**South Carolina General Assembly**

122nd Session, 2017-2018

**A39, R62, H3883**

**STATUS INFORMATION**

General Bill

Sponsors: Reps. Sandifer and Pope

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Introduced in the House on March 2, 2017

Introduced in the Senate on May 3, 2017

Last Amended on May 2, 2017

Passed by the General Assembly on May 8, 2017

Governor's Action: May 10, 2017, Signed

Summary: Pyramid Promotional Scheme Prohibition Act

**HISTORY OF LEGISLATIVE ACTIONS**

 Date Body Action Description with journal page number

 3/2/2017 House Introduced and read first time ([House Journal‑page 8](file:///h%3A%5Chj%5C20170302.docx))

 3/2/2017 House Referred to Committee on **Judiciary** ([House Journal‑page 8](file:///h%3A%5Chj%5C20170302.docx))

 4/26/2017 House Committee report: Favorable with amendment **Judiciary** ([House Journal‑page 117](file:///h%3A%5Chj%5C20170426.docx))

 5/2/2017 House Amended ([House Journal‑page 35](file:///h%3A%5Chj%5C20170502.docx))

 5/2/2017 House Read second time ([House Journal‑page 35](file:///h%3A%5Chj%5C20170502.docx))

 5/2/2017 House Roll call Yeas‑93 Nays‑0 ([House Journal‑page 36](file:///h%3A%5Chj%5C20170502.docx))

 5/3/2017 House Read third time and sent to Senate ([House Journal‑page 12](file:///h%3A%5Chj%5C20170503.docx))

 5/3/2017 Senate Introduced and read first time ([Senate Journal‑page 11](file:///h%3A%5Csj%5C20170503.docx))

 5/3/2017 Senate Referred to Committee on **Labor, Commerce and Industry** ([Senate Journal‑page 11](file:///h%3A%5Csj%5C20170503.docx))

 5/4/2017 Senate Recalled from Committee on **Labor, Commerce and Industry** ([Senate Journal‑page 5](file:///h%3A%5Csj%5C20170504.docx))

 5/4/2017 Senate Read second time ([Senate Journal‑page 5](file:///h%3A%5Csj%5C20170504.docx))

 5/4/2017 Senate Roll call Ayes‑41 Nays‑0 ([Senate Journal‑page 5](file:///h%3A%5Csj%5C20170504.docx))

 5/8/2017 Senate Read third time and enrolled ([Senate Journal‑page 16](file:///h%3A%5Csj%5C20170508.docx))

 5/9/2017 Ratified R 62

 5/10/2017 Signed By Governor

 5/17/2017 Effective date 05/10/17

 5/18/2017 Act No. 39

View the latest [legislative information](http://www.scstatehouse.gov/billsearch.php?billnumbers=3883&session=122&summary=B) at the website

**VERSIONS OF THIS BILL**

[3/2/2017](file:///p%3A%5Cpprever%5C2017-18%5C3883_20170302.docx)

[4/26/2017](file:///p%3A%5Cpprever%5C2017-18%5C3883_20170426.docx)

[5/2/2017](file:///p%3A%5Cpprever%5C2017-18%5C3883_20170502.docx)

[5/4/2017](file:///p%3A%5Cpprever%5C2017-18%5C3883_20170504.docx)

(A39, R62, H3883)

**AN ACT TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, TO ENACT THE “PYRAMID PROMOTIONAL SCHEME PROHIBITION ACT” BY ADDING ARTICLE 7 TO CHAPTER 5, TITLE 39 SO AS TO PROVIDE PYRAMID PROMOTIONAL SCHEMES CONSTITUTE UNFAIR TRADE PRACTICES UNDER THE SOUTH CAROLINA UNFAIR TRADE PRACTICES ACT, AND TO PROVIDE NECESSARY DEFINITIONS; AND TO REPEAL SECTION 39‑5‑30 RELATING TO PYRAMID CLUBS AND SIMILAR OPERATIONS.**

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

**Pyramid Promotional Scheme Prohibition Act**

SECTION 1. Chapter 5, Title 39 of the 1976 Code is amended by adding:

“Article 7

Pyramid Promotional Scheme Prohibition Act

 Section 39‑5‑710. This article must be known and may be cited as the ‘Pyramid Promotional Scheme Prohibition Act’.

 Section 39‑5‑720. As used in this article:

 (1) ‘Compensation’ means the payment of money, a thing of value, or a benefit.

 (2) ‘Consideration’ means either the payment of money or the provision of a thing of value for the purchase of a product, good, service, or intangible property. Consideration does not include:

 (a) the purchase of a product, furnished at cost, for use in making a sale, but not for resale, of the purchased product itself; or

 (b) time and effort spent to pursue a sale or recruiting activity.

 (3) ‘Pyramid promotional scheme’ means a plan or operation in which an individual pays consideration for the right to receive compensation based primarily upon recruiting other individuals into the plan or operation instead of selling products or services to ultimate users for their use or consumption.

 (4) ‘Ultimate users’ are individuals who consume or use the products or services, whether or not they are participants in the plan or operation.

 Section 39‑5‑730. A pyramid promotional scheme is an unfair trade practice pursuant to Section 39‑5‑20(a), and accordingly, is prohibited in this State.”

**Repeal**

SECTION 2. Section 39‑5‑30 of the 1976 Code is repealed.

**Savings clause**

SECTION 3. The repeal or amendment by this act of any law, whether temporary or permanent or civil or criminal, does not affect pending actions, rights, duties, or liabilities founded thereon, or alter, discharge, release or extinguish any penalty, forfeiture, or liability incurred under the repealed or amended law, unless the repealed or amended provision shall so expressly provide. After the effective date of this act, all laws repealed or amended by this act must be taken and treated as remaining in full force and effect for the purpose of sustaining any pending or vested right, civil action, special proceeding, criminal prosecution, or appeal existing as of the effective date of this act, and for the enforcement of rights, duties, penalties, forfeitures, and liabilities as they stood under the repealed or amended laws.

**Time effective**

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

Ratified the 9th day of May, 2017.

Approved the 10th day of May, 2017.

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