COMMITTEE REPORT

January 22, 2015

**S. 35**

Introduced by Senators Bryant, Lourie, Bennett, Leatherman, Jackson, Bright, Campsen and Cleary

S. Printed 1/22/15--S. [SEC 1/23/15 1:10 PM]

Read the first time January 13, 2015.

**THE COMMITTEE ON FINANCE**

To whom was referred a Joint Resolution (S. 35) proposing an amendment to Section 16, Article X of the Constitution of South Carolina, 1895, relating to benefits and funding of public employee pension plans, etc., respectfully

**REPORT:**

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

HUGH K. LEATHERMAN, SR. for Committee.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

**Fiscal Impact Summary**

This joint resolution will have minimal cost to the General Fund of the State and can be absorbed in normal operating expenses of the Election Commission. There will be no impact on federal or other funds of the state.

**Explanation of Fiscal Impact**

**State Expenditure**

This joint resolution proposes an amendment to the Constitution of South Carolina, providing that the funds of any trust fund established by law for the funding of post-employment benefits for state employees and public school teachers may be invested and reinvested in equity securities subject to the same limitations on such investments applicable for the funds of the various state-operated retirement systems. The joint resolution calls for a referendum on the amendment be added to the ballot at the next general election.

The Election Commission states that the referendum would be a minimal cost which would be paid with election funds.

Frank A. Rainwater, Executive Director

Revenue and Fiscal Affairs Office

**A** **JOINT RESOLUTION**

PROPOSING AN AMENDMENT TO SECTION 16, ARTICLE X OF THE CONSTITUTION OF SOUTH CAROLINA, 1895, RELATING TO BENEFITS AND FUNDING OF PUBLIC EMPLOYEE PENSION PLANS IN THIS STATE AND THE INVESTMENTS ALLOWED FOR FUNDS OF THE VARIOUS STATE‑OPERATED RETIREMENT SYSTEMS, SO AS TO PROVIDE THAT THE FUNDS OF ANY TRUST FUND ESTABLISHED BY LAW FOR THE FUNDING OF POST‑EMPLOYMENT BENEFITS FOR STATE EMPLOYEES AND PUBLIC SCHOOL TEACHERS MAY BE INVESTED AND REINVESTED IN EQUITY SECURITIES SUBJECT TO THE SAME LIMITATIONS ON SUCH INVESTMENTS APPLICABLE FOR THE FUNDS OF THE VARIOUS STATE‑OPERATED RETIREMENT SYSTEMS AND TO PROVIDE THAT FUNDS OF A POLITICAL SUBDIVISION OF THIS STATE SET ASIDE FOR THE FUNDING OF POST‑EMPLOYMENT BENEFITS OF EMPLOYEES OF THE POLITICAL SUBDIVISION, INCLUDING FUNDS INVESTED IN AN INDEPENDENT TRUST ESTABLISHED FOR THAT PURPOSE, MAY BE SIMILARLY INVESTED.

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

SECTION 1. It is proposed that Section 16, Article X of the Constitution of this State be amended by adding a new paragraph at the end to read:

“Notwithstanding the provisions of Section 11 of this article, the funds of any trust fund established by the General Assembly by law for the funding of post‑employment benefits for state employees and public school teachers may be invested and reinvested in equity securities subject to the same limitations on such investments applicable for the funds of the various state‑operated retirement systems.”

SECTION 2. The proposed amendment must be submitted to the qualified electors at the next general election for representatives. Ballots must be provided at the various voting precincts with the following words printed or written on the ballot:

“Must Section 16, Article X of the Constitution of this State relating to benefits and funding of public employee pension plans in this State and the investments allowed for funds of the various state‑operated retirement systems be amended so as to provide that the funds of any trust fund established by law for the funding of post‑employment benefits for state employees and public school teachers may be invested and reinvested in equity securities subject to the same limitations on such investments applicable for the funds of the various state‑operated retirement systems?

Yes 

No 

Those voting in favor of the question shall deposit a ballot with a check or cross mark in the square after the word ‘Yes’, and those voting against the question shall deposit a ballot with a check or cross mark in the square after the word ‘No’.”

SECTION 3. It is proposed that Section 16, Article X of the Constitution of this State be amended by adding an additional paragraph at the end to read:

“Notwithstanding the provisions of Section 11 of this article, the funds of any political subdivision of this State that have been set aside for the funding of post‑employment benefits for the political subdivision’s employees, including those invested in independent trusts established for that purpose, may be invested or reinvested in equity securities of the type permitted for investment by the various state‑operated retirement systems, as provided for by the General Assembly.”

SECTION 4. The proposed amendment must be submitted to the qualified electors at the next general election for representatives. Ballots must be provided at the various voting precincts with the following words printed or written on the ballot:

“Must Section 16, Article X of the Constitution of this State relating to benefits and funding of public employee pension plans in this State and the investments allowed for funds of the various state‑operated retirement systems be amended so as to provide that the funds of any political subdivision of this State that have been set aside for the funding of post‑employment benefits for the political subdivision’s employees, including those invested in independent trusts established for that purpose, may be invested or reinvested in equity securities of the type permitted for investment by the various state-operated retirement systems, as provided for by the General Assembly?

Yes 

No 

Those voting in favor of the question shall deposit a ballot with a check or cross mark in the square after the word ‘Yes’, and those voting against the question shall deposit a ballot with a check or cross mark in the square after the word ‘No’.”

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