

NO. 29

JOURNAL
of the
HOUSE OF REPRESENTATIVES
of the
STATE OF SOUTH CAROLINA



REGULAR SESSION BEGINNING TUESDAY, JANUARY 8, 2019

THURSDAY, FEBRUARY 21, 2019
(STATEWIDE SESSION)

Thursday, February 21, 2019
(Statewide Session)

~~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 Isaiah 43:4: “Because you are precious in my sight, and honored, and I love you.”

Let us pray. Dear God, thank You for calling us as Your precious children and loving us through all our trials and triumphs. Through all of this, help us to be remained for all time and events You are our Lord. Guide each of these Representatives and staff as they go through this day to accomplish the good for this State. Bless our defenders of freedom and first responders as they care for us. Bless our Nation, President, State, Governor, Speaker, staff, and all who labor in this vineyard of Yours. Heal the wounds, those seen and those hidden, of our brave warriors who suffer and sacrifice for our freedom. Lord, in Your mercy, hear our prayers. 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.

After corrections to the Journal of the proceedings of yesterday, the SPEAKER ordered it confirmed.

ACTING SPEAKER ALLISON IN CHAIR

MOTION ADOPTED

Rep. CASKEY moved that when the House adjourns, it adjourn in memory of John Wooten, father of Representative Wooten, which was agreed to.

SPEAKER IN CHAIR

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ROLL CALL

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

Alexander	Allison	Anderson
Atkinson	Bailey	Bales
Ballentine	Bamberg	Bannister
Bennett	Bernstein	Blackwell
Bradley	Brawley	Brown
Bryant	Burns	Calhoon
Caskey	Chellis	Chumley
Clary	Clemmons	Clyburn
Cobb-Hunter	Cogswell	Collins
B. Cox	W. Cox	Crawford
Daning	Davis	Dillard
Elliott	Erickson	Felder
Finlay	Forrest	Forrester
Fry	Funderburk	Gagnon
Garvin	Gilliam	Gilliard
Govan	Hardee	Hart
Hayes	Henderson-Myers	Henegan
Herbkersman	Hewitt	Hill
Hiott	Hixon	Hosey
Howard	Huggins	Hyde
Jefferson	Johnson	Jordan
Kimmons	King	Kirby
Ligon	Loftis	Long
Lowe	Lucas	Mace
Magnuson	Martin	McCoy
McCravy	McDaniel	McGinnis
McKnight	Moore	Morgan
D. C. Moss	Murphy	B. Newton
Norrell	Ott	Parks
Pendarvis	Pope	Ridgeway
Rivers	Robinson	Rose
Rutherford	Sandifer	Simmons
Simrill	G. M. Smith	G. R. Smith
Sottile	Spires	Stavrinakis
Stringer	Tallon	Taylor
Thayer	Toole	Trantham
Weeks	West	Wheeler
White	Whitmire	R. Williams

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S. Williams
Young

Willis
Yow

Wooten

Total Present--119

STATEMENT OF ATTENDANCE

Reps. WHEELER and CRAWFORD signed a statement with the Clerk that they came in after the roll call of the House and were present for the Session on Wednesday, February 20.

LEAVE OF ABSENCE

The SPEAKER granted Rep. V. S. MOSS a leave of absence for the day due to medical reasons.

LEAVE OF ABSENCE

The SPEAKER granted Rep. W. NEWTON a leave of absence for the day due to a family commitment.

LEAVE OF ABSENCE

The SPEAKER granted Rep. BALES a temporary leave of absence.

SPECIAL PRESENTATION

Reps. ATKINSON and HAYES presented to the House the Latta High School Baseball Team, coaches, and other school officials.

SPECIAL PRESENTATION

Reps. ATKINSON and HAYES presented to the House the Latta High School Academic Challenge Team, coaches, and other school officials.

CO-SPONSORS ADDED

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

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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. 3020
Date: ADD:
02/21/19 DAVIS

CO-SPONSOR ADDED

Bill Number: H. 3023
Date: ADD:
02/21/19 TAYLOR

CO-SPONSOR ADDED

Bill Number: H. 3024
Date: ADD:
02/21/19 TAYLOR

CO-SPONSOR ADDED

Bill Number: H. 3101
Date: ADD:
02/21/19 W. COX

CO-SPONSOR ADDED

Bill Number: H. 3108
Date: ADD:
02/21/19 THAYER

CO-SPONSOR ADDED

Bill Number: H. 3185
Date: ADD:
02/21/19 TRANTHAM

CO-SPONSORS ADDED

Bill Number: H. 3202
Date: ADD:
02/21/19 MORGAN and TRANTHAM

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CO-SPONSOR ADDED

Bill Number: H. 3234
Date: ADD:
02/21/19 ELLIOTT

CO-SPONSOR ADDED

Bill Number: H. 3263
Date: ADD:
02/21/19 SANDIFER

CO-SPONSOR ADDED

Bill Number: H. 3271
Date: ADD:
02/21/19 COBB-HUNTER

CO-SPONSOR ADDED

Bill Number: H. 3355
Date: ADD:
02/21/19 TOOLE

CO-SPONSOR ADDED

Bill Number: H. 3357
Date: ADD:
02/21/19 TAYLOR

CO-SPONSOR ADDED

Bill Number: H. 3362
Date: ADD:
02/21/19 WHEELER

CO-SPONSOR ADDED

Bill Number: H. 3363
Date: ADD:
02/21/19 DAVIS

CO-SPONSORS ADDED

Bill Number: H. 3391
Date: ADD:
02/21/19 BERNSTEIN and FINLAY

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CO-SPONSORS ADDED

Bill Number: H. 3438
Date: ADD:
02/21/19 W. COX, TAYLOR and DAVIS

CO-SPONSORS ADDED

Bill Number: H. 3449
Date: ADD:
02/21/19 JOHNSON and HARDEE

CO-SPONSOR ADDED

Bill Number: H. 3456
Date: ADD:
02/21/19 DAVIS

CO-SPONSOR ADDED

Bill Number: H. 3463
Date: ADD:
02/21/19 GARVIN

CO-SPONSORS ADDED

Bill Number: H. 3659
Date: ADD:
02/21/19 DANING and HENDERSON-MYERS

CO-SPONSOR ADDED

Bill Number: H. 3717
Date: ADD:
02/21/19 FUNDERBURK

CO-SPONSORS ADDED

Bill Number: H. 3725
Date: ADD:
02/21/19 KING, ELLIOTT, HILL, MCDANIEL, SIMMONS
and W. COX

CO-SPONSORS ADDED

Bill Number: H. 3759
Date: ADD:
02/21/19 BROWN and LONG

[HJ]

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CO-SPONSOR ADDED

Bill Number: H. 3800
Date: ADD:
02/21/19 DAVIS

CO-SPONSORS ADDED

Bill Number: H. 3823
Date: ADD:
02/21/19 DAVIS and DANING

CO-SPONSOR ADDED

Bill Number: H. 3936
Date: ADD:
02/21/19 PENDARVIS

CO-SPONSOR ADDED

Bill Number: H. 3951
Date: ADD:
02/21/19 MARTIN

CO-SPONSOR ADDED

Bill Number: H. 3967
Date: ADD:
02/21/19 ROSE

CO-SPONSORS ADDED

Bill Number: H. 3968
Date: ADD:
02/21/19 HILL, HUGGINS, BALLENTINE, KIRBY, HIOTT,
WHITE, MOORE, HOSEY, HOWARD and FELDER

CO-SPONSOR ADDED

Bill Number: H. 3986
Date: ADD:
02/21/19 WILLIS

CO-SPONSOR ADDED

Bill Number: H. 3998
Date: ADD:
02/21/19 DAVIS

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CO-SPONSORS ADDED

Bill Number: H. 3999
Date: ADD:
02/21/19 DAVIS, GAGNON and HILL

LEAVE OF ABSENCE

The SPEAKER granted Rep. ANDERSON a leave of absence for the remainder of the day.

LEAVE OF ABSENCE

The SPEAKER granted Rep. HIXON a temporary leave of absence.

LEAVE OF ABSENCE

The SPEAKER granted Rep. YOUNG a temporary leave of absence.

LEAVE OF ABSENCE

The SPEAKER granted Rep. BRYANT a temporary leave of absence.

SENT TO THE SENATE

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

H. 3699 -- Reps. Bailey, Hewitt and Hardee: A BILL TO AMEND SECTION 48-39-145, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO APPLICATION FEES FOR PERMITS TO ALTER CRITICAL AREAS, SO AS TO AUTHORIZE THE SOUTH CAROLINA DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL TO DEFER TO THE UNITED STATES ARMY CORPS OF ENGINEERS IN DETERMINING THE SIZE OF A PRIVATE RECREATIONAL DOCK CONSTRUCTED ON THE ATLANTIC INTRACOASTAL WATERWAY FEDERAL NAVIGATION PROJECT.

H. 3732 -- Reps. Hewitt, Fry, West, Sandifer and Murphy: A BILL TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 40-69-255 SO AS TO REQUIRE VETERINARIANS TO COMPLETE CONTINUING EDUCATION RELATED TO PRESCRIBING AND MONITORING CERTAIN CONTROLLED SUBSTANCES.

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H. 3449--AMENDED AND ORDERED TO THIRD READING

The following Bill was taken up:

H. 3449 -- Reps. Hiott, Lucas, Kirby, Forrest, Young, Hixon, B. Newton, Erickson, Bradley, Mace, Atkinson, Ligon, Magnuson, Hill, Johnson and Hardee: A BILL TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 46-55-70 SO AS TO PROVIDE THAT THE SOUTH CAROLINA DEPARTMENT OF AGRICULTURE IS RESPONSIBLE FOR THE REGULATION OF HEMP IN SOUTH CAROLINA IN STRICT COMPLIANCE WITH THE STANDARDS AND PRACTICES ESTABLISHED BY THE UNITED STATES DEPARTMENT OF AGRICULTURE; AND TO REPEAL SECTIONS 46-55-20 THROUGH 46-55-60, ALL RELATING TO INDUSTRIAL HEMP.

The Committee on Agriculture, Natural Resources and Environmental Affairs proposed the following Amendment No.1 to H. 3449 (COUNCIL\CZ\3449C001.JN.CZ19):

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

/ SECTION 1. Title 46 of the 1976 Code is amended by adding:
"CHAPTER 56

South Carolina Hemp Farming Act

Section 46-56-10. This chapter must be known and may be cited as the 'South Carolina Hemp Farming Act'.

Section 46-56-20. The General Assembly finds that hemp is a viable agricultural crop in South Carolina. This chapter is intended to:

- (1) promote the cultivation and processing of hemp and to open new commercial markets for farmers and businesses through the sale of hemp products;
- (2) promote the expansion of this State's hemp industry to the maximum extent permitted by law, allowing farmers and businesses to cultivate, handle, and process industrial hemp and sell industrial hemp products for commercial purposes;
- (3) encourage and empower research into hemp growth and hemp products at state institutions of higher education and in the private sector; and
- (4) move this state and its citizens to the forefront of the hemp industry.

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Section 46-56-30. As used in this chapter:

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

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

(3) 'Commissioner' is the Commissioner of the South Carolina Department of Agriculture.

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

(5) 'Department' means the South Carolina Department of Agriculture.

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

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

(8) 'Hemp' means the plant Cannabis sativa L. and any part of that plant, including the non-sterilized seeds thereof and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with the federally defined THC level for hemp. Hemp is considered an agricultural commodity. The term also includes all industrial grown hemp and hemp products.

(9) 'Hemp products' means all products with the federally defined THC level for hemp derived from, or made by, processing hemp plants or hemp plant parts, that are prepared in a form available for commercial sale, including, but not limited to cosmetics, personal care products, food intended for animal or human consumption, cloth, cordage, fiber, fuel, paint, paper, particleboard, plastics, and any product containing one or more hemp-derived cannabinoids, such as cannabidiol. Unprocessed or raw plant material, including non-sterilized hemp seeds is not considered a hemp product.

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

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

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

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

(14) 'THC' means tetrahydrocannabinol. The THC found in hemp is not considered to be THC in qualifying as a controlled substance.

(15) 'University' means any public institution of higher education offering a four-year baccalaureate degree or private institution of higher education accredited by the Southern Association of Colleges and Schools offering a four-year baccalaureate degree throughout the State.

Section 46-56-40. (A)(1) There is created the South Carolina Hemp Program to enable the department, its licensees, and affiliated universities to promote the cultivation and processing of hemp and the commercial sales of hemp products. The department, its licensees, the licensees' agents, and affiliated universities may cultivate, handle, and process hemp in this State and may transport hemp within and outside of this State.

(2) It is lawful to possess, transport, sell, and purchase legally produced hemp products in this State. Nothing in this chapter authorizes a person to violate a federal or state law or regulation.

(B) A person only may cultivate, handle, or process hemp in this State with a hemp license issued by the department under the state plan. A person seeking to cultivate hemp:

(1) provide to the department the legal description and global positioning coordinates sufficient for locating the fields or greenhouses used to cultivate hemp;

(2) provide written consent allowing representatives of the department, South Carolina Law Enforcement Division (SLED), and local law enforcement, to enter onto all premises where hemp is cultivated, processed, or stored for the purposes of conducting physical inspections, obtaining samples of hemp or hemp products, or otherwise ensuring compliance with the requirements of applicable laws and regulations;

(3) subject hemp to the testing procedure set forth in the state plan using post-decarboxylation or other similarly reliable methods to test the delta-9 THC concentration levels of hemp produced in the State; and

(4) undergo a state criminal records check, supported by fingerprints, by SLED and a national criminal records check, supported by fingerprints, by the Federal Bureau of Investigation. The results of

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these records checks must be reported to the department. SLED is authorized to retain the fingerprints for certification purposes and for notification of the department regarding criminal charges. No person who has been convicted of a felony, a drug-related misdemeanor, or drug related violation in the ten years prior to the submission of the application is eligible to obtain a license.

(C)(1) A licensee is required to conduct a corrective action plan if the commissioner determines that the licensee has negligently violated applicable state laws, regulations, or the state plan by:

(a) failing to provide a legal description and global positioning coordinates of land on which hemp is cultivated;

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

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

(2) A corrective action plan should include a:

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

(b) requirement that the licensee periodically report to the commissioner on the compliance of the hemp producer with the provisions of this chapter and the state plan for a period of not less than the next two calendar years.

(3) A licensee that negligently violates state laws or regulations may not be subject to criminal or civil liability other than the enforcement action provided in this section.

(4) A licensee that negligently violates the state plan three times within a five-year period is ineligible to produce hemp for a period of five years beginning on the date of the third violation.

(5) If the commissioner determines that a licensee violated a state law with a culpable mental state greater than negligence, the commissioner must immediately report the hemp producer to the United States Attorney General and the South Carolina Attorney General.

Section 46-56-50. The department may charge a reasonable application fee, license fee, and renewal of license fee that must be remitted to administer the South Carolina Hemp Program. Licensing fees for:

(1) hemp growers and handlers may not exceed one thousand dollars each year per registrant; and

(2) processors may not exceed the cost calculated by the department to cover the costs incurred under the processor licensing program.

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Section 46-56-60. (A) Within sixty days of the effective date of this chapter, the commissioner shall submit a state plan to the Secretary of the United States Department of Agriculture regulating hemp production in South Carolina. The plan shall include a:

(1) practice to maintain relevant information relating to land on which hemp is produced including a legal description of the land for a period of no less than three years;

(2) procedure for testing delta-9 THC concentration levels on hemp produced in this State using post-decarboxylation or a similarly reliable method;

(3) procedure for the effective disposal of products that are in violation of this chapter; and

(4) procedure to comply with the enforcement of this chapter.

(B) If the secretary disapproves the state plan, the commissioner, in consultation with the Governor and Attorney General, shall submit an amended state plan.

Section 46-56-70. The South Carolina Hemp Program does not apply to the possession, handling, transport, or sale of hemp products and extracts, including those containing hemp-derived cannabinoids such as CBD.

Section 46-56-80. A person who manufactures, distributes, dispenses, delivers, purchases, aids, abets, attempts, or conspires to manufacture, distribute, dispense, deliver, or purchase, or possesses with the intent to manufacture, distribute, dispense, deliver, or purchase marijuana, in a manner intended to disguise the marijuana due to its proximity to industrial hemp, is guilty of a misdemeanor and, upon conviction, must be imprisoned not more than three years or fined not more than three thousand dollars, or both. The penalty provided for in this section may be imposed in addition to any other penalties provided by law.”

SECTION 2. Chapter 55, Title 46 of the 1976 Code is repealed.

SECTION 3. This act takes effect upon approval by the Governor. /
Re-number sections to conform.

Amend title to conform.

Rep. HIOTT moved to adjourn debate on the amendment, which was agreed to.

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Rep. HIOTT proposed the following Amendment No. 2 to H. 3449 (COUNCIL\CZ\3449C005.NL.CZ19), which was adopted:

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

/ SECTION 1. Title 46 of the 1976 Code is amended by adding:

“CHAPTER 56

South Carolina Hemp Farming Act

Section 46-56-10. This chapter must be known and may be cited as the ‘South Carolina Hemp Farming Act’.

Section 46-56-20. The General Assembly finds that hemp is a viable agricultural crop in South Carolina. This chapter is intended to:

(1) promote the cultivation and processing of hemp and to open new commercial markets for farmers and businesses through the sale of hemp products;

(2) promote the expansion of this State’s hemp industry to the maximum extent permitted by law, allowing farmers and businesses to cultivate, handle, and process industrial hemp and sell industrial hemp products for commercial purposes;

(3) encourage and empower research into hemp growth and hemp products at state institutions of higher education and in the private sector; and

(4) move this state and its citizens to the forefront of the hemp industry.

Section 46-56-30. As used in this chapter:

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

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

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

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

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

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

(7) ‘Handling’ means possessing or storing hemp for any period of time. Handling includes possessing or storing hemp in a vehicle for any period of time other than during its actual transport from the

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premises of a licensed person to cultivate or process industrial hemp to the premises of another licensed person. Handling does not mean possessing or storing finished hemp products.

(8) 'Hemp' means the plant *Cannabis sativa* L. and any part of that plant, including the non-sterilized seeds thereof and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with the federally defined THC level for hemp. Hemp is considered an agricultural commodity. The term also includes all industrial grown hemp and hemp products.

(9) 'Hemp products' means all products with the federally defined THC level for hemp derived from, or made by, processing hemp plants or hemp plant parts, that are prepared in a form available for commercial sale, including, but not limited to cosmetics, personal care products, food intended for animal or human consumption, cloth, cordage, fiber, fuel, paint, paper, particleboard, plastics, and any product containing one or more hemp-derived cannabinoids, such as cannabidiol. Unprocessed or raw plant material, including non-sterilized hemp seeds is not considered a hemp product.

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

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

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

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

(14) 'THC' means tetrahydrocannabinol. The THC found in hemp is not considered to be THC in qualifying as a controlled substance.

(15) 'University' means any public institution of higher education offering a four-year baccalaureate degree or private institution of higher education accredited by the Southern Association of Colleges and Schools offering a four-year baccalaureate degree throughout the State.

Section 46-56-40. (A)(1) There is created the South Carolina Hemp Program to enable the department, its licensees, and affiliated universities to promote the cultivation and processing of hemp and the commercial sales of hemp products. The department, its licensees, the licensees' agents, and affiliated universities may cultivate, handle, and process hemp in this State and may transport hemp within and outside of this State.

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(2) It is lawful to possess, transport, sell, and purchase legally produced hemp products in this State. Nothing in this chapter authorizes a person to violate a federal or state law or regulation.

(B) A person only may cultivate, handle, or process hemp in this State with a hemp license issued by the department under the state plan. A person seeking to cultivate hemp:

(1) provide to the department the legal description and global positioning coordinates sufficient for locating the fields or greenhouses used to cultivate hemp;

(2) provide written consent allowing representatives of the department, South Carolina Law Enforcement Division (SLED), and local law enforcement, to enter onto all premises where hemp is cultivated, processed, or stored for the purposes of conducting physical inspections, obtaining samples of hemp or hemp products, or otherwise ensuring compliance with the requirements of applicable laws and regulations;

(3) subject hemp to the testing procedure set forth in the state plan using post-decarboxylation or other similarly reliable methods to test the delta-9 THC concentration levels of hemp produced in the State; and

(4) undergo a state criminal records check, supported by fingerprints, by SLED and a national criminal records check, supported by fingerprints, by the Federal Bureau of Investigation. The results of these records checks must be reported to the department. SLED is authorized to retain the fingerprints for certification purposes and for notification to the department regarding criminal charges. A person who has been convicted of a felony relating to a controlled substance under state or federal law in the ten years prior to the submission of the application is not eligible to:

(a) obtain a license or participate in the program established under this section or the Agriculture Improvement Act of 2018; or

(b) produce hemp under a regulation or guideline issued under the Agriculture Improvement Act of 2018.

