the Speaker of the House of Representatives. The study committee must be composed of a representative of the South Carolina Fire Sprinkler Association, a representative of the South Carolina Home Builders Association, a representative of the South Carolina Association of Counties, and a representative of the Municipal Association of South Carolina.

(3) Members of the study committee shall serve without any compensation for per diem, mileage, and subsistence.” /

Amend the bill further, as and if amended, page 2, by striking SECTION 2.

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

/ SECTION \_\_\_. A. Chapter 9, Title 6 of the 1976 Code is amended by adding:

“Section 6‑9‑55. (A) No building code provision that requires an automatic residential fire sprinkler system be installed in a new one‑family or two‑family dwelling shall be enforced.

(B) A prospective homeowner of a one‑family or two‑family dwelling in a jurisdiction in which installation of an automatic fire sprinkler system is required by a building code provision may choose whether to have the sprinkler system installed.

(C) A residential builder or general contractor of a one‑family or two‑family dwelling in a jurisdiction in which an automatic fire sprinkler system is required by the International Residential Code shall offer the homeowner the option of installing an approved automatic fire sprinkler system in accordance with the International Residential Code.

(D) To the extent that the provisions of this section conflict with any law or local ordinance, this section shall control.”

B. This section takes effect January 1, 2011. /

Renumber sections to conform.

Amend title to conform.

HUGH K. LEATHERMAN, SR. for Committee.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

**REVENUE IMPACT 1/**

This bill will have no impact on state or local revenues in FY2010-11.

## Explanation

This bill amends Section 12-6-3622 by establishing a study committee to review expanding participation in the fire sprinkler system tax credit program by all local taxing entities and offering a tax credit for the installation of interconnected hard-wired smoke alarms to homeowners of residences built before the year 2000. Currently, Section 12-6-3622 allows an income tax credit and a real property tax credit equal to twenty-five percent of the installation expenses of fire sprinkler systems in commercial and residential structures when such installations are not required by law, regulation, or code. Local taxing entities must consent to the real property tax credit. This bill also amends Section 6-9-60 stating that local governments may not adopt by reference nationally recognized building codes for the construction of new one-family and two-family residential homes. In addition, this bill repeals Section 6-9-135 that allows coastal counties and municipalities to adopt by reference certain provisions of the 2006 International Residential Code relating to flood damage. Because this bill establishes a committee and does not amend any revenue provisions, there is no impact on state or local revenues in FY2010-11.

*Approved By:*

William C. Gillespie

Board of Economic Advisors

1/ This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, or Section 2-7-76 for a local revenue impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.

**A** **BILL**

TO AMEND SECTION 12‑6‑3622 OF THE 1976 CODE, RELATING TO TAX CREDITS FOR A FIRE SPRINKLER SYSTEM, TO CREATE A STUDY COMMITTEE TO DEVELOP AND EXPAND THE TAX CREDIT PROGRAM; TO AMEND SECTION 6‑9‑60, RELATING TO THE ADOPTION OF CERTAIN BUILDING CODES, TO PROVIDE THAT A LOCAL GOVERNMENT MAY NOT ADOPT BY REFERENCE A BUILDING CODE FOR RESIDENCES; AND TO REPEAL SECTION 6‑9‑135.

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

SECTION 1. Section 12‑6‑3622 of the 1976 Code is amended by adding an appropriately lettered subsection at the end to read:

“( ) The General Assembly shall appoint a study committee to develop new strategies to expand the participation in the tax credit program by all local taxing entities, and to review and make recommendations for offering a separate tax credit or incentive program to homeowners of existing residences built before 2000 for the installation of interconnected hard‑wired smoke alarms. The study committee shall make a report of its findings to the General Assembly no later than January 30, 2011.”

SECTION 2. Section 6‑9‑60 of the 1976 Code is amended to read:

“Section 6‑9‑60. Municipalities and counties may adopt by reference only the latest editions of the following nationally recognized codes and the standards referenced in those codes for regulation of construction within their respective jurisdictions: property maintenance, performance codes for buildings and facilities, existing building, and swimming pool codes as promulgated, published, or made available by the International Code Council, Inc. The appendices of the codes provided in this section may be adopted as needed by a municipality or county, but the specific appendix or appendices must be referenced by name or letter designation in the adopting ordinance. However, the provisions of the codes referenced in this section which concern the qualification, removal, dismissal, duties, responsibilities of, and the administrative procedures for all building officials, deputy building officials, chief inspectors, other inspectors, and assistants do not apply unless they have been adopted by the municipal or county governing body. The ability of a local government to adopt by reference a nationally recognized code or its appendices does not apply to building codes for the construction of new one‑family and two‑family residential homes.”

SECTION 3. Section 6‑9‑135 of the 1976 Code is repealed.

SECTION 4. Except where otherwise provided, this act takes effect upon approval by the Governor.

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