(C)(1) A licensee is required to conduct a corrective action plan if the commissioner determines that the licensee has negligently violated applicable state laws, regulations, or the state plan by:

(a) failing to provide a legal description and global positioning coordinates of land on which hemp is cultivated;

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

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

(2) A corrective action plan should include a:

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

(b) requirement that the licensee periodically report to the commissioner on the compliance of the hemp producer with the provisions of this chapter and the state plan for a period of not less than the next two calendar years.

(3) A licensee that negligently violates state laws or regulations may not be subject to criminal or civil liability other than the enforcement action provided in this section.

(4) A licensee that negligently violates the state plan three times within a five-year period is ineligible to produce hemp for a period of five years beginning on the date of the third violation.

(5) If the commissioner determines that a licensee violated a state law with a culpable mental state greater than negligence, the commissioner must immediately report the hemp producer to the United States Attorney General and the South Carolina Attorney General.

Section 46-56-50. The department may charge a reasonable application fee, license fee, and renewal of license fee that must be remitted to administer the South Carolina Hemp Program. Licensing fees for:

(1) hemp growers and handlers may not exceed one thousand dollars each year per registrant; and

(2) processors may not exceed the cost calculated by the department to cover the costs incurred under the processor licensing program.

Section 46-56-60. (A) Within sixty days of the effective date of this chapter, the commissioner shall submit a state plan to the Secretary of the United States Department of Agriculture regulating hemp production in South Carolina. The plan shall include a:

(1) practice to maintain relevant information relating to land on which hemp is produced including a legal description of the land for a period of no less than three years;

(2) procedure for testing delta-9 THC concentration levels on hemp produced in this State using post-decarboxylation or a similarly reliable method;

(3) procedure for the effective disposal of products that are in violation of this chapter; and

(4) procedure to comply with the enforcement of this chapter.

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(B) If the secretary disapproves the state plan, the commissioner, in consultation with the Governor and Attorney General, shall submit an amended state plan.

Section 46-56-70. The South Carolina Hemp Program does not apply to the possession, handling, transport, or sale of hemp products and extracts, including those containing hemp-derived cannabinoids such as CBD.

Section 46-56-80. A person who manufactures, distributes, dispenses, delivers, purchases, aids, abets, attempts, or conspires to manufacture, distribute, dispense, deliver, or purchase, or possesses with the intent to manufacture, distribute, dispense, deliver, or purchase marijuana, in a manner intended to disguise the marijuana due to its proximity to industrial hemp, is guilty of a misdemeanor and, upon conviction, must be imprisoned not more than three years or fined not more than three thousand dollars, or both. The penalty provided for in this section may be imposed in addition to any other penalties provided by law.”

SECTION 2. Chapter 55, Title 46 of the 1976 Code is repealed.

SECTION 3. This act takes effect upon approval by the Governor. / Renumber sections to conform.

Amend title to conform.

Rep. HIOTT explained the amendment.

The amendment was then adopted.

The Committee on Agriculture, Natural Resources and Environmental Affairs proposed the following Amendment No.1 to H. 3449 (COUNCIL\CZ\3449C001.JN.CZ19), which was tabled:

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

/ SECTION 1. Title 46 of the 1976 Code is amended by adding:

“CHAPTER 56

South Carolina Hemp Farming Act

Section 46-56-10. This chapter must be known and may be cited as the ‘South Carolina Hemp Farming Act’.

Section 46-56-20. The General Assembly finds that hemp is a viable agricultural crop in South Carolina. This chapter is intended to:

(1) promote the cultivation and processing of hemp and to open new commercial markets for farmers and businesses through the sale of hemp products;

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(2) promote the expansion of this State's hemp industry to the maximum extent permitted by law, allowing farmers and businesses to cultivate, handle, and process industrial hemp and sell industrial hemp products for commercial purposes;

(3) encourage and empower research into hemp growth and hemp products at state institutions of higher education and in the private sector; and

(4) move this state and its citizens to the forefront of the hemp industry.

Section 46-56-30. As used in this chapter:

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

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

(3) 'Commissioner' is the Commissioner of the South Carolina Department of Agriculture.

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

(5) 'Department' means the South Carolina Department of Agriculture.

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

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

(8) 'Hemp' means the plant *Cannabis sativa* L. and any part of that plant, including the non-sterilized seeds thereof and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with the federally defined THC level for hemp. Hemp is considered an agricultural commodity. The term also includes all industrial grown hemp and hemp products.

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

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paint, paper, particleboard, plastics, and any product containing one or more hemp-derived cannabinoids, such as cannabidiol. Unprocessed or raw plant material, including non-sterilized hemp seeds is not considered a hemp product.

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

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

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

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

(14) 'THC' means tetrahydrocannabinol. The THC found in hemp is not considered to be THC in qualifying as a controlled substance.

(15) 'University' means any public institution of higher education offering a four-year baccalaureate degree or private institution of higher education accredited by the Southern Association of Colleges and Schools offering a four-year baccalaureate degree throughout the State.

Section 46-56-40. (A)(1) There is created the South Carolina Hemp Program to enable the department, its licensees, and affiliated universities to promote the cultivation and processing of hemp and the commercial sales of hemp products. The department, its licensees, the licensees' agents, and affiliated universities may cultivate, handle, and process hemp in this State and may transport hemp within and outside of this State.

(2) It is lawful to possess, transport, sell, and purchase legally produced hemp products in this State. Nothing in this chapter authorizes a person to violate a federal or state law or regulation.

(B) A person only may cultivate, handle, or process hemp in this State with a hemp license issued by the department under the state plan. A person seeking to cultivate hemp:

(1) provide to the department the legal description and global positioning coordinates sufficient for locating the fields or greenhouses used to cultivate hemp;

(2) provide written consent allowing representatives of the department, South Carolina Law Enforcement Division (SLED), and local law enforcement, to enter onto all premises where hemp is cultivated, processed, or stored for the purposes of conducting physical inspections, obtaining samples of hemp or hemp products, or otherwise

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ensuring compliance with the requirements of applicable laws and regulations;

(3) subject hemp to the testing procedure set forth in the state plan using post-decarboxylation or other similarly reliable methods to test the delta-9 THC concentration levels of hemp produced in the State; and

(4) undergo a state criminal records check, supported by fingerprints, by SLED and a national criminal records check, supported by fingerprints, by the Federal Bureau of Investigation. The results of these records checks must be reported to the department. SLED is authorized to retain the fingerprints for certification purposes and for notification of the department regarding criminal charges. No person who has been convicted of a felony, a drug-related misdemeanor, or drug related violation in the ten years prior to the submission of the application is eligible to obtain a license.

(C)(1) A licensee is required to conduct a corrective action plan if the commissioner determines that the licensee has negligently violated applicable state laws, regulations, or the state plan by:

(a) failing to provide a legal description and global positioning coordinates of land on which hemp is cultivated;

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

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

(2) A corrective action plan should include a:

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

(b) requirement that the licensee periodically report to the commissioner on the compliance of the hemp producer with the provisions of this chapter and the state plan for a period of not less than the next two calendar years.

(3) A licensee that negligently violates state laws or regulations may not be subject to criminal or civil liability other than the enforcement action provided in this section.

(4) A licensee that negligently violates the state plan three times within a five-year period is ineligible to produce hemp for a period of five years beginning on the date of the third violation.

(5) If the commissioner determines that a licensee violated a state law with a culpable mental state greater than negligence, the commissioner must immediately report the hemp producer to the United States Attorney General and the South Carolina Attorney General.

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Section 46-56-50. The department may charge a reasonable application fee, license fee, and renewal of license fee that must be remitted to administer the South Carolina Hemp Program. Licensing fees for:

- (1) hemp growers and handlers may not exceed one thousand dollars each year per registrant; and
- (2) processors may not exceed the cost calculated by the department to cover the costs incurred under the processor licensing program.

Section 46-56-60. (A) Within sixty days of the effective date of this chapter, the commissioner shall submit a state plan to the Secretary of the United States Department of Agriculture regulating hemp production in South Carolina. The plan shall include a:

- (1) practice to maintain relevant information relating to land on which hemp is produced including a legal description of the land for a period of no less than three years;
- (2) procedure for testing delta-9 THC concentration levels on hemp produced in this State using post-decarboxylation or a similarly reliable method;
- (3) procedure for the effective disposal of products that are in violation of this chapter; and
- (4) procedure to comply with the enforcement of this chapter.

(B) If the secretary disapproves the state plan, the commissioner, in consultation with the Governor and Attorney General, shall submit an amended state plan.

Section 46-56-70. The South Carolina Hemp Program does not apply to the possession, handling, transport, or sale of hemp products and extracts, including those containing hemp-derived cannabinoids such as CBD.

Section 46-56-80. A person who manufactures, distributes, dispenses, delivers, purchases, aids, abets, attempts, or conspires to manufacture, distribute, dispense, deliver, or purchase, or possesses with the intent to manufacture, distribute, dispense, deliver, or purchase marijuana, in a manner intended to disguise the marijuana due to its proximity to industrial hemp, is guilty of a misdemeanor and, upon conviction, must be imprisoned not more than three years or fined not more than three thousand dollars, or both. The penalty provided for in this section may be imposed in addition to any other penalties provided by law.”

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SECTION 2. Chapter 55, Title 46 of the 1976 Code is repealed.

SECTION 3. This act takes effect upon approval by the Governor. /
Renumber sections to conform.

Amend title to conform.

Rep. HIOTT moved to table the amendment, which was agreed to.

The question recurred to the passage of the Bill.

The yeas and nays were taken resulting as follows:

Yeas 97; Nays 0

Those who voted in the affirmative are:

Alexander	Allison	Atkinson
Bailey	Ballentine	Bennett
Bernstein	Blackwell	Bradley
Brawley	Burns	Calhoon
Caskey	Chellis	Chumley
Clary	Cobb-Hunter	Cogswell
Collins	B. Cox	W. Cox
Crawford	Daning	Davis
Dillard	Elliott	Erickson
Felder	Finlay	Forrest
Forrester	Fry	Funderburk
Gagnon	Garvin	Gilliard
Hardee	Hayes	Henderson-Myers
Henegan	Hewitt	Hill
Hiott	Hosey	Huggins
Hyde	Jefferson	Johnson
Jordan	Kimmons	King
Kirby	Ligon	Loftis
Long	Lowe	Lucas
Mace	Magnuson	Martin
McCoy	McCray	McGinnis
McKnight	Morgan	D. C. Moss
Murphy	B. Newton	Norrell
Ott	Parks	Pendarvis
Pope	Ridgeway	Robinson
Rose	Sandifer	Simrill
G. M. Smith	G. R. Smith	Sottile
Spires	Stavrinakis	Stringer

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Tallon	Taylor	Thayer
Toole	Trantham	West
Wheeler	Whitmire	R. Williams
S. Williams	Willis	Wooten
Yow		

Total--97

Those who voted in the negative are:

Total--0

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

STATEMENT FOR JOURNAL

I was temporarily out of the Chamber on constituent business during the vote on H. 3449. If I had been present, I would have voted in favor of the Bill.

Rep. Bill Hixon

STATEMENT FOR JOURNAL

I was on excused leave due to a prior family commitment when the House gave second reading to H. 3449, legislation relating to hemp farming. I would have voted to give this bill second reading.

Rep. Wm. Weston Newton

STATEMENT FOR THE JOURNAL

I am abstaining from voting on H. 3449 because I may have a conflict of interest.

Rep. Bruce Bannister

STATEMENT FOR THE JOURNAL

I am abstaining from voting on H. 3449 because of a potential conflict of interest.

Rep. Bill Herbkersman

**H. 3449--ORDERED TO BE READ THIRD TIME
TOMORROW**

On motion of Rep. HIOTT, with unanimous consent, it was ordered that H. 3449 be read the third time tomorrow.

[HJ]

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H. 3659--AMENDED AND ORDERED TO THIRD READING

The following Bill was taken up:

H. 3659 -- Reps. McCoy, Rose, Ballentine, Wooten, W. Newton, Mack, Sottile, Clary, Erickson, Herbkersman, Pendarvis, Stavrinakis, Ott, Gilliard, Bennett, Caskey, Murphy, Bernstein, Mace, Young, Garvin, Cobb-Hunter, Norrell, Thigpen, Hyde, Jefferson, R. Williams, Funderburk, Huggins, Anderson, Hardee, Cogswell, Tallon, Sandifer, West, Gagnon, Forrester, Blackwell, Spires, Calhoon, B. Cox, Elliott, Morgan, Loftis, Bradley, Willis, Toole, Henderson-Myers, B. Newton and Daning: A BILL TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, TO ENACT THE "SOUTH CAROLINA ENERGY FREEDOM ACT" BY ADDING SECTION 58-27-845 SO AS TO ENUMERATE SPECIFIC RIGHTS OWED TO EVERY ELECTRICAL UTILITY CUSTOMER IN SOUTH CAROLINA; BY ADDING SECTION 58-27-2350 SO AS TO PROVIDE FOR JUDICIAL REVIEW OF VIOLATIONS OF AN ELECTRICAL UTILITY CUSTOMER'S RIGHTS; BY ADDING CHAPTER 41 TO TITLE 58 SO AS TO DEFINE RELEVANT TERMS, TO REQUIRE PERIODIC HEARINGS TO REVIEW AND APPROVE ELECTRICAL UTILITIES' AVOIDED COST METHODOLOGIES, STANDARD OFFERS, FORM CONTRACTS, AND COMMITMENT TO SELL FORMS, AND TO ESTABLISH POLICIES AND PROCEDURES FOR THESE HEARINGS, TO REQUIRE EACH ELECTRICAL UTILITY TO FILE A VOLUNTARY RENEWABLE ENERGY PROGRAM FOR THE COMMISSION'S REVIEW AND APPROVAL AND TO ENUMERATE PROGRAM REQUIREMENTS, TO REQUIRE EACH ELECTRICAL UTILITY TO ESTABLISH A NEIGHBORHOOD COMMUNITY SOLAR PROGRAM PLAN WITH A GOAL TO EXPAND ACCESS TO SOLAR ENERGY TO LOW-INCOME COMMUNITIES AND CUSTOMERS, AND TO ENUMERATE PROGRAM REQUIREMENTS; TO AMEND SECTION 58-4-10, AS AMENDED, RELATING TO THE OFFICE OF REGULATORY STAFF, SO AS TO REVISE THE DEFINITION OF "PUBLIC INTEREST"; TO AMEND SECTION 58-27-460, RELATING TO THE PROMULGATION OF STANDARDS FOR INTERCONNECTION OF RENEWABLE ENERGY, SO AS TO, AMONG OTHER THINGS, INCREASE THE MAXIMUM GENERATION CAPACITY OF THOSE RENEWABLE ENERGY FACILITIES FOR WHICH THE PUBLIC SERVICE COMMISSION SHALL PROMULGATE INTERCONNECTION

[HJ]

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STANDARDS; TO AMEND SECTION 58-27-2610, RELATING TO LEASES OF RENEWABLE ELECTRIC GENERATION FACILITIES, SO AS TO, AMONG OTHER THINGS, REMOVE THE SOLAR LEASING CAP; TO AMEND SECTION 58-33-110, RELATING TO REQUIRED PRECONSTRUCTION CERTIFICATIONS FOR MAJOR UTILITY FACILITIES, SO AS TO PROVIDE THAT A PERSON MAY NOT BEGIN CONSTRUCTION OF A MAJOR UTILITY FACILITY WITHOUT FIRST HAVING MADE A DEMONSTRATION THAT THE FACILITY HAS BEEN SELECTED THROUGH AN INDEPENDENTLY MONITORED, ALL-SOURCE, PROCUREMENT PROCESS OVERSEEN BY AN INDEPENDENT EVALUATOR CHOSEN BY THE OFFICE OF REGULATORY STAFF; TO AMEND SECTION 58-33-140, RELATING TO THE PARTIES TO CERTIFICATION PROCEEDINGS, SO AS TO PROVIDE THAT THE PARTIES SHALL INCLUDE ANY INDEPENDENT POWER PRODUCER THAT IS PROPOSING AN ALTERNATIVE TO THE MAJOR UTILITY FACILITY; TO AMEND SECTION 58-37-40, RELATING TO INTEGRATED RESOURCE PLANS, SO AS TO PROVIDE FOR THE EVALUATION OF THE ADOPTION OF RENEWABLE ENERGY, ENERGY EFFICIENCY, AND DEMAND RESPONSE IN INTEGRATED RESOURCE PLANS AND TO PROVIDE FOR CERTAIN REPORTING REQUIREMENTS; TO AMEND SECTION 58-40-10, RELATING TO DEFINITIONS APPLICABLE TO NET ENERGY METERING, SO AS TO REVISE THE DEFINITION OF "CUSTOMER-GENERATOR"; AND TO AMEND SECTION 58-40-20, RELATING TO NET ENERGY METERING, SO AS TO REQUIRE ELECTRICAL UTILITIES TO MAKE NET ENERGY METERING AVAILABLE TO CUSTOMER-GENERATORS UNTIL THE TOTAL INSTALLED NAMEPLATE GENERATING CAPACITY OF NET ENERGY METERING SYSTEMS EQUALS AT LEAST TWO PERCENT OF THE PREVIOUS FIVE-YEAR AVERAGE OF THE ELECTRICAL UTILITY'S SOUTH CAROLINA RETAIL PEAK DEMAND AND TO PROVIDE FOR A SUCCESSOR NET ENERGY METERING TARIFF.

The Committee on Labor, Commerce and Industry proposed the following Amendment No. 1 to H. 3659 (COUNCIL\ZW\3659C001.CC.ZW19), which was adopted:

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

[HJ]

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/ SECTION 1. Title 58 of the 1976 Code is amended by adding:

“CHAPTER 41

Renewable Energy Programs

Section 58-41-05. The commission is directed to address all renewable energy issues in a fair and balanced manner, considering the costs and benefits to all customers of all programs and tariffs that relate to renewable energy and energy storage, both as part of the utility’s power system and as direct investments by customers for their own energy needs and renewable goals. The commission also is directed to ensure that the revenue recovery, cost allocation, and rate design of utilities that it regulates are just and reasonable and properly reflect changes in the industry as a whole, the benefits of customer renewable energy, energy efficiency, and demand response, as well as any utility or state-specific impacts unique to South Carolina which are brought about by the consequences of this act.

Section 58-41-10. As used in this chapter:

(1) ‘AC’ means alternating current as measured at the point of interconnection of the small power producer’s facility to the interconnecting electrical utility’s transmission or distribution system.

(2) ‘Avoided costs’ means payments for purchases of electricity made according to an electrical utility’s most recently approved or established avoided cost rates in this State or rates negotiated pursuant to PURPA, in the year the costs are incurred, for purchases of electricity from qualifying facilities pursuant to Section 210 of the Public Utility Regulatory Policies Act, said costs to be calculated as set forth in Section 58-39-140(A)(1).

(3) ‘Commission’ means the South Carolina Public Service Commission.

(4) ‘Electrical utility’ is defined as set forth in Section 58-27-10(7), provided, however, that electrical utilities serving less than one hundred thousand customer accounts must be exempt from the provisions of this chapter. A renewable energy supplier participating in an electrical utility’s voluntary renewable energy program pursuant to this chapter must not be considered an electrical utility for purposes of this chapter.

(5) ‘Eligible customer’ means a retail customer with a new or existing contract demand greater than or equal to one megawatt at a single metered location or aggregated across multiple metered locations.

(6) ‘Generation credit’ means a credit applied by an electrical utility to the bill of a participating customer that is equal to the value of

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the electrical utility's system of the energy and capacity provided by a renewable energy facility, as defined herein.

(7) 'Participating customer' means an eligible customer that elects to have a portion or all of its electricity needs supplied by a voluntary renewable energy program.

(8) 'Participating customer agreement' means an agreement between a participating customer, its electrical utility, and the renewable energy supplier establishing each party's rights and obligations under the electrical utility's voluntary renewable energy program.

(9) 'Power purchase agreement' means an agreement between an electrical utility and a renewable energy supplier for the purchase and sale of energy, capacity, and ancillary services from the renewable energy supplier's renewable energy facility pursuant to this chapter.

(10) 'PURPA' means the Public Utility Regulatory Policies Act of 1978, as amended.

(11) 'Renewable energy contract' means a contract between an electrical utility and a renewable energy supplier that commits the parties to participating in an electrical utility's voluntary renewable energy program for the purchase and sale of energy and capacity.

(12) 'Renewable energy facility' means a facility for the production of electrical energy that utilizes a renewable generation resource as defined in Section 58-39-120(F), that is placed in service after the effective date of this chapter, and for which costs are not included in an electrical utility's rates.

(13) 'Renewable energy supplier' means the owner or operator of a renewable energy facility, including the affiliate of an electrical utility that contracts with a participating customer.

(14) 'Small power producer' means a person or corporation owning or operating a 'qualifying small power production facility' as defined in 16 U.S.C. Section 796, as amended.

(15) 'Standard offer' means the avoided cost rates, power purchase agreement, and terms and conditions approved by the commission and applicable to purchases of energy and capacity by electrical utilities as provided in this chapter from small power producers up to two megawatts AC in size.

(16) 'Voluntary renewable energy program' means a tariff filed with the commission by an electrical utility that enables a participating customer to receive and pay for electric service, that reflects the program cost. Commercial or industrial energy and environmental attributes specified in the participating customer agreement and renewable energy

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contract, including a generation credit for such renewable energy, from the electrical utility pursuant to the terms of the tariff.

(17) 'Neighborhood community solar facility' means a solar photovoltaic electric generating facility that is connected to the distribution system of the electrical utility and is participating in the electrical utility's neighborhood community solar energy program.

Section 58-41-20. (A) As soon as practicable after the effective date of this chapter, the commission shall open a docket for the purpose of establishing each electrical utility's avoided cost rates, avoided cost methodologies, standard offer power purchase agreements, form contract power purchase agreements, commitment to sell forms, and any other terms or conditions necessary to implement this section. Within six months after the effective date of this chapter, and at least once every twenty-four months thereafter, the commission shall establish or approve each electrical utility's avoided cost rates, avoided cost methodologies, standard offer power purchase agreements, form contract power purchase agreements, commitment to sell forms, and any other terms or conditions necessary to implement this section. Within such proceeding the commission shall approve one or more standard form purchase power agreements for use for projects not eligible for the standard offer. Such standard form purchase power agreements shall contain, for example, provisions for force majeure, indemnification, choice of venue, and confidentiality provisions and other such terms, but shall not be determinative of price, volume, or length of contract. The commission may approve multiple standard form agreements to accommodate various generation technologies and other project specific characteristics. This provision shall not restrict the right of parties to enter into power purchase agreements with terms that differ from the commission-approved form(s). Any decisions by the commission shall support the public interest of the using and consuming public and strive to reduce the risk placed on the using and consuming public.

(1) Proceedings must be separate from the electrical utilities' annual fuel cost proceedings.

(2) Proceedings shall include an opportunity for intervention, discovery, filed comments or testimony, and an evidentiary hearing.

(3) Each electrical utility's avoided cost rates, avoided cost methodologies, standard offer power purchase agreements, form contract power purchase agreements, commitment to sell forms, and any other terms or conditions set by the commission must be in the best interests of all customers and consistent with PURPA and the Federal Energy Regulatory Commission's implementing regulations, which

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require such rates to be just and reasonable to the ratepayers of the electrical utility, in the public interest, and nondiscriminatory to the QF.

(B) In the course of reviewing and approving each electrical utility's avoided cost rates, avoided cost methodologies, standard offer power purchase agreements, form contract power purchase agreements, and commitment to sell forms, the commission shall treat small power producers on a fair and equal footing with electrical utility-owned resources by ensuring that:

(1) rates for the purchase of energy and capacity fully and accurately reflect the electrical utility's avoided costs;

(2) power purchase agreements, including terms and conditions, are commercially reasonable and consistent with regulations promulgated by the Federal Energy Regulatory Commission implementing PURPA; and

(3) each electrical utility's avoided cost methodology fairly accounts for costs avoided by the electrical utility or incurred by the utility, including, but not limited to, energy, capacity, and ancillary services provided by or consumed by small power producers including those utilizing energy storage equipment. Avoided cost methodologies proposed by an electrical utility and approved by the commission may account for differences in costs avoided based on the geographic location and resource type of a small power producer's facility.

(C) The avoided cost rates offered by an electrical utility to a small power producer not eligible for the standard offer must be calculated based on the avoided cost methodology approved by the commission in its most recent proceeding. In the event that a small power producer and an electrical utility are unable to mutually agree on an avoided cost rate, the small power producer shall have the right to have any disputed issues resolved by the commission in a formal complaint proceeding. The commission may require mediation prior to a formal complaint proceeding.

(D) A small power producer shall have the right to sell the output of its facility to the electrical utility at the rates, and pursuant to the power purchase agreement terms and conditions, then in effect by delivering an executed notice of commitment to sell form to the electrical utility. The commission shall approve a standard notice of commitment to sell form to be used for this purpose that provides the small power producer a reasonable period of time from its submittal of the form to execute a power purchase agreement. In no event, however, shall the small power producer, as a condition of preserving the pricing and terms and conditions established by its submittal of an executed commitment

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to sell form to the electrical utility, be required to execute a power purchase agreement prior to receipt of a final interconnection agreement from the electrical utility.

(E)(1) The commission is empowered to set standard offer rates and terms and conditions for the purchase of power from cogenerators and small power production facilities designated as Qualifying Facilities (QF). The commission also has the authority to provide for negotiation of contracts and for competitive solicitation to occur within the utility's balancing authority if the commission determines such action to be in the public interest.

(2) Electrical utilities shall file with the commission power purchase agreements entered into pursuant to PURPA, resulting from voluntary negotiation of contracts between an electrical utility and a small power producer not eligible for the standard offer.

(3) The commission is authorized to open a generic docket for the purposes of creating competitive solicitation programs within the utility's balancing authority if the commission determines such action to be for the public good.

(4) The commission shall require each electrical utility to make the standard offer power purchase agreement available to small power producers. For small power producers not eligible for the standard offer, the commission shall approve a separate form contract power purchase agreement to be used by each electrical utility in purchasing energy, capacity, and other related services from small power producers.

(5)(a) Electrical utilities shall offer to enter into a fixed priced contract for the purchase of energy and capacity at avoided cost, with commercially reasonable terms and with a duration of no less than ten years and of longer duration if set by the commission pursuant to this section. The avoided cost rates applicable to the fixed price contract in this section must be based on the avoided cost rates and methodology as determined by the commission pursuant to this section. The terms of this subsection apply only to those projects with an interconnection request on file with the utility prior to the effective date of this act. Standard offer projects shall not be impacted by this subsection. The commission may determine any other necessary terms and conditions as necessary to protect ratepayers.

(b) Upon execution of solar Interconnection Agreements and Power Purchase Agreements representing twenty percent of the previous five-year average of the electrical utility's South Carolina retail peak load, the commission shall reevaluate the appropriate contract term length for projects that had an interconnection request on file with the

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utility prior to the effective date of this act but do not yet have a signed Interconnection Agreement with the utility.

(c) Projects with an interconnection request submitted after the effective date of this act will be subject to the terms, conditions, rates, and terms of length for contracts as determined by the commission. The commission shall hold a proceeding in accordance with this Section to consider the terms, conditions, rates, and terms of length for projects with an interconnection request submitted after the effective date of this act.

(6) The commission may consider standard offer and form contract power purchase agreements which prohibit any of the following, but not limited to:

(a) uncompensated curtailment of qualifying facilities other than due to a system emergency as defined in PURPA or in implementing regulations promulgated by the Federal Energy Regulatory Commission;

(b) termination of the power purchase agreement, collection of damages from small power producers, or commencement of the term of a power purchase agreement prior to commercial operation, if delays in achieving commercial operation of the small power producer's facility are due to the electrical utility's interconnection delays; or

(c) the electrical utility from reducing the price paid to the small power producer based on costs incurred by the electrical utility to respond to the intermittent nature of electrical generation by the small power producer.

(F) Nothing in this section prohibits the commission from adopting various avoided cost methodologies or amending those methodologies in the public interest.

(G) Unless otherwise agreed to between the electrical utility and the small power producer, a power purchase agreement entered into pursuant to PURPA may not allow curtailment of qualifying facilities in any manner that is inconsistent with PURPA or implementing regulations promulgated by the Federal Energy Regulatory Commission.

(H) The commission and Office of Regulatory Staff are authorized to independently employ, through contract or otherwise, third-party consultants and experts in carrying out their duties under this section, including, but not limited to, for the purpose of evaluating rates, terms, calculations, and conditions under this section. The commission and the Office of Regulatory Staff may not hire the same third-party consultant or expert. The commission is exempt from complying with the State Procurement Code in the selection and hiring of the third-party

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consultant or expert authorized by this subsection. The commission shall engage, for each utility, a qualified independent third party to submit a report that includes the third party's independently derived conclusions as to that third party's opinion of each utility's calculation of avoided costs for purposes of these proceedings. The qualified independent third party is subject to the same ex parte prohibitions contained in Chapter 3, Title 58, as all other parties. The qualified independent third party shall submit all requests for documents and information necessary to their analysis under the authority of the commission and the commission shall have full authority to compel response to the requests. The qualified independent third party's duty will be to the commission. Any conclusions based on the evidence in the record and included in the report are intended to be used by the commission along with all other evidence submitted during the proceeding, to inform their ultimate decision setting the avoided costs for each electrical utility. The utilities may require confidentiality agreements with the independent third party that do not impede the third party analysis. The utilities shall be responsive in providing all documents, information, and items necessary for the completion of the report. The independent third party shall also include in the report a statement assessing the level of cooperation received from the utility during the development of the report and whether there were any material information requests that were not adequately fulfilled by the electrical utility. Any party to this proceeding shall be able to review the report including the confidential portions of the report upon entering into an appropriate confidentiality agreement.

(I) Each electrical utility's avoided cost filing must be reasonably transparent so that underlying assumptions, data, and results can be independently reviewed and verified by the parties and the commission. The commission may approve any confidentiality protections necessary to allow for independent review and verification of the avoided cost filing.

(J) This section shall not be interpreted to supersede the conditions of any settlement entered into before the commission prior to the adoption of this act.

Section 58-41-30. (A) Within one hundred twenty days of the effective date of this chapter, subject to subsection (F), each electrical utility shall file a proposed voluntary renewable energy program for review and approval by the commission. The commission shall conduct a proceeding to review the program and establish reasonable terms and conditions for the program. Interested parties shall have the right to participate in the proceeding. The commission may periodically hold

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additional proceedings to update the program. At a minimum, the program shall provide that:

(1) the participating customer shall have the right to select the renewable energy facility and negotiate with the renewable energy supplier on the price to be paid by the participating customer for the energy, capacity, and environmental attributes of the renewable energy facility and the term of such agreement so long as such terms are consistent with the voluntary renewable program service agreement as approved by the commission;

(2) the renewable energy contract, power purchase agreement, and the participating customer agreement must be of equal duration;

(3) in addition to paying a retail bill calculated pursuant to the rates and tariffs that otherwise would apply to the participating customer, reduced by the amount of the generation credit, a participating customer shall reimburse the electrical utility on a monthly basis for the amount paid by the electrical utility to the renewable energy supplier pursuant to the participating customer agreement and power purchase agreement, plus an administrative fee approved by the commission; and

(4) eligible customers must be allowed to bundle their demand under a single participating customer agreement and renewable energy contract and must be eligible annually to procure an amount of capacity as approved by the commission.

(B) The commission may approve a program that provides for options that include, but are not limited both variable and fixed generation credit options.

(C) The commission may limit the total portion of each electrical utility's voluntary renewable energy program that is eligible for the program at a level consistent with the public interest and shall provide standard terms and conditions for the participating customer agreement, the power purchase agreement, and the renewable energy contract, subject to commission review and approval.

(D) A participating customer shall bear the burden of any reasonable costs associated with participating in a voluntary renewable energy program. An electrical utility may not charge any nonparticipating customers for any costs incurred pursuant to the provisions of this section.

(E) A renewable energy facility may be located anywhere in the electrical utility's service territory within the utility's balancing authority.

(F) If the commission determines that an electrical utility has a voluntary renewable energy program on file with the commission as of

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the effective date of this chapter, that conforms with the requirements of this section, the utility is not required to make a new filing to meet the requirements of subsection (A).

Section 58-41-40. (A) It is the intent of the General Assembly to expand the opportunity to support solar energy and support access to solar energy options for all South Carolinians, including those who lack the income to afford the upfront investment in solar panels or those that do not own their homes or have suitable rooftops. The General Assembly encourages all electric service providers in this state to consider adopting the neighborhood community solar program described in this section.

(B)(1) Within sixty days after the effective date of this chapter, the commission shall open a docket for each electrical utility to review the community solar programs established pursuant to Act 236 of 2014 and solicit status information on existing programs from the electrical utilities.

(2) Within one hundred eighty days after the commission opens the docket pursuant to item (1), the electrical utilities shall update their report on their existing programs and to propose new programs.

(3) Within one hundred eighty days of receiving the updated filing and following the period for notice and opportunity for public comment and public hearing, the commission shall establish a new 'Community Solar Energy Program' for each electrical utility to permit customers of an electrical utility to participate in a solar energy project to allow for a credit to the customer's utility bill based upon the electricity generated that is attributed to the customer's participation in the solar energy project.

(C) At minimum, the program developed by the commission shall establish for each utility:

(1) a per project capacity limit for individual community solar energy projects;

(2) minimum and maximum aggregate installed capacity of all community solar energy projects for each electric public utility;

(3) a minimum number of participating customers for each solar energy project;

(4) a minimum number of participating customers for each solar energy project;

(5) the value of the credit on each participating customer's bill;

(6) the provision of access to solar energy projects for low and moderate income customers;

(7) standards to ensure the opportunity for residential, commercial, and tax exempt customers to participate in the

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neighborhood community solar program, including residential customers in multifamily housing;

(8) standards and methods to verify solar electric energy generation on a monthly basis for a solar energy project;

(9) standards and an application process for owners of solar energy projects who wish to be included in the Community Solar Energy Program;

(10) standards covering transferability, portability, and buy-out provisions for customers who participate in community solar energy projects; and

(11) any other requirements as adopted by the commission, including, but not limited to, requirements proposed by interested parties.

(D) Subject to review by the commission, a public utility must be entitled to full and timely cost recovery for all reasonable and prudent costs incurred in implementing and complying with this section. Participating customers shall bear the burden of any reasonable and prudent costs associated with participating in a neighborhood community solar program; however, the commission shall nonetheless ensure access to solar energy projects for low and moderate income customers pursuant to subsection (C)(6). An electrical utility may not charge any nonparticipating customers for any costs incurred pursuant to the provisions of this section.”

SECTION 2. Article 7, Chapter 27, Title 58 of the 1976 Code is amended by adding:

“Section 58-27-845. (A) The General Assembly finds that there is a critical need to:

(1) protect customers from rising utility costs;

(2) provide opportunities for customer measures to reduce or manage electrical consumption from electrical utilities in a manner that contributes to reductions in utility peak electrical demand and other drivers of electrical utility costs; and

(3) equip customers with the information and ability to manage their electric bills.

(B) Every customer of an electrical utility has the right to a rate schedule that offers the customer a reasonable opportunity to employ such energy and cost saving measures as energy efficiency, demand response, or onsite distributed energy resources in order to reduce consumption of electricity from the electrical utility’s grid and to reduce electrical utility costs.

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(C) In fixing just and reasonable utility rates pursuant to Section 58-3-140 and Section 58-27-810, the commission shall consider whether rates are designed to discourage the wasteful use of public utility services while promoting all use that is economically justified in view of the relationships between cost incurred and benefits received, and that no one class of customers are unduly burdening another, and that each customer class pays, as close as practicable, the cost of providing service to them.

(D) For each class of service, the commission must ensure that each electrical utility offers to each class of service a minimum of one reasonable rate option that aligns the customer's ability to achieve bill savings with long-term reductions in the overall cost the electrical utility will incur in providing electric service, including but not limited to time-variant pricing structures.

(E) Every customer of an electrical utility has a right to obtain their own electric usage data in a machine-readable, accessible format to the extent such is readily available. Electrical utilities shall allow customers an electronic means to assent to share the customer's energy usage data with a third-party vendor designated by the customer."

SECTION 3. Section 58-40-10(C) of the 1976 Code is amended to read:

"(C) 'Customer-generator' means the owner, operator, lessee, or customer-generator lessee of an electric energy generation unit which:

(1) generates or discharges electricity from a renewable energy resource, including an energy storage device configured to receive electrical charge solely from an onsite renewable energy resource;

(2) has an electrical generating system with a capacity of:

(a) not more than the lesser of one thousand kilowatts (1,000 kW AC) or one hundred percent of contract demand if a nonresidential customer; or

(b) not more than twenty kilowatts (20 kW AC) if a residential customer;

(3) is located on a single premises owned, operated, leased, or otherwise controlled by the customer;

(4) is interconnected and operates in parallel phase and synchronization with an electrical utility and complies with the applicable interconnection standards;

(5) is intended primarily to offset part or all of the customer-generator's own electrical energy requirements; and

(6) meets all applicable safety, performance, interconnection, and reliability standards established by the commission, the National

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Electrical Code, the National Electrical Safety Code, the Institute of Electrical and Electronics Engineers, Underwriters Laboratories, the federal Energy Regulatory Commission, and any local governing authorities.”

SECTION 4. Section 58-40-10 of the 1976 Code is amended by adding an appropriately lettered subsection at the end to read:

“() ‘Solar choice metering measurement’ means the process, method, or calculation used for purposes of billing and crediting at the commission determined value.”

SECTION 5. Section 58-40-20 of the 1976 Code is amended to read:

~~“Section 58-40-20. (A) Net energy metering rates approved by the commission under the terms of this chapter shall be the exclusive net energy metering rates available to customer generators. Upon commission approval, such net energy metering rates shall supersede all prior net energy metering rates. Customer generators whose net energy metering facilities were energized prior to the availability of net energy metering rates approved by the commission under the terms of this chapter may remain in historic net energy metering programs through December 31, 2020.~~

~~(B) An electrical utility shall make net energy metering available to customer generators on a first come, first served basis until the total nameplate generating capacity of net energy metering systems equals two percent of the previous five year average of the electrical utility’s South Carolina retail peak demand. No electrical utility shall be required to approve any application for interconnection from net energy metering customer generators if the total rated generating capacity of all applications for interconnection from net energy metering customer generators already approved to date by the electrical utility equals or exceeds two percent of the previous five year average of the electrical utility’s South Carolina retail peak demand.~~

~~(C) If determined to be prudent by the commission, the electrical utility may furnish, install, own, and maintain metering equipment needed to measure the kilowatt hours purchased by the customer generator from the utility, the kilowatt hours generated or delivered to the electrical utility, and, if applicable under the utility’s tariffs, to measure the kilowatt demand delivered by the electrical utility to the customer generator. The electrical utility shall have the right to install special metering and load research devices on the customer generator’s equipment and the right to use the customer generator’s communication devices for communication with electrical utility’s and the customer generator’s equipment.~~

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~~(D) The net electrical energy measurement shall be calculated in the following manner:~~

~~(1) For a customer generator, an electrical utility shall measure the net electrical energy produced or consumed during the billing period in accordance with normal metering practices for customers in the same rate class, either by employing a single, bidirectional meter that measures the amount of electrical energy produced and consumed, or by employing multiple meters that separately measure the customer generator's consumption and production of electricity;~~

~~(2) If the electricity supplied by the electrical utility exceeds the electricity generated by the customer generator during a billing period, the customer generator shall be billed for the net electricity supplied by the electrical utility in accordance with normal practices for customers in the same rate class;~~

~~(3) Any energy generated by the customer generator that exceeds the energy supplied by the electrical utility during a billing period shall not be used to offset the nonvolumetric electricity charges for that billing period;~~

~~(4) The utility shall maintain an account of any net excess kWh credits accruing from the customer generator's excess generation and allow those kWh credits to be used to offset the customer generator's energy usage during future billing periods. Annually, the utility shall pay the customer generator for any accrued net excess generation at the utility's avoided cost for qualified facilities, zeroing out the customer generator's account of net excess kWh credits.~~

~~(E) Each electrical utility shall submit an annual net metering report to the Public Service Commission, with a copy to the Office of Regulatory Staff, including the following information for the previous calendar year:~~

~~(1) the total number of customer generator facilities;~~

~~(2) the estimated gross generating capacity of its net metered customer generators;~~

~~(3) the estimated net kilowatt hours received from customer generators.~~

~~(F) Any and all costs prudently incurred pursuant to the provisions of this chapter by an electrical utility as approved by the commission and any and all commission approved benefits conferred by a customer generator shall be recoverable by each entity respectively in the electrical utility's rates in accordance with these provisions:~~

~~(1) The electrical utility's general rates, tariffs, and any additional monthly charges or credits, in addition to any other charges or credits~~

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authorized by law, to recover the costs and confer the benefits of net energy metering shall include such measures necessary to ensure that the electrical utility recovers its cost of providing electrical service to customer generators and customers who are not customer generators.

(2) Any charges or credits prescribed in item (1), and the terms and conditions under which they may be assessed shall be in accordance with a methodology established through the proceeding described in item (4). The methodology shall be supported by an analysis and calculation of the relative benefits and costs of customer generation to the electrical utility, the customer generators, and those customers of the electrical utility that are not customer generators.

(3) Upon approval of the methodology provided for in item (4), each electrical utility shall file its analysis of the net cost to serve customer generators using the approved methodology and shall propose new net energy metering rates.

(4) No later than thirty days after the enactment of this act, the commission shall initiate a generic proceeding for purposes of implementing the requirements of this chapter with respect to the net energy metering rates, tariffs, charges, and credits of electrical utilities, specifically to establish the methodology to set any necessary charges and credits as required under items (1) and (2). All interested parties shall be allowed to participate. In its notice initiating such proceeding the commission must require the electrical utilities to propose methodologies required by item (1) and shall allow intervening parties to propose methodologies required by item (2). The Office of Regulatory Staff, pursuant to the requirements of Section 58-4-50, shall represent the public interest in this proceeding and shall serve as a facilitator to resolve disputes and issues between the parties to this proceeding.

(5) In evaluating the benefits and costs of customer generation as required by item (2), and the methodology for calculating such benefits and costs, the Office of Regulatory Staff may engage third parties with relevant prior experience conducting distributed generation cost benefit studies. The cost of any experts and consultants engaged by the Office of Regulatory Staff for purposes of this proceeding shall be assessed to the electrical utilities pro rata based on their five year average of retail peak demand and shall be recoverable by those electrical utilities through the base rate for fuel costs established pursuant to Section 58-27-865.

(6) In the event that the commission determines that future benefits from net energy metering are properly reflected in net metering rates because they provide quantifiable benefits to the utility system, its

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~~customers, or both, and to the degree such benefits are not then being recovered by the electrical utility in its base rates, then such future benefits shall be deemed an avoided cost and shall be recoverable pursuant to Section 58-27-865 by the electrical utility as an incremental cost of the distributed energy resource program.~~

~~(G) In no event shall the net energy metering provisions of this chapter be construed as allowing customer generators to engage in meter aggregation, group/joint billing projects, and/or virtual net metering.~~

~~(H) The commission shall approve an electrical utility's proposed net energy metering rates that meet the requirements of this chapter, provided that the commission has previously approved that electrical utility's application to participate in a distributed energy resource program pursuant to Chapter 39, Title 58.~~

(A) It is the intent of the General Assembly to:

(1) build upon the successful deployment of solar generating capacity through the South Carolina Distributed Resource Act to continue enabling market-driven, private investment in distributed energy resources across the State by reducing regulatory and administrative burdens to customer installation and utilization of onsite distributed energy resources;

(2) avoid disruption to the growing market for customer-scale distributed energy resources; and

(3) require the commission to establish solar choice metering requirements that fairly allocate costs and benefits to eliminate any cost shift or subsidization associated with net metering to the greatest extent practicable.

(B) An electrical utility shall make net energy metering available to all customer-generators who apply before June 1, 2021 according to the terms and conditions provided to all parties in commission Order No. 2015-194. Customer-generators who apply for net metering after the effective date of this act but before June 1, 2021, including subsequent owners of the customer-generator facility or premises, may continue net energy metering service as provided for in commission Order No. 2015-194 until May 31, 2029.

(C) No later than January 1, 2020, the commission shall open a generic docket to:

(1) investigate and determine the costs and benefits of the current net energy metering program; and

(2) establish a methodology for calculating the value of the energy produced by customer-generators.

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(D) In evaluating the costs and benefits of the net energy metering program, the commission shall consider:

(1) the aggregate impact of customer-generators on the electrical utility's long-run marginal costs of generation, distribution, and transmission;

(2) the cost of service implications of customer-generators on other customers within the same class, including evaluation of whether customer-generators provide an adequate rate of return to the electrical utility compared to the otherwise applicable rate class when, for analytical purposes only, examined as a separate class within a cost of service study;

(3) the value of distributed energy resource generation according to the methodology approved by the commission in commission Order No. 2015-194;

(4) the direct and indirect economic impact of the net energy metering program to the state; and

(5) any other information the commission deems relevant.

(E) The value of the energy produced by customer-generators must be updated annually and the methodology revisited every five years.

(F) After notice and opportunity for public comment and public hearing, the commission shall establish a new 'solar choice metering tariff' for customer-generators to go into effect for applications received after May 31, 2021. In establishing the successor solar choice metering tariff, and in approving any future modifications, the commission shall determine how meter information is used for calculating the solar choice metering measurement that is just and reasonable in light of the costs and benefits of the solar choice metering program. The new solar choice metering tariff established pursuant to this subsection shall include a methodology to compensate customer-generators for the benefits provided by their generation to the power system. In determining the appropriate billing mechanism and energy measurement interval, the commission shall consider:

(1) current metering capability and the cost of upgrading hardware and billing systems to accomplish the provisions of the tariff;

(2) the interaction of the tariff with time-variant rate schedules available to customer-generators and whether different measurement intervals are justified for customer-generators taking service on a time-variant rate schedule;

(3) whether additional mitigation measures are warranted to transition existing customer-generators; and

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(4) any other information the commission deems relevant.

(G) In establishing a successor solar choice metering tariff, the commission is directed to:

(1) eliminate any cost shift to the greatest extent practicable on customers who do not have customer-sited generation while also ensuring access to customer-generator options for customers who choose to enroll in customer-generator programs; and

(2) permit solar choice customer-generators to use customer-generated energy behind the meter without penalty.

(H) The commission shall establish a minimum guaranteed number of years to which solar choice metering customers are entitled pursuant to the commission approved energy measurement interval and other terms of their agreement with the electrical utility.

(I) Nothing in this section, however, prohibits an electrical utility from continuing to recover distributed energy resource program costs in the manner and amount approved by commission Order No. 2015-914 for customer-generators applying before June 1, 2021. Such recovery shall remain in place until full cost recovery is realized. Electrical utilities are prohibited from recovering lost revenues associated with customer-generators who apply for customer-generator programs after June 1, 2021.”

SECTION 6. Section 58-27-2610 of the 1976 Code is amended to read:

“Section 58-27-2610. (A) An entity that owns a renewable electric generation facility, located on a premises or residence owned or leased by an eligible customer-generator lessee to serve the electric energy requirements of that particular premises or residence or to enable the customer-generator lessee to obtain a credit for or engage in the sale of energy from the renewable electric generation facility to that customer-generator lessee’s retail electric provider or its designee, shall be permitted to lease such facility exclusively to a customer-generator lessee under a lease, provided that the entity complies with the terms, conditions, and restrictions set forth within this article and holds a valid certificate issued by the Office of Regulatory Staff. An entity owning renewable electric generation facilities in compliance with the terms of this article shall not be considered an ‘electrical utility’ under Section 58-27-10 if the renewable electric generation facilities are only made available to a customer-generator lessee for the customer-generator lessee’s use on the customer-generator lessee’s premises or the residence where the renewable electric generation facilities are located, or for the

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sale of energy to that customer-generator lessee's retail electric provider or its designee, and pursuant to a lease.

~~(B) All customer-generator lessees that interconnect renewable electric generation facilities to a retail electric provider's transmission or distribution system must enroll in the applicable rate schedules made available by that retail electric provider, subject to the participation limitations set forth therein or in the policy adopted by the retail electric provider not subject to Section 58-40-20(B), and the customer-generator lessee shall otherwise comply with all requirements of Section 58-40-10, et seq., or the policy adopted by the retail electric provider not subject to Section 58-40-10, et seq.~~

~~(C)~~ To comply with the terms of this article, each customer-generator lessee renewable electric generation facility shall serve only one premises or residence, and shall not serve multiple customer-generator lessees or multiple premises or residences.

~~(D)~~(C) Any lease of a renewable electric generation facility not entered into pursuant to this article is prohibited. The owner of a renewable electric generation facility subject to any lease entered into outside of this program shall be considered an 'electrical utility' under Section 58-27-10.

~~(E)~~(D) This section shall not be construed as allowing any sales of electricity from renewable electric generation facilities directly to any customer of any retail electric provider by the owner. This article shall not be construed as abridging or impairing any existing rights or obligations, established by contract or statute, of retail electric providers to serve South Carolina customers. The electrical output from any renewable electric generation unit leased pursuant to this program shall be the sole and exclusive property of the customer-generator lessee.

~~(F)~~(E) An entity and its affiliates that lawfully provide retail electric service to the public may offer leases of renewable generation facilities in those areas or territories where it provides retail electric service. No such provider or affiliate shall offer or enter into leases of renewable generation facilities in areas served by another retail electric provider.

~~(G)~~(F) The costs an electrical utility incurs in marketing, installing, owning, or maintaining solar leases through its own leasing programs as a lessor shall not be recovered from other nonparticipating electrical utility customers through rates, provided, however, that an electrical utility and the customer-generator lessees which lease facilities from it may participate on an equal basis with other lessors and lessees in any applicable programs provided pursuant to Chapter 39 and nothing in this

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section shall prevent the reasonable and prudent costs of a utility's distributed energy resource programs, including the provision of incentives to its own lessees and other allowable costs, from being reflected in a utility's rates as provided for in Chapter 39 or as otherwise permitted under generally applicable regulatory principles.

~~(H) The total installed capacity of all renewable electric generation facilities on a retail electric provider's system that are leased pursuant to this article shall not exceed two percent of the previous five-year average of the retail electric provider's South Carolina residential and commercial contribution to coincident retail peak demand and two percent of the previous five-year average of the retail electric provider's South Carolina industrial contribution to coincident retail peak demand. A provider may refuse to interconnect with customers where to do so would result in this limitation being exceeded. Every retail electric provider must establish a program for new installations of leased equipment to permit the reservation of capacity on its system including provisions to prevent or discourage abuse of such programs. Such programs must provide that only prospective individual customer generator lessees may apply for, receive, and hold reservations. Each reservation shall be for a single customer premises only and may not be sold, exchanged, traded, or assigned except as part of the sale of the underlying premises. Requests for reservations to electrical utilities as defined in Section 58-27-10 shall accompany applications for interconnection of the leased facilities pursuant to Chapter 40, Title 58 and the reservation shall remain in force only so long as the application or permit for interconnection remains active. Electrical utilities as defined in Section 58-27-10 shall submit programs establishing the terms of such reservations to the commission for approval.~~

~~(I) Notwithstanding the provisions of subsection (H), for an electrical utility for which more than fifty percent of the electricity that it generates in South Carolina comes from renewable resources, the total installed capacity of all renewable electric generation facilities on its system that are leased pursuant to this article shall not exceed one-tenth of one percent of the previous five-year average of the electrical utility's South Carolina residential and commercial contribution to coincident retail peak demand and one-tenth of one percent of the previous five-year average of the electrical utility's South Carolina industrial contribution to coincident retail peak demand. Electrical utilities meeting the requirements of this subsection shall not be required to establish a capacity reservation program as required by subsection (H).~~

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~~(H)(G)~~(1) The provisions of this Article 23 related to leased generation facilities shall not apply to:

(a) facilities serving a single premises that are not interconnected with a retail electric provider;

(b) facilities owned by customer-generators but financed by a third party; or

(c) facilities used exclusively for standby emergency service or participation in an approved standby generation program operated by a retail electric provider.

(2) The commission may promulgate regulations consistent with this section interpreting the scope of these exemptions as to electrical utilities.”

SECTION 7. Chapter 37, Title 58 of the 1976 Code is amended by adding:

“Section 58-37-60. (A) The commission, in coordination with the Office of Regulatory Staff, is authorized to initiate an independent study to evaluate the integration of renewable energy and emerging energy technologies into the electric grid for the public good. An integration study conducted pursuant to this section shall evaluate what is required for electrical utilities to integrate increased levels of renewable energy and emerging energy technologies while maintaining economic, reliable, and safe operation of the electricity grid in a manner consistent with the public good. Studies shall be based on the balancing areas of each electrical utility. A steering committee of interested stakeholders may be established to select the study consultant and participate in discussion about the development of the report. The results of the independent study shall be reported to the General Assembly.

(B) The commission may require regular updates from utilities regarding the implementation of renewable energy.

(C) The commission may hire or retain a consultant to assist with the independent study authorized by this section. The commission is exempt from complying with the State Procurement Code in the selection and hiring of the consultant authorized by this subsection.”

SECTION 8. Section 58-37-40 of the 1976 Code is amended to read:

~~“Section 58-37-40. (A) Electrical utilities and the South Carolina Public Service Authority must prepare integrated resource plans. The South Carolina Public Service Authority and electrical utilities regulated by the Public Service Commission must submit their plans to the State Energy Office. The plan submitted by the South Carolina Public Service Authority must be developed in consultation with electric cooperatives and municipally owned electric utilities purchasing power and energy~~

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~~from the authority and must include the effect of demand side management activities of electric cooperatives and municipally owned electric utilities which directly purchase power and energy from the authority or sell power and energy which the authority generates. All plans must be submitted every three years and must be updated on an annual basis. The first integrated resource plan of the South Carolina Public Service Authority must be submitted no later than June 30, 1993. An integrated resource plan may be patterned after the integrated resource planning process developed by the Public Service Commission. For electrical utilities subject to the jurisdiction of the commission, submission of their plans as required by the commission constitutes compliance with this section. Nothing in this subsection may be construed as requiring interstate natural gas companies whose rates and services are regulated only by the federal government or gas utilities subject to the jurisdiction of the South Carolina Public Service Commission to prepare and submit an integrated resource plan. Each electrical utility must prepare integrated resource plans consistent with this section and rules adopted by the commission. All comprehensive plans must be prepared and submitted to the commission at least every three years and must be updated on an annual basis in interim years. Nothing in this subsection may be construed as requiring interstate natural gas companies whose rates and services are regulated only by the federal government or gas utilities subject to the jurisdiction of the commission to prepare and submit an integrated resource plan.~~

(B) ~~Electric~~ Electrical cooperatives and ~~municipally owned electric~~ municipally owned electrical utilities ~~must~~ shall submit integrated resource plans to the State Energy Office whenever they are required by federal law to prepare these plans or if they plan to acquire, by purchase or construction, ownership of additional generating capacity greater than twelve megawatts per unit. An integrated resource plan must be submitted to the State Energy Office by an ~~electric~~ electrical cooperative or ~~municipally owned electric~~ municipally owned electrical utility twelve months before the acquisition, by purchase or construction, of additional generating capacity in excess of twelve megawatts per unit. For an ~~electric~~ electrical cooperative, submission to the State Energy Office of its plan in a format complying with the then current ~~Rural Electrification Administration~~ United States Department of Agriculture's Rural Utilities Service regulations constitutes compliance with this section.

(C) ~~The State Energy Office, to the extent practicable, shall evaluate and comment on external environmental and economic~~

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~~consequences of each integrated resource plan submitted and on the environmental and economic consequences for suppliers and distributors. The South Carolina Public Service Authority shall prepare integrated resource plans that must be submitted to the State Energy Office. These plans must be developed in consultation with the electric cooperatives and municipally owned electrical utilities purchasing power and energy from the authority and consider any feedback provided by retail customers and shall include the effect of demand-side management activities of the electric cooperatives and municipally owned electrical utilities that directly purchase power and energy from the authority or sell power and energy generated by the authority. All plans must be submitted every three years and must be updated on an annual basis.~~

~~(D) The State Energy Office shall coordinate the preparation of an integrated resource plan for the State and shall coordinate with regional groups, including the Southern States Energy Board. An integrated resource plan shall include all of the following:~~

~~(1) a long-term forecast of the utility's sales and peak demand under various reasonable scenarios;~~

~~(2) the type of generation technology proposed for a generation facility contained in the plan and the proposed capacity of the generation facility, including fuel cost sensitivities under various reasonable scenarios;~~

~~(3) projected energy purchased or produced by the electrical utility from a renewable energy resource;~~

~~(4) a summary of the electrical transmission investments planned by the electrical utility;~~

~~(5) several resource portfolios developed with the purpose of fairly evaluating the range of demand-side, supply-side, storage, and other technologies and services available to meet the utility's service obligations. Such portfolios and evaluations must include an evaluation of low, medium, and high cases for the adoption of renewable energy and cogeneration, energy efficiency, and demand response measures, including consideration of the following:~~

~~(a) customer energy efficiency and demand response programs;~~

~~(b) facility retirement assumptions; and~~

~~(c) sensitivity analyses related to fuel costs, environmental regulations, and other uncertainties or risks;~~

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(6) data regarding the utility's current generation portfolio, including the age, licensing status, and remaining estimated life of operation for each facility in the portfolio;

(7) plans for meeting current and future capacity needs with the cost estimates for all proposed resource portfolios in the plan;

(8) an analysis of the cost and reliability impacts of all reasonable options available to meet projected energy and capacity needs; and

(9) a forecast of the utility's peak demand and details regarding the amount of peak demand reduction the utility expects to achieve and the actions the utility proposes to take in order to achieve that peak demand reduction.

~~(E) The State Energy Office must not exercise any regulatory authority with regard to the requirements set forth in this chapter. The integrated resource plan may include distribution resource plans or integrated system operation plans.~~

(F) At least every three years coincident with the utilities' comprehensive integrated resource plan filings, the commission shall review each integrated resource plan in a separate commission proceeding. As part of the comprehensive integrated resource plan filings, the commission shall allow intervention by interested persons including electrical customers of the utility, independent power producers, and other parties accepted by the commission. The commission shall establish a procedural schedule to permit reasonable discovery after an integrated resource plan is filed in order to assist parties in obtaining evidence concerning the integrated resource plan, including, to, the reasonableness and prudence of the plan and alternatives to the plan raised by intervening parties. Not later than three hundred days after an electrical utility files an integrated resource plan under this section, the commission shall issue a final order approving, modifying or denying the plan filed by the electrical utility.

(G) In the interim integrated resource plan update years between comprehensive integrated resource plan filings, the utilities shall revise their base planning assumptions relative to their most recently accepted resource plan and present the impacts those changes had on the selected resource plan. At a minimum, the utility shall update its energy and demand forecast, commodity fuel price inputs, the utilities' renewable energy forecast, their energy efficiency and demand-side management forecasts, any changes to projected retirement dates of the utilities' existing units along with other inputs the commission deems to be for the public good. The Office of Regulatory Staff shall review the updates

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and submit a report to the commission providing a recommendation concerning the reasonableness of the updated resource plan. Following the filing of the updated integrated resource plan and the Office of Regulatory Staff report, the commission may accept the updated integrated resource plan or direct the utility to make changes to the updated resource plan that the commission determines to be for the public good.

(H) The commission shall accept an integrated resource plan if the commission determines that the proposed integrated resource plan represents the most reasonable and prudent means of meeting the electrical utility's energy and capacity needs as of the time the plan is reviewed. To determine whether the integrated resource plan is the most reasonable and prudent means of meeting energy and capacity needs, the commission, in its discretion, shall consider whether the plan appropriately balances the following factors:

(1) resource adequacy and capacity to serve anticipated peak electrical load, and applicable planning reserve margin;

(2) consumer affordability and least cost;

(3) compliance with applicable state and federal environmental regulations;

(4) power supply reliability;

(5) commodity price risks;

(6) diversity of generation supply; and

(7) other foreseeable conditions that the commission determines to be for the public good.

(I) If the commission modifies or rejects an electrical utility's integrated resource plan, the electrical utility, within sixty days after the date of the final order, shall submit a revised plan addressing concerns identified by the commission and incorporating commission mandated revisions to the integrated resource plan to the commission for approval. Within sixty days of the utility's revised filing, the Office of Regulatory Staff shall review the utility's revised plan and submit a report to the commission assessing the sufficiency of the revised filing. Other parties to the IRP proceeding also may submit comments. Not later than sixty days after the Office of Regulatory Staff report is filed with the commission, the commission at its discretion may determine whether to accept the revised integrated resource plan or to mandate further remedies that the commission deems appropriate and for the public good.

(J) The submission, review, and acceptance of an IRP, or the inclusion of any specific resource or experience in an accepted IRP, shall not be determinative of the reasonableness or prudence of the acquisition

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or construction of any resource or the making of any expenditure and the electrical utility shall retain the burden of proof to show that all of its investments and expenditures are reasonable and prudent when seeking cost recovery in rates.”

SECTION 9. Section 58-33-110 of the 1976 Code is amended by adding an appropriately numbered item at the end to read:

“(a) A person may not commence construction of a major utility facility for generation in the State of South Carolina without first having made a demonstration that the facility to be built has been compared to other generation options in terms of cost, reliability, and any other regulatory implications deemed legally or reasonably necessary for consideration by the commission. The commission is authorized to adopt rules for such evaluation of other generation options.

(b) The commission may, upon a showing of a need, require a commission-approved process that includes:

(i) the assessment of an unbiased independent evaluator retained by the Office of Regulatory Staff as to reasonableness of any certificate sought under this section for new generation;

(ii) a report from the independent evaluator to the commission regarding the transparency, completeness, and integrity of bidding processes, if any;

(iii) a reasonable period for interested parties to review and comment on proposed requests for proposals, bid instructions, and bid evaluation criteria, if any, prior to finalization and issuance, subject to any trade secrets that could hamper future negotiations; however, the independent evaluator may access all such information;

(iv) independent evaluator access and review of final bid evaluation criteria and pricing information for any and all projects to be evaluated in comparison to the request for proposal bids received;

(v) access through discovery, subject to appropriate confidentiality, attorney client privilege or trade secret restrictions, for parties to this proceeding to documents developed in preparing the certificate of public convenience and necessity application;

(vi) a demonstration that the facility is consistent with an integrated resource plan approved by the commission; and

(vii) treatment of utility affiliates in the same manner as nonaffiliates participating in the request for proposal process.”

SECTION 10. Section 58-27-460 of the 1976 Code is amended to read:

“Section 58-27-460. (A)(1) The commission shall promulgate and periodically review standards for interconnection ~~of renewable energy~~

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facilities and other nonutility-owned generation and parallel operation of generating facilities with a generation capacity of two thousand kilowatts (2,000 kW AC) eighty megawatts (80 MW AC) or less to an electrical utility's distribution and transmission system where:

(a) the generating facility is a qualifying facility under PURPA and is precluded from selling any portion of the output of its generating facility to an entity other than the electrical utility to which it is interconnecting; or

(b) the generating facility is not a qualifying facility under PURPA and is interconnected to a 'first use' distribution facility of the utility.

Each electrical utility shall implement such standards in a fair, nondiscriminatory manner.

(2) The commission shall, within six months of the effective date of the amendments to this section, establish proceedings for the purpose of considering revisions to the standards promulgated pursuant to this section. In developing such revisions, the commission may consider any issue, which, in the exercise of its discretion, the commission deems relevant to improving the fairness and effectiveness of the procedures.

(3) In implementing item (1), the commission shall ensure such standards provide for efficient and timely processing of interconnection requests and take into account the impact of generator interconnection on electrical utility system assets, service reliability, and power quality. Such standards shall address the impact of the addition of energy storage and the interconnection processes for amending existing interconnection requests to include energy storage. The commission shall enact standards that are fair, reasonable, nondiscriminatory with respect to interconnection applicants, other utility customers, and electrical utilities, and the standards shall serve the public good in terms of overall cost and system reliability.

(B) No ~~customer-generator or customer-generator-lessee~~ generating facility shall connect or operate an electric generation unit in parallel phase and synchronization with any electrical utility without written approval by the electrical utility that all of the commission's requirements have been met. For a ~~customer-generator or customer-generator-lessee~~ who ~~generating facility that~~ violates this provision, an electrical utility immediately may and without notice disconnect the ~~electric facilities of the customer-generator or customer-generator-lessee~~ and terminate the ~~customer-generator's or customer-generator-lessee's~~ generating facility electric service.

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(C) In the event of a dispute between an interconnection customer and the electrical utility on an issue relating to interconnection, the parties first shall attempt to resolve the claim or dispute using any dispute resolution procedures provided for pursuant to the applicable interconnection standards promulgated by the commission. If the parties are unable to resolve such claim or dispute using those procedures, then either party may petition the commission for resolution of the dispute including, but not limited to, a determination of the appropriate terms and conditions for interconnection. The commission shall resolve such disputes within six months from the filing of the petition in accordance with the terms of applicable state and federal law.

(D) Each electrical utility shall comply with the South Carolina generator interconnection procedures and all commission-approved agreements regarding interconnection practices and reporting requirements. The commission shall establish reasonable guidelines to ensure reasonable interconnection timelines, including time requirements to deliver a final system impact study to all interconnection customers that execute a system impact study agreement prior to three months after the effective date of this act. The commission shall consider implementation of additional performance incentives and enforcement mechanisms for electrical utilities to ensure compliance with this requirement.”

SECTION 11. Chapter 4, Title 58 of the 1976 Code is amended by adding:

“Section 58-4-140. (A)(1) The Office of Regulatory Staff, in collaboration with the Department of Consumer Affairs, is directed to develop consumer protection regulations. These regulations shall provide for the appropriate disclosure provided by sellers and lessors. Sellers must comply with Title 37. Nothing herein alters existing protections afforded by Title 37.

(2) To fulfill the duties and responsibilities provided for in this section, the Office of Regulatory staff shall develop a formal complaint process as part of the consumer protection regulations.

(B) The Office of Regulatory Staff is authorized to enforce any applicable consumer protection provision set forth in this title by:

- (1) conducting an investigation into an alleged violation;
- (2) issuing a cease and desist order against a further violation;
- (3) imposing an administrative fine not to exceed two thousand five hundred dollars per violation on a solar company that materially fails to comply with the consumer protection requirements; and

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(4) voiding the agreement if necessary to remedy the violation or violations.”

SECTION 12. All costs incurred by the utility necessary to effectuate this act, that are not precluded from recovery by other provisions of this act and that do not have a recovery mechanism otherwise specified in other provisions of the act or established by state law, shall be deferred for Commission consideration of recovery in any proceeding initiated under Section 58-27-870, if deemed reasonable and prudent.

SECTION 13. Notwithstanding another provision of this act, or another provision of law, no costs or expenses incurred nor any payments made by the electrical utility in compliance or in accordance with this act must be included in the electrical utility’s rates or otherwise be borne by the general body of South Carolina retail customers of the electrical utility without an affirmative finding supported by the preponderance of evidence of record and conclusion in a written order by the Public Service Commission that such expense, cost or payment was reasonable and prudent and made in the best interest of the electrical utility’s general body of customers.

SECTION 14. The provisions of this act are severable. If any section, subsection, paragraph, subparagraph, item, subitem, sentence, clause, phrase, or word of this act is for any reason held to be unconstitutional or invalid, such holding shall not affect the constitutionality or validity of the remaining portions of the act, the General Assembly hereby declaring that it would have passed each and every section, subsection, paragraph, subparagraph, item, subitem, sentence, clause, phrase, and word thereof, irrespective of the fact that any one or more other sections, subsections, paragraphs, subparagraphs, items, subitems, sentences, clauses, phrases, or words hereof may be declared to be unconstitutional, invalid, or otherwise ineffective.

SECTION 15. This act takes effect upon approval by the Governor. /
Re-number sections to conform.
Amend title to conform.

Rep. FORRESTER explained the amendment.
The amendment was then adopted.

The question recurred to the passage of the Bill.

The yeas and nays were taken resulting as follows:
Yeas 110; Nays 0

[HJ]

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Those who voted in the affirmative are:

Alexander	Allison	Atkinson
Bailey	Ballentine	Bamberg
Bannister	Bennett	Bernstein
Blackwell	Bradley	Brawley
Brown	Burns	Calhoon
Caskey	Chellis	Chumley
Clary	Clemmons	Clyburn
Cobb-Hunter	Cogswell	Collins
B. Cox	W. Cox	Crawford
Daning	Davis	Dillard
Elliott	Erickson	Felder
Forrest	Forrester	Fry
Funderburk	Gagnon	Garvin
Gilliam	Gilliard	Govan
Hayes	Henderson-Myers	Henegan
Herbkersman	Hewitt	Hill
Hiott	Hixon	Hosey
Howard	Huggins	Hyde
Jefferson	Johnson	Jordan
Kimmons	King	Kirby
Ligon	Loftis	Long
Lowe	Lucas	Mace
Martin	McCoy	McCray
McDaniel	McGinnis	McKnight
Moore	Morgan	D. C. Moss
Murphy	B. Newton	Norrell
Ott	Parks	Pendarvis
Pope	Ridgeway	Robinson
Rose	Rutherford	Sandifer
Simmons	Simrill	G. M. Smith
G. R. Smith	Sottile	Spires
Stavrinakis	Stringer	Tallon
Taylor	Thayer	Toole
Trantham	West	Wheeler
White	Whitmire	R. Williams
S. Williams	Willis	Wooten
Young	Yow	

Total--110

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Those who voted in the negative are:

Total--0

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

STATEMENT FOR JOURNAL

I was on excused leave due to a prior family commitment when the House gave second reading to H.3659, legislation to enact the "South Carolina Energy Freedom Act." As co-sponsor of H.3659, I would have voted to give the bill second reading.

Rep. Wm. Weston Newton

STATEMENT FOR JOURNAL

To avoid any possible appearance of impropriety, I have refrained from voting on H. 3659 as I work for a company that does some business in solar installation.

Rep. R. Josiah Magnuson

STATEMENT FOR JOURNAL

I feel that I have a conflict voting on the Solar Bill (H. 3659) as I have property under option for solar farms.

Rep. Kirkman Finlay III

**H. 3659--ORDERED TO BE READ THIRD TIME
TOMORROW**

On motion of Rep. BALLENTINE, with unanimous consent, it was ordered that H. 3659 be read the third time tomorrow.

H. 3760--AMENDED AND ORDERED TO THIRD READING

The following Bill was taken up:

H. 3760 -- Rep. Sandifer: A BILL TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 38-79-500 SO AS TO MERGE THE PATIENTS' COMPENSATION FUND WITH THE SOUTH CAROLINA MEDICAL MALPRACTICE JOINT UNDERWRITING ASSOCIATION; BY ADDING SECTION 40-15-390 SO AS TO ESTABLISH A SURCHARGE FEE FOR A DENTIST'S LICENSE TO REDUCE THE OPERATING DEFICIT OF THE SOUTH CAROLINA MEDICAL MALPRACTICE LIABILITY

[HJ]

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JOINT UNDERWRITING ASSOCIATION; BY ADDING SECTION 40-47-55 SO AS TO ESTABLISH A SURCHARGE FEE FOR A PHYSICIAN'S LICENSE FOR THE PURPOSE OF REDUCING THE OPERATING DEFICIT OF THE SOUTH CAROLINA MEDICAL MALPRACTICE LIABILITY JOINT UNDERWRITING ASSOCIATION; AND TO AMEND ARTICLE 3, CHAPTER 79, TITLE 38, RELATING TO THE SOUTH CAROLINA MEDICAL MALPRACTICE LIABILITY JOINT UNDERWRITING ASSOCIATION, SO AS TO DEFINE THE TERM "DEFICIT", TO ALTER THE MEMBERSHIP OF THE ASSOCIATION, TO ESTABLISH CERTAIN REQUIREMENTS FOR THE INITIAL FILING OF POLICY FORMS, TO PROVIDE CERTAIN ACTIONS THAT MUST BE DONE WHEN THE ASSOCIATION ACCUMULATES OR SUSTAINS A DEFICIT, TO ESTABLISH CERTAIN OBLIGATIONS FOR TERMINATED MEMBERS OF THE ASSOCIATION, TO ALTER THE COMPOSITION OF THE BOARD OF THE ASSOCIATION, TO ESTABLISH CERTAIN CONDITIONS REGARDING THE ASSOCIATION'S ANNUAL FINANCIAL STATEMENT AND THE EXAMINATION OF THE ASSOCIATION BY THE DIRECTOR OF THE DEPARTMENT OF INSURANCE, AND TO PROVIDE FOR THE MERGER OF THE ASSOCIATION WITH THE PATIENTS' COMPENSATION FUND.

The Committee on Labor, Commerce and Industry proposed the following Amendment No. 1 to H. 3760 (COUNCIL\CZ\3760 C003.AGM.CZ19):

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

/ SECTION 1. Article 1, Chapter 15, Title 40 of the 1976 Code is amended by adding:

“Section 40-15-390. (A) All dentists licensed before January 1, 2020, must pay a total surcharge fee of one hundred fifty dollars to the department for purposes of reducing the operating deficit of the South Carolina Medical Malpractice Joint Underwriting Association or any successor thereto. This surcharge fee is in addition to any initial or renewal license fee and payable as either a one-time fee of one hundred fifty dollars or in installments payable in consecutive renewal cycles, but not more than three consecutive renewal cycles, until the total surcharge fee is paid in full. This surcharge fee for dentists licensed on or before January 1, 2020, expires upon payment of the total surcharge fee unless extended by the General Assembly.

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(B) Failure to pay the surcharge fee shall result in a monthly late fee not to exceed five percent of the surcharge fee and accrues until the surcharge fee is paid in full, but in no event may the fee accrue for more than six months. All late fees collected must be remitted to the South Carolina Medical Malpractice Joint Underwriting Association or any successor thereto and applied to the reduction of the operating deficit of the association. No action may be taken by the department against the license of any dentist for failure to pay surcharge fees. The department shall remit all surcharge fee payments and late fee payments in full to the board of the association.

(C) The department may charge a transaction fee for licensees who pay the surcharge fee by credit card.”

SECTION 2. Article 1, Chapter 47, Title 40 of the 1976 Code is amended by adding:

“Section 40-47-55. (A) All medical doctors, surgeons, and osteopathic physicians licensed before January 1, 2020, must pay a total surcharge fee of three hundred dollars to the department for purposes of reducing the operating deficit of the South Carolina Medical Malpractice Joint Underwriting Association or any successor thereto. This surcharge fee must be in addition to any initial or renewal license fee and payable as either a one-time fee of three hundred dollars or in installments in consecutive renewal cycles, but not more than three consecutive renewal cycles, until the total surcharge fee is paid in full. This surcharge fee for medical doctors, surgeons, and osteopathic physicians licensed before January 1, 2020, expires upon payment of the total surcharge fee unless extended by the General Assembly.

(B) Failure to pay the surcharge fee shall result in a monthly late fee not to exceed five percent of the surcharge fee and accrues until the surcharge fee is paid in full, but in no event may the fee accrue for more than six months. All late fees collected must be remitted to the South Carolina Medical Malpractice Joint Underwriting Association or any successor thereto and applied to the reduction of the operating deficit of the association. No action may be taken by the department against the license of any medical doctor, surgeon, or osteopathic physician for failure to pay surcharge fees. The department shall remit all surcharge fee payments and late fee payments in full to the board of the association.

(C) The department may charge a transaction fee for licensees who pay the surcharge fee by credit card.”

SECTION 3. Article 3, Chapter 79, Title 38 of the 1976 Code is amended to read:

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“Article 3
South Carolina Medical Malpractice Liability’
Joint Underwriting Association

Section 38-79-110. As used in this article:

(1) ‘Association’ means any joint underwriting association established by the General Assembly in 1987 and managed and operated pursuant to the provisions of this article including the South Carolina Joint Underwriting Association as provided for in Section 38-79-300.

(2) ‘Licensed health care providers’ means physicians and surgeons, nurses, oral surgeons, dentists, pharmacists, chiropractors, podiatrists, hospitals, nursing homes, or any similar major category of licensed health care providers. The term ‘licensed health care provider’ also includes blood centers which collect, process, and distribute blood to hospitals and physicians for the care of patients if these blood centers as of July 1, 1997, were insured with the Joint Underwriting Association.

(3) ‘Medical malpractice insurance’ means medical professional liability insurance or insurance protection against the legal liability of the insured and against loss, damage, or expense incident to a claim arising out of the death or injury of any person as the result of negligence or malpractice in rendering or failing to render professional service by any licensed physician, licensed health care provider, or hospital.

(4) ‘Net-direct premiums’ means gross direct premiums written on bodily injury liability insurance, other than automobile liability insurance, homeowners liability insurance, and farmowners liability insurance, including the liability component of multiple peril package policies, as medical malpractice insurance, medical professional liability insurance, hospital professional liability insurance, and any other type of professional liability insurance covering risks of licensed health care providers and facilities as determined and computed by the director or his designee, less return premiums or the unused or unabsorbed portions of premium deposits. The net direct premium calculation does not include premiums written by the association or the South Carolina Patients’ Compensation Fund established pursuant to the provisions of Article 5 of this chapter.

(5) ‘Deficit’ means all operating losses of the association as reported in the association’s financial statements.

Section 38-79-120. (1) A joint underwriting association (association) is created, consisting of containing as members all insurers authorized to write and report net-direct written premiums for medical malpractice insurance, medical professional liability insurance, hospital professional liability insurance, or any other type of professional liability

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insurance in this State covering the professional liability risks of licensed health care providers. Membership also includes foreign and domestic risk retention groups and surplus lines insurers authorized to write and report net-direct written premiums for medical malpractice insurance, medical professional liability insurance, hospital professional liability insurance or any other type of professional liability insurance in this State covering the professional liability risk of licensed health care providers, and authorized to do business in accordance with the provisions of this title. Each insurer, risk retention group, or surplus lines insurer described above is and must remain a member of the association as a condition of the authorization to transact the sale of insurance in this State. If the net-direct premiums written by all carriers are less than twenty-five million dollars in a given year, then in such year the membership of the association must be expanded to include all insurers authorized to write within this State, on a direct basis, bodily injury liability insurance, other than automobile bodily injury liability insurance, homeowners liability insurance, and farmowners liability insurance, including insurers covering such peril in multiple peril package policies. Every such insurer is and must remain a member of the association as a condition of its authority to continue to transact such kind of insurance in this State. In such event, the term 'net-direct premiums' shall include the gross direct premiums written on bodily injury liability insurance other than automobile insurance, homeowners liability insurance, and farmowners liability insurance including the liability component of multiple peril package policies as computed by the director or his designee, less return premiums of the unused or unabsorbed portions of premium deposits.

(2) The purpose of the association is to provide medical malpractice insurance ensure the availability of medical malpractice and other types of liability insurance for health care providers on a self-supporting basis to the fullest extent possible. The intent of the General Assembly in enacting this section is to eliminate the accumulated deficit of the association and of the Patients' Compensation Fund and to transition the association over time to a market of last resort so that it is no longer in competition with the private market. Specifically, the General Assembly does not intend that the South Carolina Joint Underwriting Association offer rates that are competitive to the private market. Rates for policies issued by the association must be adequate and established at a level that permits the association to operate without accumulating additional deficits over time. The General Assembly encourages the board, in consultation with the director or his

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designee, to develop a five-year plan to increase rates gradually to achieve this legislative intent.

(3) The association must be called into operation at any time that the department finds and declares the existence of an emergency because of the unavailability of medical malpractice liability insurance, or the unavailability of medical malpractice liability insurance on a reasonable basis through normal channels, in respect to all or any one or more of the major categories of licensed health care providers listed in item (2) of Section 38-79-110.

Section 38-79-130. The association, pursuant to the provisions of this article and the approved plan of operation in respect to medical malpractice insurance, has the power on behalf of its members to:

(1) issue, or cause to be issued, policies of insurance to applicants including incidental coverages including, but not limited to, premises or operations liability coverage on the premises where services are rendered, all subject to limits of liability as specified in the plan of operation but not to exceed ~~two hundred thousand~~ one million dollars for each claim under one policy and ~~six hundred thousand~~ three million dollars for all claims under one policy in any one year; provided, however, that the association may offer ~~policies up to one million dollars for each claim under one policy and three million dollars~~ higher limits per claim and for all claims under one policy in any one year only upon approval of the board of the association and with the written ~~concurrence of the Board of Governors of the South Carolina Patients' Compensation Fund~~ approval of the director;

(2) underwrite medical malpractice insurance and to adjust and pay losses with respect to it or to appoint service companies to perform those functions; and

(3) cede and assume reinsurance.

Section 38-79-140. (1) The association must operate pursuant to a plan of operation which shall provide for economic, fair, and nondiscriminatory administration and for the prompt and efficient provision of medical malpractice insurance and may contain other provisions including, but not limited to, preliminary assessment of all members for initial expenses necessary to commence operations, establishment of necessary facilities, management of the association, assessment of the members to defray losses and expenses, commissions arrangements, reasonable and objective underwriting standards, acceptance and cession of reinsurance, appointment of servicing carriers, and procedures for determining amounts of insurance to be provided by the association.

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(2) The plan of operation shall provide that any profit achieved by the association must be added to the reserves of the association or returned to the policyholders as a dividend.

(3) The plan of operation becomes effective and operative no later than thirty days after the declaration of any emergency by the department.

(4) Amendments to the plan of operation may be made by the directors of the association with the approval of the director or his designee or must be made at the direction of the director or his designee after due notice and public hearing.

Section 38-79-150. Any licensed health care provider in a category in which the department has declared an emergency exists is entitled to apply to the association for coverage. The application may be made on behalf of the applicant by a licensed agent or broker authorized in writing by the applicant. If the association determines that the applicant meets the underwriting standards of the association as set forth in the approved plan of operation and there is no unpaid, uncontested premium due from the applicant for any prior insurance of the same kind, the association, upon receipt of the premium, or a portion thereof as prescribed by the plan of operation, shall cause to be issued a policy of medical malpractice liability insurance for a term of one year.

The rates, rating plans, rating rules, rating classifications, territories, and policy forms applicable to insurance written by the association and the statistical and experience data relating thereto are subject to this article and to those provisions of Chapter 73 of this title which are not inconsistent with the purposes and provisions of this article.

Section 38-79-160. The director or his designee shall obtain complete statistical data in respect to medical malpractice losses and reparation costs as well as all other costs or expenses which underlie or are related to medical malpractice liability insurance. He shall promulgate any statistical plan he considers necessary for the purpose of gathering data referable to loss and loss adjustment expense experience and other expense experience. When a statistical plan is promulgated all members of the association shall adopt and use it. The director or his designee shall also obtain statistical data in respect to the costs of compensating or rehabilitating victims of medical malpractice without respect to insurance for purposes of studying the feasibility or desirability of alternative medical malpractice compensation systems and estimating the impact of medical malpractice loss and insurance costs upon other compensation and insurance systems such as workers'

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compensation and accident and health insurance. He may require from any person obtaining insurance through the association loss, claim, or expense data. This information or data is confidential and the physician-patient privilege must be preserved.

Section 38-79-170. In respect to the structuring of rates for medical malpractice liability insurance and the determination of the profit or loss of the association in respect to that insurance, due consideration must be given by the director or his designee to all investment income.

Section 38-79-180. ~~Within a time that the director or his designee directs, the association shall submit, for the approval of the director or his designee, an initial filing, in proper form, of policy forms, classifications, rates, rating plans, and rating rules applicable to medical malpractice liability insurance to be written by the association. In the event the director or his designee disapproves the initial filing, in whole or in part, the association shall amend the filing, in whole or in part, in accordance with the direction of the director or his designee. If the director or his designee is unable to approve the filing or amended filing, within the time specified, he shall promulgate the policy forms, classifications, rates, rating plans, and rules to be used by the association in making rates for and writing the insurance. The association shall submit, for the approval of the director or his designee, all policy forms, classifications, rates, rating plans, or rules applicable to its insurance product offerings to customers in this State. Such filings must be submitted for approval to the director no less than sixty days prior to their intended effective date. The director may extend the time for his review by an additional sixty days to allow the department sufficient time to evaluate the proposed form, classification, rate, rating plan, or rule to be used by the association. Rates must be actuarially sound, self supporting, and may not be excessive, inadequate, or unfairly discriminatory.~~

Section 38-79-190. (1) The board of directors shall specify whether policy forms and the rate structure must be on a 'claims-made' or 'occurrence' basis and coverage may be provided by the association only on the basis specified by the board of directors. The board of directors shall specify the 'claims-made' basis only if the contract makes provision for residual 'occurrence' coverage upon the retirement, death, disability, or removal from the State of the insured. Provision may be made for a premium charge allocable to any such residual 'occurrence' coverage and the premium charges for the residual coverage must be segregated and separately maintained for such purpose which may include the reinsurance of all or a part of that portion of the risk.

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(2) The policy may not contain any limitation in relation to the existing law in tort as provided by the statute of limitations of the State of South Carolina.

(3) The policy form whether on a 'claims-made' or 'occurrence' basis may not require as a condition precedent to settlement or compromise of any claim the consent or acquiescence of the insured. However, such settlement or compromise may never be held or considered to be an admission of fault or wrongdoing by the insured.

(4) The premium rate charged for either or both 'claims-made' or 'occurrence' coverage must be at rates established on an actuarially sound basis, including consideration of trends in the frequency and severity of losses, and must be calculated to be self-supporting.

Section 38-79-200. The association is authorized to provide a rate increase or assessment which is subject to the approval of the director or his designee.

Section 38-79-210. Any deficit accumulated or sustained by the association in any year must be recouped, pursuant to the plan of operation and the rating plan then in effect, by one or both by one or more of the following procedures:

(1) An assessment upon the policyholders which may not exceed one additional annual premium at the then current rate. a surcharge fee as provided in Sections 40-15-390 and 40-47-55;

(2) A rate increase applicable prospectively approved by the director or his designee pursuant to the provisions of Section 38-79-180; and

(3) an assessment against all members of the association according to any plan agreed to by the association's board and submitted to the director for his approval. The board shall make an annual recommendation by July first of each year regarding the need for an assessment against the members, the size and scope of such assessment, and the percentages to be assessed against each member pursuant to this chapter.

~~Section 38-79-220. Effective after the initial year of operation, rates, rating plans, and rating rules, and any provision for recoupment through policyholder assessment or premium rate increase, must be based upon the association's loss and expense experience and investment income, together with any other information based upon such experience and income as the director or his designee considers appropriate. The resultant premium rates must be on an actuarially sound basis and must be calculated to be self-supporting.~~

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~~In the event that sufficient funds are not available for the sound financial operation of the association, pending recoupment as provided in Section 38-79-210, all members shall, on a temporary basis, contribute to the financial requirements of the association in the manner provided for in Section 38-79-230. Any such contribution must be reimbursed to the members following recoupment as provided in Section 38-79-210. Reserved.~~

Section 38-79-230. All insurers which are members of the association pursuant to the provisions of Section 38-79-120 shall participate in its writings, expenses, profits, and losses in the proportion that the net direct premiums of each member (excluding that portion of premiums attributable to the operation of the association) written during the preceding calendar year bear to the aggregate net direct premiums written in this State by all members of the association. However, no member may share in any profits or otherwise financially gain or benefit from the operation of the association unless and until the board and the director have mutually determined that all deficits of the association have been satisfactorily recovered. Each insurer's participation in the association must be determined annually on the basis of the net direct premiums written during the preceding calendar year, as reported in the annual statements and other reports filed by the insurer with the department or as reported by the insurer in reports or financial statements requested by the director to effectuate the provisions of this section. The assessment of a member insurer, after hearing, may be ordered deferred in whole or in part upon application by the insurer if, in the opinion of the director or his designee, payment of the assessment may render the insurer insolvent or in danger of insolvency or otherwise may leave the insurer in a condition that further transaction of the insurer's business may be hazardous to its policyholders, creditors, members, subscribers, stockholders, or the public hazardous financial condition or the insurer has been placed into administrative supervision or receivership by their domestic state's insurance regulator. If payment of an assessment against a member insurer is deferred by order of the director or his designee in whole or in part, the amount by which the assessment is deferred must be assessed against other member insurers in the same manner as provided in this section. In the order of deferral or in subsequent orders as may be necessary when ordering a deferral in whole or in part, the director or his designee shall prescribe a plan by which the assessment deferred must be repaid to the association by the impaired insurer with interest at the six-month treasury bill rate adjusted semiannually. Profits, dividends, or other funds of the association to which the insurer is

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otherwise entitled may not be distributed to the impaired insurer but must be applied toward repayment of any assessment until the obligation has been satisfied. The association shall distribute the repayments, including interest on them, to the other member insurers on the basis on which assessments were made.

Section 38-79-240. Every member of the Association is bound by the approved plan of operation of the Association, including any amendments made, and by any other rules the board of directors of the Association lawfully prescribes.

Section 38-79-250. (1) ~~If the authority of an insurer to transact bodily injury liability insurance, other than automobile, homeowners, or farmowners, in this State terminates for any reason its obligations as a member of the association nevertheless continue until all its obligations have been fulfilled and the director or his designee has so found and certified to the board of directors. If any member insurer ceases writing business in this State, voluntarily or involuntarily, or by order or authority of the director shall continue to be a member of the association until all of its obligations have been satisfied and the director has certified the satisfaction to the association's board.~~

(2) ~~If a member insurer merges into, acquires, or consolidates with another insurer authorized to transact such insurance in this State or another insurer authorized to transact such insurance in this State has reinsured the insurer's entire general liability business in this State, both the insurer and its successor or assuming reinsurer, as the case may be, are liable for the insurer's transacting business subject to this article or if any other insurer or entity has reinsured or assumed a member insurer's entire liability business in this State, the surviving insurer, acquiring insurer, its legal successor, or its assuming reinsurer nonetheless remains liable for the member insurer's obligations in respect to the association.~~

(3) Any unsatisfied net liability of any insolvent member of the association must be assumed by and apportioned among the remaining members in the same manner in which assessments or gain and loss are apportioned and the association shall thereupon acquire and have all rights and remedies allowed by law in behalf of the remaining members against the estate or funds of the insolvent insurer for funds due the association.

(4) The State is not responsible for any costs, expenses, liabilities, judgments, or other obligations of the association.

Section 38-79-260. Until the association is merged with the Patients' Compensation Fund on March 31, 2020, the association is

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governed by a board of thirteen directors, all of whom must be appointed by the Governor. Each member of the board shall serve a term of four years and may be reappointed for up to two additional four-year terms. The Governor shall appoint five health care providers after consultation with the South Carolina Medical Association, and the South Carolina Dental Association, and the South Carolina Health Alliance; four insurance representatives after consultation with the insurance industry; one consumer representative who is unaffiliated with the insurance or health care industries or the medical or legal professions; and two licensed insurance agents or brokers. The professional associations listed and the insurance industry may nominate qualified individuals to the Governor for his consideration. The Governor may also receive nominations for appointments to the board from any other individual, group, or association. Notices of vacancies on the board must be published in newspapers of general statewide circulation. The association and the director must publicize all vacancies on the board to the general public. The director or his designee shall serve as an ex officio member of the board. The board shall develop a plan of operation which is subject to the approval of the director or his designee as provided in this article. The plan of operation shall provide for staggered terms of the members of the board. The approved plan of operation of the association may make provision for combining insurers under common ownership or management into groups for voting, assessment, and all other purposes and may provide that not more than one of the officers or employees of a group may serve as a director at any one time. The board shall elect a chairman and other necessary officers for two-year terms. The chairman of the board must be elected by the board and be a licensed physician or dentist. A vacancy must be filled for the unexpired portion of the term only. The Governor may receive recommendations from any individual, group, or association for any vacancy on the board. The board must meet at the call of the chairman or a majority of the members of the board, but in any event it must meet at least once a year. A board member serving as of the effective date of this section may be reappointed by the Governor.

Section 38-79-280. ~~The association shall file in the office of the department annually, by March first, a statement which contains information with respect to its transactions, condition, operations, and affairs during the preceding year.~~ The association shall file a financial statement with the department by March first of each year detailing its transactions, financial condition, operations, and affairs during the previous calendar year. In addition, the director may require the

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association to file quarterly financial statements with the department on the fifteenth of May, August, and November of each year. The statement shall contain such matters and information as are prescribed by the director or his designee and must be in the form he directs prepared in the format the director prescribes. The director or his designee may, at any reasonable time, require the association to furnish additional information with respect to its transactions, condition, or any matter connected therewith considered to be material and of assistance in evaluating the scope, operation, and experience of the association.

Section 38-79-290. The director or his designee shall ~~make~~ conduct an examination into the financial condition and affairs of the association at least annually and shall file a report thereon with the department, the Governor, and the General Assembly. The expenses of the examination must be paid by the association. The director or his designee may accept an audit of the association performed by a qualified public accounting firm in lieu of conducting his own examination.

Section 38-79-300. (A) Effective on March 31, 2020, the Patients' Compensation Fund provided for in Article 5 of this chapter shall merge into the Joint Underwriting Association created by this article. The surviving entity is the Joint Underwriting Association and referred to herein as the South Carolina Joint Underwriting Association. The South Carolina Joint Underwriting Association shall assume all obligations and responsibilities of the Patients' Compensation Fund, while retaining all obligations and responsibilities of the Joint Underwriting Association.

(B) Beginning on the effective date of this section, the board of the Patients' Compensation Fund shall, with oversight of the Department of Insurance, exercise due diligence in providing for the orderly and expeditious winding down of the Patients' Compensation Fund. All outstanding affairs and existing contractual obligations of the Patients' Compensation Fund including, but not limited to, all existing property, assets, liabilities, claims, member dues, and assessments (or potential for assessments) existing on March 31, 2020, shall contemporaneously become the responsibility of the South Carolina Joint Underwriting Association on that date. After March 31, 2020, the Patients' Compensation Fund shall cease to exist except as required by law for purposes of winding down its affairs.

(C) The Board of Directors of the South Carolina Joint Underwriting Association must:

(1) be appointed on the effective date of this legislation and in no event later than October 2, 2019, and is authorized to enter into

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contracts for the management of the South Carolina Joint Underwriting Association in accordance with governing law;

(2) have the right to attend any regular or special meeting of the Board of Directors of the Joint Underwriting Association or the Board of Governors of the Patients' Compensation Fund, but shall have no vote at these meetings;

(3) replace the existing board of the Joint Underwriting Association on March 31, 2020;

(4) consist of nine members all appointed by the Governor, as follows:

(a) two members after consultation with the South Carolina Medical Association;

(b) one member, who must be a physician, after consultation with the South Carolina Hospital Association;

(c) three representatives from the insurance industry representing member companies of this association;

(d) two representatives after consultation with the South Carolina Dental Association; and

(e) one insurance agent or broker;

(5) elect a chairperson who must be drawn from subitems (4)(a), (b), or (d) above. The director or his designee must be an ex officio member of the board.

(D) Upon consultation with and consent of the director, the board of the South Carolina Joint Underwriting Association:

(1) must select a person or firm for the administration and management of the South Carolina Joint Underwriting Association using a competitive bidding process;

(2) is responsible for the negotiation of the administrator's contract including, without limitation, compensation, fees, and the length of the contract; and

(3) shall have the authority to terminate or retain the administrator.

(E) Each member of the board of the South Carolina Joint Underwriting Association shall serve a term of four years; however, any board member may be reappointed for up to two additional four-year terms. The professional associations listed and the insurance industry may nominate qualified individuals to the Governor for his consideration. The Governor also may receive nominations for appointments to the board from any other individual, group, or association. The South Carolina Joint Underwriting Association and director must publicize all board vacancies to the general public. The

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board of the South Carolina Joint Underwriting Association shall develop a plan of operation which is subject to the approval of the director or his designee as provided in this article. The approved plan of operation of the South Carolina Joint Underwriting Association may make provisions for combining insurers under common ownership or management into groups for voting, assessment, and all other purposes and may provide that no more than one of the officers or employees of a group may serve as a director at any one time. The Board of the South Carolina Joint Underwriting Association Board shall elect a chairman and other necessary officers for two-year terms. The chairman of the board must be elected by the board and be either a licensed physician or dentist. Any vacancy must be filled for the unexpired portion of the term only. The Board of the South Carolina Joint Underwriting Association Board must meet at the call of the chairman or a majority of the members of the board, but in any event it must meet at least once a year. Any board members of the Joint Underwriting Association or the Patients' Compensation Fund serving at the time of this enactment may be reappointed by the Governor to the Board of the South Carolina Joint Underwriting Association."

SECTION 4. Article 5, Chapter 79, Title 38 of the 1976 Code is amended by adding:

"Section 38-79-400. This article must be repealed upon the merger of the Patients' Compensation Fund for benefit of licensed health care providers into the South Carolina Joint Underwriting Association as provided for in Section 38-79-300 on March 31, 2020."

SECTION 5. This act takes effect upon approval by the Governor. /
Renumber sections to conform.
Amend title to conform.

Rep. SPIRES moved to adjourn debate on the amendment, which was agreed to.

Rep. SPIRES proposed the following Amendment No. 2 to H. 3760 (COUNCIL\CZ\3760C006.AGM.CZ19), which was adopted:

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

/ SECTION 1. Article 1, Chapter 15, Title 40 of the 1976 Code is amended by adding:

"Section 40-15-390. (A) All dentists licensed before January 1, 2020, must pay a total surcharge fee of one hundred fifty dollars to the department for purposes of reducing the operating deficit of the South

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Carolina Medical Malpractice Joint Underwriting Association or any successor thereto. This surcharge fee is in addition to any initial or renewal license fee and payable as either a one-time fee of one hundred fifty dollars or in installments payable in consecutive renewal cycles, but not more than three consecutive renewal cycles, until the total surcharge fee is paid in full. The surcharge fee is due at the same time as the payment of the initial or renewal license fee. This surcharge fee for dentists licensed before January 1, 2020, expires upon payment of the total surcharge fee unless extended by the General Assembly.

(B) Failure to pay the surcharge fee shall result in a monthly late fee not to exceed five percent of the surcharge fee and accrues until the surcharge fee is paid in full, but in no event may the fee accrue for more than six months. All late fees collected must be remitted to the South Carolina Medical Malpractice Joint Underwriting Association or any successor thereto and applied to the reduction of the operating deficit of the association. No action may be taken by the department against the license of any dentist for failure to pay surcharge fees. The department shall remit all surcharge fee payments and late fee payments in full to the board of the association.

(C) The department may charge a transaction fee for licensees who pay the surcharge fee by credit card.”

SECTION 2. Article 1, Chapter 47, Title 40 of the 1976 Code is amended by adding:

“Section 40-47-55. (A) All medical doctors, surgeons, and osteopathic physicians licensed before January 1, 2020, must pay a total surcharge fee of three hundred dollars to the department for purposes of reducing the operating deficit of the South Carolina Medical Malpractice Joint Underwriting Association or any successor thereto. This surcharge fee must be in addition to any initial or renewal license fee and payable as either a one-time fee of three hundred dollars or in installments in consecutive renewal cycles, but not more than three consecutive renewal cycles, until the total surcharge fee is paid in full. The surcharge fee is due at the same time as the payment of the initial or renewal license fee. This surcharge fee for medical doctors, surgeons, and osteopathic physicians licensed before January 1, 2020, expires upon payment of the total surcharge fee unless extended by the General Assembly.

(B) Failure to pay the surcharge fee shall result in a monthly late fee not to exceed five percent of the surcharge fee and accrues until the surcharge fee is paid in full, but in no event may the fee accrue for more than six months. All late fees collected must be remitted to the South Carolina Medical Malpractice Joint Underwriting Association or any

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successor thereto and applied to the reduction of the operating deficit of the association. No action may be taken by the department against the license of any medical doctor, surgeon, or osteopathic physician for failure to pay surcharge fees. The department shall remit all surcharge fee payments and late fee payments in full to the board of the association.

(C) The department may charge a transaction fee for licensees who pay the surcharge fee by credit card.”

SECTION 3. Article 3, Chapter 79, Title 38 of the 1976 Code is amended to read:

“Article 3

South Carolina Medical Malpractice Liability

Joint Underwriting Association

Section 38-79-110. As used in this article:

(1) ‘Association’ means any joint underwriting association established by the General Assembly in 1987 and managed and operated pursuant to the provisions of this article including the South Carolina Joint Underwriting Association as provided for in Section 38-79-300.

(2) ‘Licensed health care providers’ means physicians and surgeons, nurses, oral surgeons, dentists, pharmacists, chiropractors, podiatrists, hospitals, nursing homes, or any similar major category of licensed health care providers. The term ‘licensed health care provider’ also includes blood centers which collect, process, and distribute blood to hospitals and physicians for the care of patients if these blood centers as of July 1, 1997, were insured with the Joint Underwriting Association.

(3) ‘Medical malpractice insurance’ means medical professional liability insurance or insurance protection against the legal liability of the insured and against loss, damage, or expense incident to a claim arising out of the death or injury of any person as the result of negligence or malpractice in rendering or failing to render professional service by any licensed physician, licensed health care provider, or hospital.

(4) ‘Net-direct premiums’ means gross direct premiums written on ~~bodily injury liability insurance, other than automobile liability insurance, homeowners liability insurance, and farmowners liability insurance, including the liability component of multiple peril package policies,~~ as medical malpractice insurance, medical professional liability insurance, hospital professional liability insurance, and any other type of professional liability insurance covering risks of licensed health care providers and facilities as determined and computed by the director or his designee, less return premiums or the unused or unabsorbed portions of premium deposits. The net direct premium calculation does not include premiums written by the association or the South Carolina

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Patients' Compensation Fund established pursuant to the provisions of Article 5 of this chapter.

(5) 'Deficit' means all operating losses of the association as reported in the association's financial statements.

Section 38-79-120. (1) A joint underwriting association (association) is created, consisting of containing as members all insurers authorized to write and report net-direct written premiums for medical malpractice insurance, medical professional liability insurance, hospital professional liability insurance, or any other type of professional liability insurance in this State covering the professional liability risks of licensed health care providers. Membership also includes foreign and domestic risk retention groups and surplus lines insurers authorized to write and report net-direct written premiums for medical malpractice insurance, medical professional liability insurance, hospital professional liability insurance or any other type of professional liability insurance in this State covering the professional liability risk of licensed health care providers, and authorized to do business in accordance with the provisions of this title. Each insurer, risk retention group, or surplus lines insurer described above is and must remain a member of the association as a condition of the authorization to transact the sale of insurance in this State. If the net-direct premiums written by all carriers are less than twenty-five million dollars in a given year, then in such year the membership of the association must be expanded to include all insurers authorized to write within this State, on a direct basis, bodily injury liability insurance, other than automobile bodily injury liability insurance, homeowners liability insurance, and farmowners liability insurance, including insurers covering such peril in multiple peril package policies. Every such insurer is and must remain a member of the association as a condition of its authority to continue to transact such kind of insurance in this State. In such event, the term 'net-direct premiums' shall include the gross direct premiums written on bodily injury liability insurance other than automobile liability insurance, homeowners liability insurance, and farmowners liability insurance including the liability component of multiple peril package policies as computed by the director or his designee, less return premiums of the unused or unabsorbed portions of premium deposits.

(2) The purpose of the association is to ~~provide medical malpractice insurance~~ ensure the availability of medical malpractice and other types of liability insurance for health care providers on a self-supporting basis to the fullest extent possible. The intent of the General Assembly in enacting this section is to eliminate the

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accumulated deficit of the association and of the Patients' Compensation Fund and to transition the association over time to a market of last resort so that it is no longer in competition with the private market. Specifically, the General Assembly does not intend that the South Carolina Joint Underwriting Association offer rates that are competitive to the private market. Rates for policies issued by the association must be adequate and established at a level that permits the association to operate without accumulating additional deficits over time. The General Assembly encourages the board, in consultation with the director or his designee, to develop a five-year plan to increase rates gradually to achieve this legislative intent.

(3) The association must be called into operation at any time that the department finds and declares the existence of an emergency because of the unavailability of medical malpractice liability insurance, or the unavailability of medical malpractice liability insurance on a reasonable basis through normal channels, in respect to all or any one or more of the major categories of licensed health care providers listed in item (2) of Section 38-79-110.

Section 38-79-130. The association, pursuant to the provisions of this article and the approved plan of operation in respect to medical malpractice insurance, has the power on behalf of its members to:

(1) issue, or cause to be issued, policies of insurance to applicants including incidental coverages including, but not limited to, premises or operations liability coverage on the premises where services are rendered, all subject to limits of liability as specified in the plan of operation but not to exceed ~~two hundred thousand~~ one million dollars for each claim under one policy ~~and six hundred thousand~~ three million dollars for all claims under one policy in any one year; provided, however, that the association may offer ~~policies up to one million dollars for each claim under one policy and three million dollars~~ higher limits per claim and for all claims under one policy in any one year only upon approval of the board of the association and with the ~~written concurrence of the Board of Governors of the South Carolina Patients' Compensation Fund~~ approval of the director;

(2) underwrite medical malpractice insurance and to adjust and pay losses with respect to it or to appoint service companies to perform those functions; and

(3) cede and assume reinsurance.

Section 38-79-140. (1) The association must operate pursuant to a plan of operation which shall provide for economic, fair, and nondiscriminatory administration and for the prompt and efficient

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provision of medical malpractice insurance and may contain other provisions including, but not limited to, preliminary assessment of all members for initial expenses necessary to commence operations, establishment of necessary facilities, management of the association, assessment of the members to defray losses and expenses, commissions arrangements, reasonable and objective underwriting standards, acceptance and cession of reinsurance, appointment of servicing carriers, and procedures for determining amounts of insurance to be provided by the association.

(2) The plan of operation shall provide that any profit achieved by the association must be added to the reserves of the association or returned to the policyholders as a dividend.

(3) The plan of operation becomes effective and operative no later than thirty days after the declaration of any emergency by the department.

(4) Amendments to the plan of operation may be made by the directors of the association with the approval of the director or his designee or must be made at the direction of the director or his designee after due notice and public hearing.

Section 38-79-150. Any licensed health care provider in a category in which the department has declared an emergency exists is entitled to apply to the association for coverage. The application may be made on behalf of the applicant by a licensed agent or broker authorized in writing by the applicant. If the association determines that the applicant meets the underwriting standards of the association as set forth in the approved plan of operation and there is no unpaid, uncontested premium due from the applicant for any prior insurance of the same kind, the association, upon receipt of the premium, or a portion thereof as prescribed by the plan of operation, shall cause to be issued a policy of medical malpractice liability insurance for a term of one year.

The rates, rating plans, rating rules, rating classifications, territories, and policy forms applicable to insurance written by the association and the statistical and experience data relating thereto are subject to this article and to those provisions of Chapter 73 of this title which are not inconsistent with the purposes and provisions of this article.

Section 38-79-160. The director or his designee shall obtain complete statistical data in respect to medical malpractice losses and reparation costs as well as all other costs or expenses which underlie or are related to medical malpractice liability insurance. He shall promulgate any statistical plan he considers necessary for the purpose of

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gathering data referable to loss and loss adjustment expense experience and other expense experience. When a statistical plan is promulgated all members of the association shall adopt and use it. The director or his designee shall also obtain statistical data in respect to the costs of compensating or rehabilitating victims of medical malpractice without respect to insurance for purposes of studying the feasibility or desirability of alternative medical malpractice compensation systems and estimating the impact of medical malpractice loss and insurance costs upon other compensation and insurance systems such as workers' compensation and accident and health insurance. He may require from any person obtaining insurance through the association loss, claim, or expense data. This information or data is confidential and the physician-patient privilege must be preserved.

Section 38-79-170. In respect to the structuring of rates for medical malpractice liability insurance and the determination of the profit or loss of the association in respect to that insurance, due consideration must be given by the director or his designee to all investment income.

~~Section 38-79-180. Within a time that the director or his designee directs, the association shall submit, for the approval of the director or his designee, an initial filing, in proper form, of policy forms, classifications, rates, rating plans, and rating rules applicable to medical malpractice liability insurance to be written by the association. In the event the director or his designee disapproves the initial filing, in whole or in part, the association shall amend the filing, in whole or in part, in accordance with the direction of the director or his designee. If the director or his designee is unable to approve the filing or amended filing, within the time specified, he shall promulgate the policy forms, classifications, rates, rating plans, and rules to be used by the association in making rates for and writing the insurance. The association shall submit, for the approval of the director or his designee, all policy forms, classifications, rates, rating plans, or rules applicable to its insurance product offerings to customers in this State. Such filings must be submitted for approval to the director no less than sixty days prior to their intended effective date. The director may extend the time for his review by an additional sixty days to allow the department sufficient time to evaluate the proposed form, classification, rate, rating plan, or rule to be used by the association. Rates must be actuarially sound, self supporting, and may not be excessive, inadequate, or unfairly discriminatory.~~

Section 38-79-190. (1) The board of directors shall specify whether policy forms and the rate structure must be on a 'claims-made'

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or 'occurrence' basis and coverage may be provided by the association only on the basis specified by the board of directors. The board of directors shall specify the 'claims-made' basis only if the contract makes provision for residual 'occurrence' coverage upon the retirement, death, disability, or removal from the State of the insured. Provision may be made for a premium charge allocable to any such residual 'occurrence' coverage and the premium charges for the residual coverage must be segregated and separately maintained for such purpose which may include the reinsurance of all or a part of that portion of the risk.

(2) The policy may not contain any limitation in relation to the existing law in tort as provided by the statute of limitations of the State of South Carolina.

(3) The policy form whether on a 'claims-made' or 'occurrence' basis may not require as a condition precedent to settlement or compromise of any claim the consent or acquiescence of the insured. However, such settlement or compromise may never be held or considered to be an admission of fault or wrongdoing by the insured.

(4) The premium rate charged for either or both 'claims-made' or 'occurrence' coverage must be at rates established on an actuarially sound basis, including consideration of trends in the frequency and severity of losses, and must be calculated to be self-supporting.

Section 38-79-200. The association is authorized to provide a rate increase or assessment which is subject to the approval of the director or his designee.

Section 38-79-210. Any deficit accumulated or sustained by the association ~~in any year~~ must be recouped, pursuant to the plan of operation and the rating plan then in effect, ~~by one or both~~ by one or more of the following procedures:

(1) ~~An assessment upon the policyholders which may not exceed one additional annual premium at the then current rate.~~ a surcharge fee as provided in Sections 40-15-390 and 40-47-55;

(2) a rate increase applicable prospectively approved by the director or his designee pursuant to the provisions of Section 38-79-180;
and

(3) an assessment against all members of the association according to any plan agreed to by the association's board and submitted to the director for his approval. The board shall make an annual recommendation by July first of each year regarding the need for an assessment against the members, the size and scope of such assessment,

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and the percentages to be assessed against each member pursuant to this chapter.

~~Section 38-79-220. Effective after the initial year of operation, rates, rating plans, and rating rules, and any provision for recoupment through policyholder assessment or premium rate increase, must be based upon the association's loss and expense experience and investment income, together with any other information based upon such experience and income as the director or his designee considers appropriate. The resultant premium rates must be on an actuarially sound basis and must be calculated to be self-supporting.~~

~~In the event that sufficient funds are not available for the sound financial operation of the association, pending recoupment as provided in Section 38-79-210, all members shall, on a temporary basis, contribute to the financial requirements of the association in the manner provided for in Section 38-79-230. Any such contribution must be reimbursed to the members following recoupment as provided in Section 38-79-210. Reserved.~~

Section 38-79-230. All insurers which are members of the association pursuant to the provisions of Section 38-79-120 shall participate in its writings, expenses, profits, and losses in the proportion that the net direct premiums of each member (~~excluding that portion of premiums attributable to the operation of the association~~) written during the preceding calendar year bear to the aggregate net direct premiums written in this State by all members of the association. However, no member may share in any profits or otherwise financially gain or benefit from the operation of the association unless and until the board and the director have mutually determined that all deficits of the association have been satisfactorily recovered. Each insurer's participation in the association must be determined annually on the basis of the net direct premiums written during the preceding calendar year, as reported in the annual statements and other reports filed by the insurer with the department or as reported by the insurer in reports or financial statements requested by the director to effectuate the provisions of this section. The assessment of a member insurer, ~~after hearing,~~ may be ordered deferred in whole or in part upon application by the insurer if, in the opinion of the director or his designee, payment of the assessment may render the insurer insolvent or in danger of insolvency or otherwise may leave the insurer in a ~~condition that further transaction of the insurer's business may be hazardous to its policyholders, creditors, members, subscribers, stockholders, or the public~~ hazardous financial condition or the insurer has been placed into administrative supervision or receivership by their

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domestic state's insurance regulator. If payment of an assessment against a member insurer is deferred by order of the director or his designee in whole or in part, the amount by which the assessment is deferred must be assessed against other member insurers in the same manner as provided in this section. ~~In the order of deferral or in subsequent orders as may be necessary~~ When ordering a deferral in whole or in part, the director or his designee shall prescribe a plan by which the assessment deferred must be repaid to the association by the impaired insurer with interest at the six-month treasury bill rate adjusted semiannually. Profits, dividends, or other funds of the association to which the insurer is otherwise entitled may not be distributed to the impaired insurer but must be applied toward repayment of any assessment until the obligation has been satisfied. The association shall distribute the repayments, including interest on them, to the other member insurers on the basis on which assessments were made.

Section 38-79-240. Every member of the Association is bound by the approved plan of operation of the Association, including any amendments made, and by any other rules the board of directors of the Association lawfully prescribes.

Section 38-79-250. (1) ~~If the authority of an insurer to transact bodily injury liability insurance, other than automobile, homeowners, or farmowners, in this State terminates for any reason its obligations as a member of the association nevertheless continue until all its obligations have been fulfilled and the director or his designee has so found and certified to the board of directors. If any member insurer ceases writing business in this State, voluntarily or involuntarily, or by order or authority of the director shall continue to be a member of the association until all of its obligations have been satisfied and the director has certified the satisfaction to the association's board.~~

(2) ~~If a member insurer merges into, acquires, or consolidates with another insurer authorized to transact such insurance in this State or another insurer authorized to transact such insurance in this State has reinsured the insurer's entire general liability business in this State, both the insurer and its successor or assuming reinsurer, as the case may be, are liable for the insurer's transacting business subject to this article or if any other insurer or entity has reinsured or assumed a member insurer's entire liability business in this State, the surviving insurer, acquiring insurer, its legal successor, or its assuming reinsurer nonetheless remains liable for the member insurer's obligations in respect to the association.~~

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(3) Any unsatisfied net liability of any insolvent member of the association must be assumed by and apportioned among the remaining members in the same manner in which assessments or gain and loss are apportioned and the association shall thereupon acquire and have all rights and remedies allowed by law in behalf of the remaining members against the estate or funds of the insolvent insurer for funds due the association.

(4) The State is not responsible for any costs, expenses, liabilities, judgments, or other obligations of the association.

Section 38-79-260. Until the association is merged with the Patients' Compensation Fund on March 31, 2020, the association is governed by a board of thirteen directors, all of whom must be appointed by the Governor. Each member of the board shall serve a term of four years and may be reappointed for up to two additional four-year terms. The Governor shall appoint five health care providers after consultation with the South Carolina Medical Association, and the South Carolina Dental Association, ~~and the South Carolina Health Alliance~~; four insurance representatives after consultation with the insurance industry; one consumer representative who is unaffiliated with the insurance or health care industries or the medical or legal professions; and two licensed insurance agents or brokers. The professional associations listed and the insurance industry may nominate qualified individuals to the Governor for his consideration. The Governor may also receive nominations for appointments to the board from any other individual, group, or association. ~~Notices of vacancies on the board must be published in newspapers of general statewide circulation. The association and the director must publicize all vacancies on the board to the general public.~~ The director or his designee shall serve as an ex officio member of the board. The board shall develop a plan of operation which is subject to the approval of the director or his designee as provided in this article. The plan of operation shall provide for staggered terms of the members of the board. The approved plan of operation of the association may make provision for combining insurers under common ownership or management into groups for voting, assessment, and all other purposes and may provide that not more than one of the officers or employees of a group may serve as a director at any one time. The board shall elect a chairman and other necessary officers for two-year terms. The chairman of the board must be elected by the board and be a licensed physician or dentist. A vacancy must be filled for the unexpired portion of the term only. ~~The Governor may receive recommendations from any individual, group, or association for any~~

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~~vacancy on the board.~~ The board must meet at the call of the chairman or a majority of the members of the board, but in any event it must meet at least once a year. A board member serving as of the effective date of this section may be reappointed by the Governor.

~~Section 38-79-280. The association shall file in the office of the department annually, by March first, a statement which contains information with respect to its transactions, condition, operations, and affairs during the preceding year. The association shall file a financial statement with the department by March first of each year detailing its transactions, financial condition, operations, and affairs during the previous calendar year. In addition, the director may require the association to file quarterly financial statements with the department on the fifteenth of May, August, and November of each year. The statement shall contain such matters and information as are prescribed by the director or his designee and must be in the form he directs prepared in the format the director prescribes. The director or his designee may, at any reasonable time, require the association to furnish additional information with respect to its transactions, condition, or any matter connected therewith considered to be material and of assistance in evaluating the scope, operation, and experience of the association.~~

~~Section 38-79-290. The director or his designee shall make conduct an examination into the financial condition and affairs of the association at least annually and shall file a report thereon with the department, the Governor, and the General Assembly. The expenses of the examination must be paid by the association. The director or his designee may accept an audit of the association performed by a qualified public accounting firm in lieu of conducting his own examination.~~

~~Section 38-79-300. (A) Effective on March 31, 2020, the Patients' Compensation Fund provided for in Article 5 of this chapter shall merge into the Joint Underwriting Association created by this article. The surviving entity is the Joint Underwriting Association and referred to herein as the South Carolina Joint Underwriting Association. The South Carolina Joint Underwriting Association shall assume all obligations and responsibilities of the Patients' Compensation Fund, while retaining all obligations and responsibilities of the Joint Underwriting Association.~~

~~(B) Beginning on the effective date of this section, the board of the Patients' Compensation Fund shall, with oversight of the Department of Insurance, exercise due diligence in providing for the orderly and expeditious winding down of the Patients' Compensation Fund. All outstanding affairs and existing contractual obligations of the Patients' Compensation Fund including, but not limited to, all existing property,~~

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assets, liabilities, claims, member dues, and assessments (or potential for assessments) existing on March 31, 2020, shall contemporaneously become the responsibility of the South Carolina Joint Underwriting Association on that date. After March 31, 2020, the Patients' Compensation Fund shall cease to exist except as required by law for purposes of winding down its affairs.

(C) The Board of Directors of the South Carolina Joint Underwriting Association must:

(1) be appointed on the effective date of this legislation and in no event later than October 2, 2019, and is authorized to enter into contracts for the management of the South Carolina Joint Underwriting Association in accordance with governing law;

(2) have the right to attend any regular or special meeting of the Board of Directors of the Joint Underwriting Association or the Board of Governors of the Patients' Compensation Fund, but shall have no vote at these meetings;

(3) replace the existing board of the Joint Underwriting Association on March 31, 2020;

(4) consist of nine members all appointed by the Governor, as follows:

(a) two members after consultation with the South Carolina Medical Association;

(b) one member, who must be a physician, after consultation with the South Carolina Hospital Association;

(c) three representatives from the insurance industry representing member companies of this association;

(d) two representatives after consultation with the South Carolina Dental Association; and

(e) one insurance agent or broker;

(5) elect a chairperson who must be drawn from subitems (4)(a), (b), or (d) above. The director or his designee must be an ex officio member of the board.

(D) Upon consultation with and consent of the director, the board of the South Carolina Joint Underwriting Association:

(1) must select a person or firm for the administration and management of the South Carolina Joint Underwriting Association using a competitive bidding process;

(2) is responsible for the negotiation of the administrator's contract including, without limitation, compensation, fees, and the length of the contract; and

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(3) shall have the authority to terminate or retain the administrator.

(E) Each member of the board of the South Carolina Joint Underwriting Association shall serve a term of four years; however, any board member may be reappointed for up to two additional four-year terms. The professional associations listed and the insurance industry may nominate qualified individuals to the Governor for his consideration. The Governor also may receive nominations for appointments to the board from any other individual, group, or association. The South Carolina Joint Underwriting Association and director must publicize all board vacancies to the general public. The board of the South Carolina Joint Underwriting Association shall develop a plan of operation which is subject to the approval of the director or his designee as provided in this article. The approved plan of operation of the South Carolina Joint Underwriting Association may make provisions for combining insurers under common ownership or management into groups for voting, assessment, and all other purposes and may provide that no more than one of the officers or employees of a group may serve as a director at any one time. The Board of the South Carolina Joint Underwriting Association Board shall elect a chairman and other necessary officers for two-year terms. The chairman of the board must be elected by the board and be either a licensed physician or dentist. Any vacancy must be filled for the unexpired portion of the term only. The Board of the South Carolina Joint Underwriting Association Board must meet at the call of the chairman or a majority of the members of the board, but in any event it must meet at least once a year. Any board members of the Joint Underwriting Association or the Patients' Compensation Fund serving at the time of this enactment may be reappointed by the Governor to the Board of the South Carolina Joint Underwriting Association."

SECTION 4. Article 5, Chapter 79, Title 38 of the 1976 Code is amended by adding:

"Section 38-79-400. This article must be repealed upon the merger of the Patients' Compensation Fund for benefit of licensed health care providers into the South Carolina Joint Underwriting Association as provided for in Section 38-79-300 on March 31, 2020."

SECTION 5. This act takes effect upon approval by the Governor. /
Renumber sections to conform.
Amend title to conform.

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Rep. SPIRES explained the amendment.
The amendment was then adopted.

The Committee on Labor, Commerce and Industry proposed the following Amendment No. 1 to H. 3760 (COUNCIL\CZ\3760 C003.AGM.CZ19), which was tabled:

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

/ SECTION 1. Article 1, Chapter 15, Title 40 of the 1976 Code is amended by adding:

“Section 40-15-390. (A) All dentists licensed before January 1, 2020, must pay a total surcharge fee of one hundred fifty dollars to the department for purposes of reducing the operating deficit of the South Carolina Medical Malpractice Joint Underwriting Association or any successor thereto. This surcharge fee is in addition to any initial or renewal license fee and payable as either a one-time fee of one hundred fifty dollars or in installments payable in consecutive renewal cycles, but not more than three consecutive renewal cycles, until the total surcharge fee is paid in full. This surcharge fee for dentists licensed on or before January 1, 2020, expires upon payment of the total surcharge fee unless extended by the General Assembly.

(B) Failure to pay the surcharge fee shall result in a monthly late fee not to exceed five percent of the surcharge fee and accrues until the surcharge fee is paid in full, but in no event may the fee accrue for more than six months. All late fees collected must be remitted to the South Carolina Medical Malpractice Joint Underwriting Association or any successor thereto and applied to the reduction of the operating deficit of the association. No action may be taken by the department against the license of any dentist for failure to pay surcharge fees. The department shall remit all surcharge fee payments and late fee payments in full to the board of the association.

(C) The department may charge a transaction fee for licensees who pay the surcharge fee by credit card.”

SECTION 2. Article 1, Chapter 47, Title 40 of the 1976 Code is amended by adding:

“Section 40-47-55. (A) All medical doctors, surgeons, and osteopathic physicians licensed before January 1, 2020, must pay a total surcharge fee of three hundred dollars to the department for purposes of reducing the operating deficit of the South Carolina Medical Malpractice Joint Underwriting Association or any successor thereto. This surcharge fee must be in addition to any initial or renewal license fee and payable

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as either a one-time fee of three hundred dollars or in installments in consecutive renewal cycles, but not more than three consecutive renewal cycles, until the total surcharge fee is paid in full. This surcharge fee for medical doctors, surgeons, and osteopathic physicians licensed before January 1, 2020, expires upon payment of the total surcharge fee unless extended by the General Assembly.

(B) Failure to pay the surcharge fee shall result in a monthly late fee not to exceed five percent of the surcharge fee and accrues until the surcharge fee is paid in full, but in no event may the fee accrue for more than six months. All late fees collected must be remitted to the South Carolina Medical Malpractice Joint Underwriting Association or any successor thereto and applied to the reduction of the operating deficit of the association. No action may be taken by the department against the license of any medical doctor, surgeon, or osteopathic physician for failure to pay surcharge fees. The department shall remit all surcharge fee payments and late fee payments in full to the board of the association.

(C) The department may charge a transaction fee for licensees who pay the surcharge fee by credit card.”

SECTION 3. Article 3, Chapter 79, Title 38 of the 1976 Code is amended to read:

“Article 3

South Carolina Medical Malpractice Liability’

Joint Underwriting Association

Section 38-79-110. As used in this article:

(1) ‘Association’ means any joint underwriting association established by the General Assembly in 1987 and managed and operated pursuant to the provisions of this article including the South Carolina Joint Underwriting Association as provided for in Section 38-79-300.

(2) ‘Licensed health care providers’ means physicians and surgeons, nurses, oral surgeons, dentists, pharmacists, chiropractors, podiatrists, hospitals, nursing homes, or any similar major category of licensed health care providers. The term ‘licensed health care provider’ also includes blood centers which collect, process, and distribute blood to hospitals and physicians for the care of patients if these blood centers as of July 1, 1997, were insured with the Joint Underwriting Association.

(3) ‘Medical malpractice insurance’ means medical professional liability insurance or insurance protection against the legal liability of the insured and against loss, damage, or expense incident to a claim arising out of the death or injury of any person as the result of negligence or malpractice in rendering or failing to render professional service by any licensed physician, licensed health care provider, or hospital.

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(4) 'Net-direct premiums' means gross direct premiums written on bodily injury liability insurance, other than automobile liability insurance, homeowners liability insurance, and farmowners liability insurance, including the liability component of multiple peril package policies, as medical malpractice insurance, medical professional liability insurance, hospital professional liability insurance, and any other type of professional liability insurance covering risks of licensed health care providers and facilities as determined and computed by the director or his designee, less return premiums or the unused or unabsorbed portions of premium deposits. The net direct premium calculation does not include premiums written by the association or the South Carolina Patients' Compensation Fund established pursuant to the provisions of Article 5 of this chapter.

(5) 'Deficit' means all operating losses of the association as reported in the association's financial statements.

Section 38-79-120. (1) A joint underwriting association (association) is created, consisting of containing as members all insurers authorized to write and report net-direct written premiums for medical malpractice insurance, medical professional liability insurance, hospital professional liability insurance, or any other type of professional liability insurance in this State covering the professional liability risks of licensed health care providers. Membership also includes foreign and domestic risk retention groups and surplus lines insurers authorized to write and report net-direct written premiums for medical malpractice insurance, medical professional liability insurance, hospital professional liability insurance or any other type of professional liability insurance in this State covering the professional liability risk of licensed health care providers, and authorized to do business in accordance with the provisions of this title. Each insurer, risk retention group, or surplus lines insurer described above is and must remain a member of the association as a condition of the authorization to transact the sale of insurance in this State. If the net-direct premiums written by all carriers are less than twenty-five million dollars in a given year, then in such year the membership of the association must be expanded to include all insurers authorized to write within this State, on a direct basis, bodily injury liability insurance, other than automobile bodily injury liability insurance, homeowners liability insurance, and farmowners liability insurance, including insurers covering such peril in multiple peril package policies. Every such insurer is and must remain a member of the association as a condition of its authority to continue to transact such kind of insurance in this State. In such event, the term 'net-direct

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premiums' shall include the gross direct premiums written on bodily injury liability insurance other than automobile insurance, homeowners liability insurance, and farmowners liability insurance including the liability component of multiple peril package policies as computed by the director or his designee, less return premiums of the unused or unabsorbed portions of premium deposits.

(2) The purpose of the association is to provide medical malpractice insurance ensure the availability of medical malpractice and other types of liability insurance for health care providers on a self-supporting basis to the fullest extent possible. The intent of the General Assembly in enacting this section is to eliminate the accumulated deficit of the association and of the Patients' Compensation Fund and to transition the association over time to a market of last resort so that it is no longer in competition with the private market. Specifically, the General Assembly does not intend that the South Carolina Joint Underwriting Association offer rates that are competitive to the private market. Rates for policies issued by the association must be adequate and established at a level that permits the association to operate without accumulating additional deficits over time. The General Assembly encourages the board, in consultation with the director or his designee, to develop a five-year plan to increase rates gradually to achieve this legislative intent.

(3) The association must be called into operation at any time that the department finds and declares the existence of an emergency because of the unavailability of medical malpractice liability insurance, or the unavailability of medical malpractice liability insurance on a reasonable basis through normal channels, in respect to all or any one or more of the major categories of licensed health care providers listed in item (2) of Section 38-79-110.

Section 38-79-130. The association, pursuant to the provisions of this article and the approved plan of operation in respect to medical malpractice insurance, has the power on behalf of its members to:

(1) issue, or cause to be issued, policies of insurance to applicants including incidental coverages including, but not limited to, premises or operations liability coverage on the premises where services are rendered, all subject to limits of liability as specified in the plan of operation but not to exceed ~~two hundred thousand~~ one million dollars for each claim under one policy and ~~six hundred thousand~~ three million dollars for all claims under one policy in any one year; provided, however, that the association may offer ~~policies up to one million dollars for each claim under one policy and three million dollars~~ higher limits

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per claim and for all claims under one policy in any one year only upon approval of the board of the association and with the written concurrence of the Board of Governors of the South Carolina Patients' Compensation Fund approval of the director;

(2) underwrite medical malpractice insurance and to adjust and pay losses with respect to it or to appoint service companies to perform those functions; and

(3) cede and assume reinsurance.

Section 38-79-140. (1) The association must operate pursuant to a plan of operation which shall provide for economic, fair, and nondiscriminatory administration and for the prompt and efficient provision of medical malpractice insurance and may contain other provisions including, but not limited to, preliminary assessment of all members for initial expenses necessary to commence operations, establishment of necessary facilities, management of the association, assessment of the members to defray losses and expenses, commissions arrangements, reasonable and objective underwriting standards, acceptance and cession of reinsurance, appointment of servicing carriers, and procedures for determining amounts of insurance to be provided by the association.

(2) The plan of operation shall provide that any profit achieved by the association must be added to the reserves of the association or returned to the policyholders as a dividend.

(3) The plan of operation becomes effective and operative no later than thirty days after the declaration of any emergency by the department.

(4) Amendments to the plan of operation may be made by the directors of the association with the approval of the director or his designee or must be made at the direction of the director or his designee after due notice and public hearing.

Section 38-79-150. Any licensed health care provider in a category in which the department has declared an emergency exists is entitled to apply to the association for coverage. The application may be made on behalf of the applicant by a licensed agent or broker authorized in writing by the applicant. If the association determines that the applicant meets the underwriting standards of the association as set forth in the approved plan of operation and there is no unpaid, uncontested premium due from the applicant for any prior insurance of the same kind, the association, upon receipt of the premium, or a portion thereof as prescribed by the plan of operation, shall cause to be issued a policy of medical malpractice liability insurance for a term of one year.

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The rates, rating plans, rating rules, rating classifications, territories, and policy forms applicable to insurance written by the association and the statistical and experience data relating thereto are subject to this article and to those provisions of Chapter 73 of this title which are not inconsistent with the purposes and provisions of this article.

Section 38-79-160. The director or his designee shall obtain complete statistical data in respect to medical malpractice losses and reparation costs as well as all other costs or expenses which underlie or are related to medical malpractice liability insurance. He shall promulgate any statistical plan he considers necessary for the purpose of gathering data referable to loss and loss adjustment expense experience and other expense experience. When a statistical plan is promulgated all members of the association shall adopt and use it. The director or his designee shall also obtain statistical data in respect to the costs of compensating or rehabilitating victims of medical malpractice without respect to insurance for purposes of studying the feasibility or desirability of alternative medical malpractice compensation systems and estimating the impact of medical malpractice loss and insurance costs upon other compensation and insurance systems such as workers' compensation and accident and health insurance. He may require from any person obtaining insurance through the association loss, claim, or expense data. This information or data is confidential and the physician-patient privilege must be preserved.

Section 38-79-170. In respect to the structuring of rates for medical malpractice liability insurance and the determination of the profit or loss of the association in respect to that insurance, due consideration must be given by the director or his designee to all investment income.

~~Section 38-79-180. Within a time that the director or his designee directs, the association shall submit, for the approval of the director or his designee, an initial filing, in proper form, of policy forms, classifications, rates, rating plans, and rating rules applicable to medical malpractice liability insurance to be written by the association. In the event the director or his designee disapproves the initial filing, in whole or in part, the association shall amend the filing, in whole or in part, in accordance with the direction of the director or his designee. If the director or his designee is unable to approve the filing or amended filing, within the time specified, he shall promulgate the policy forms, classifications, rates, rating plans, and rules to be used by the association in making rates for and writing the insurance. The association shall submit, for the approval of the director or his designee, all policy forms,~~

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classifications, rates, rating plans, or rules applicable to its insurance product offerings to customers in this State. Such filings must be submitted for approval to the director no less than sixty days prior to their intended effective date. The director may extend the time for his review by an additional sixty days to allow the department sufficient time to evaluate the proposed form, classification, rate, rating plan, or rule to be used by the association. Rates must be actuarially sound, self supporting, and may not be excessive, inadequate, or unfairly discriminatory.

Section 38-79-190.(1) The board of directors shall specify whether policy forms and the rate structure must be on a 'claims-made' or 'occurrence' basis and coverage may be provided by the association only on the basis specified by the board of directors. The board of directors shall specify the 'claims-made' basis only if the contract makes provision for residual 'occurrence' coverage upon the retirement, death, disability, or removal from the State of the insured. Provision may be made for a premium charge allocable to any such residual 'occurrence' coverage and the premium charges for the residual coverage must be segregated and separately maintained for such purpose which may include the reinsurance of all or a part of that portion of the risk.

(2) The policy may not contain any limitation in relation to the existing law in tort as provided by the statute of limitations of the State of South Carolina.

(3) The policy form whether on a 'claims-made' or 'occurrence' basis may not require as a condition precedent to settlement or compromise of any claim the consent or acquiescence of the insured. However, such settlement or compromise may never be held or considered to be an admission of fault or wrongdoing by the insured.

(4) The premium rate charged for either or both 'claims-made' or 'occurrence' coverage must be at rates established on an actuarially sound basis, including consideration of trends in the frequency and severity of losses, and must be calculated to be self-supporting.

Section 38-79-200. The association is authorized to provide a rate increase or assessment which is subject to the approval of the director or his designee.

Section 38-79-210. Any deficit accumulated or sustained by the association in any year must be recouped, pursuant to the plan of operation and the rating plan then in effect, by one or both by one or more of the following procedures:

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(1) An assessment upon the policyholders which may not exceed one additional annual premium at the then current rate. a surcharge fee as provided in Sections 40-15-390 and 40-47-55;

(2) A rate increase applicable prospectively approved by the director or his designee pursuant to the provisions of Section 38-79-180;
and

(3) an assessment against all members of the association according to any plan agreed to by the association's board and submitted to the director for his approval. The board shall make an annual recommendation by July first of each year regarding the need for an assessment against the members, the size and scope of such assessment, and the percentages to be assessed against each member pursuant to this chapter.

~~Section 38-79-220. Effective after the initial year of operation, rates, rating plans, and rating rules, and any provision for recoupment through policyholder assessment or premium rate increase, must be based upon the association's loss and expense experience and investment income, together with any other information based upon such experience and income as the director or his designee considers appropriate. The resultant premium rates must be on an actuarially sound basis and must be calculated to be self-supporting.~~

~~In the event that sufficient funds are not available for the sound financial operation of the association, pending recoupment as provided in Section 38-79-210, all members shall, on a temporary basis, contribute to the financial requirements of the association in the manner provided for in Section 38-79-230. Any such contribution must be reimbursed to the members following recoupment as provided in Section 38-79-210. Reserved.~~

Section 38-79-230. All insurers which are members of the association pursuant to the provisions of Section 38-79-120 shall participate in its writings, expenses, profits, and losses in the proportion that the net direct premiums of each member (excluding that portion of premiums attributable to the operation of the association) written during the preceding calendar year bear to the aggregate net direct premiums written in this State by all members of the association. However, no member may share in any profits or otherwise financially gain or benefit from the operation of the association unless and until the board and the director have mutually determined that all deficits of the association have been satisfactorily recovered. Each insurer's participation in the association must be determined annually on the basis of the net direct premiums written during the preceding calendar year, as reported in the

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annual statements and other reports filed by the insurer with the department or as reported by the insurer in reports or financial statements requested by the director to effectuate the provisions of this section. The assessment of a member insurer, after hearing, may be ordered deferred in whole or in part upon application by the insurer if, in the opinion of the director or his designee, payment of the assessment may render the insurer insolvent or in danger of insolvency or otherwise may leave the insurer in a condition that further transaction of the insurer's business may be hazardous to its policyholders, creditors, members, subscribers, stockholders, or the public hazardous financial condition or the insurer has been placed into administrative supervision or receivership by their domestic state's insurance regulator. If payment of an assessment against a member insurer is deferred by order of the director or his designee in whole or in part, the amount by which the assessment is deferred must be assessed against other member insurers in the same manner as provided in this section. In the order of deferral or in subsequent orders as may be necessary when ordering a deferral in whole or in part, the director or his designee shall prescribe a plan by which the assessment deferred must be repaid to the association by the impaired insurer with interest at the six-month treasury bill rate adjusted semiannually. Profits, dividends, or other funds of the association to which the insurer is otherwise entitled may not be distributed to the impaired insurer but must be applied toward repayment of any assessment until the obligation has been satisfied. The association shall distribute the repayments, including interest on them, to the other member insurers on the basis on which assessments were made.

Section 38-79-240. Every member of the Association is bound by the approved plan of operation of the Association, including any amendments made, and by any other rules the board of directors of the Association lawfully prescribes.

Section 38-79-250. (1) ~~If the authority of an insurer to transact bodily injury liability insurance, other than automobile, homeowners, or farmowners, in this State terminates for any reason its obligations as a member of the association nevertheless continue until all its obligations have been fulfilled and the director or his designee has so found and certified to the board of directors.~~ If any member insurer ceases writing business in this State, voluntarily or involuntarily, or by order or authority of the director shall continue to be a member of the association until all of its obligations have been satisfied and the director has certified the satisfaction to the association's board.

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(2) If a member insurer merges into, acquires, or consolidates with another insurer ~~authorized to transact such insurance in this State or another insurer authorized to transact such insurance in this State has reinsured the insurer's entire general liability business in this State, both the insurer and its successor or assuming reinsurer, as the case may be, are liable for the insurer's transacting business subject to this article or if any other insurer or entity has reinsured or assumed a member insurer's entire liability business in this State, the surviving insurer, acquiring insurer, its legal successor, or its assuming reinsurer nonetheless remains liable for the member insurer's obligations in respect to the association.~~

(3) Any unsatisfied net liability of any insolvent member of the association must be assumed by and apportioned among the remaining members in the same manner in which assessments or gain and loss are apportioned and the association shall thereupon acquire and have all rights and remedies allowed by law in behalf of the remaining members against the estate or funds of the insolvent insurer for funds due the association.

(4) The State is not responsible for any costs, expenses, liabilities, judgments, or other obligations of the association.

Section 38-79-260. Until the association is merged with the Patients' Compensation Fund on March 31, 2020, the association is governed by a board of thirteen directors, all of whom must be appointed by the Governor. Each member of the board shall serve a term of four years and may be reappointed for up to two additional four-year terms. The Governor shall appoint five health care providers after consultation with the South Carolina Medical Association, and the South Carolina Dental Association, and the South Carolina Health Alliance; four insurance representatives after consultation with the insurance industry; one consumer representative who is unaffiliated with the insurance or health care industries or the medical or legal professions; and two licensed insurance agents or brokers. The professional associations listed and the insurance industry may nominate qualified individuals to the Governor for his consideration. The Governor may also receive nominations for appointments to the board from any other individual, group, or association. Notices of vacancies on the board must be published in newspapers of general statewide circulation. The association and the director must publicize all vacancies on the board to the general public. The director or his designee shall serve as an ex officio member of the board. The board shall develop a plan of operation which is subject to the approval of the director or his designee as

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provided in this article. The plan of operation shall provide for staggered terms of the members of the board. The approved plan of operation of the association may make provision for combining insurers under common ownership or management into groups for voting, assessment, and all other purposes and may provide that not more than one of the officers or employees of a group may serve as a director at any one time. The board shall elect a chairman and other necessary officers for two-year terms. The chairman of the board must be elected by the board and be a licensed physician or dentist. A vacancy must be filled for the unexpired portion of the term only. The Governor may receive recommendations from any individual, group, or association for any vacancy on the board. The board must meet at the call of the chairman or a majority of the members of the board, but in any event it must meet at least once a year. A board member serving as of the effective date of this section may be reappointed by the Governor.

Section 38-79-280. ~~The association shall file in the office of the department annually, by March first, a statement which contains information with respect to its transactions, condition, operations, and affairs during the preceding year.~~ The association shall file a financial statement with the department by March first of each year detailing its transactions, financial condition, operations, and affairs during the previous calendar year. In addition, the director may require the association to file quarterly financial statements with the department on the fifteenth of May, August, and November of each year. The statement shall contain such matters and information as are prescribed by the director or his designee and must be ~~in the form he directs~~ prepared in the format the director prescribes. The director or his designee may, ~~at any reasonable time,~~ require the association to furnish additional information with respect to its transactions, condition, or any matter connected therewith considered to be material and of assistance in evaluating the scope, operation, and experience of the association.

Section 38-79-290. The director or his designee shall ~~make~~ conduct an examination into the financial condition and affairs of the association at least annually and shall file a report thereon with the department, the Governor, and the General Assembly. The expenses of the examination must be paid by the association. The director or his designee may accept an audit of the association performed by a qualified public accounting firm in lieu of conducting his own examination.

Section 38-79-300. (A) Effective on March 31, 2020, the Patients' Compensation Fund provided for in Article 5 of this chapter shall merge into the Joint Underwriting Association created by this article. The

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surviving entity is the Joint Underwriting Association and referred to herein as the South Carolina Joint Underwriting Association. The South Carolina Joint Underwriting Association shall assume all obligations and responsibilities of the Patients' Compensation Fund, while retaining all obligations and responsibilities of the Joint Underwriting Association.

(B) Beginning on the effective date of this section, the board of the Patients' Compensation Fund shall, with oversight of the Department of Insurance, exercise due diligence in providing for the orderly and expeditious winding down of the Patients' Compensation Fund. All outstanding affairs and existing contractual obligations of the Patients' Compensation Fund including, but not limited to, all existing property, assets, liabilities, claims, member dues, and assessments (or potential for assessments) existing on March 31, 2020, shall contemporaneously become the responsibility of the South Carolina Joint Underwriting Association on that date. After March 31, 2020, the Patients' Compensation Fund shall cease to exist except as required by law for purposes of winding down its affairs.

(C) The Board of Directors of the South Carolina Joint Underwriting Association must:

(1) be appointed on the effective date of this legislation and in no event later than October 2, 2019, and is authorized to enter into contracts for the management of the South Carolina Joint Underwriting Association in accordance with governing law;

(2) have the right to attend any regular or special meeting of the Board of Directors of the Joint Underwriting Association or the Board of Governors of the Patients' Compensation Fund, but shall have no vote at these meetings;

(3) replace the existing board of the Joint Underwriting Association on March 31, 2020;

(4) consist of nine members all appointed by the Governor, as follows:

(a) two members after consultation with the South Carolina Medical Association;

(b) one member, who must be a physician, after consultation with the South Carolina Hospital Association;

(c) three representatives from the insurance industry representing member companies of this association;

(d) two representatives after consultation with the South Carolina Dental Association; and

(e) one insurance agent or broker;

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(5) elect a chairperson who must be drawn from subitems (4)(a), (b), or (d) above. The director or his designee must be an ex officio member of the board.

(D) Upon consultation with and consent of the director, the board of the South Carolina Joint Underwriting Association:

(1) must select a person or firm for the administration and management of the South Carolina Joint Underwriting Association using a competitive bidding process;

(2) is responsible for the negotiation of the administrator's contract including, without limitation, compensation, fees, and the length of the contract; and

(3) shall have the authority to terminate or retain the administrator.

(E) Each member of the board of the South Carolina Joint Underwriting Association shall serve a term of four years; however, any board member may be reappointed for up to two additional four-year terms. The professional associations listed and the insurance industry may nominate qualified individuals to the Governor for his consideration. The Governor also may receive nominations for appointments to the board from any other individual, group, or association. The South Carolina Joint Underwriting Association and director must publicize all board vacancies to the general public. The board of the South Carolina Joint Underwriting Association shall develop a plan of operation which is subject to the approval of the director or his designee as provided in this article. The approved plan of operation of the South Carolina Joint Underwriting Association may make provisions for combining insurers under common ownership or management into groups for voting, assessment, and all other purposes and may provide that no more than one of the officers or employees of a group may serve as a director at any one time. The Board of the South Carolina Joint Underwriting Association Board shall elect a chairman and other necessary officers for two-year terms. The chairman of the board must be elected by the board and be either a licensed physician or dentist. Any vacancy must be filled for the unexpired portion of the term only. The Board of the South Carolina Joint Underwriting Association Board must meet at the call of the chairman or a majority of the members of the board, but in any event it must meet at least once a year. Any board members of the Joint Underwriting Association or the Patients' Compensation Fund serving at the time of this enactment may be reappointed by the Governor to the Board of the South Carolina Joint Underwriting Association."

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SECTION 4. Article 5, Chapter 79, Title 38 of the 1976 Code is amended by adding:

“Section 38-79-400. This article must be repealed upon the merger of the Patients’ Compensation Fund for benefit of licensed health care providers into the South Carolina Joint Underwriting Association as provided for in Section 38-79-300 on March 31, 2020.”

SECTION 5. This act takes effect upon approval by the Governor. /
Renumber sections to conform.
Amend title to conform.

Rep. SPIRES moved to table the amendment, which was agreed to.

Rep. SPIRES explained the Bill.

The question recurred to the passage of the Bill.

The yeas and nays were taken resulting as follows:
Yeas 82; Nays 19

Those who voted in the affirmative are:

Allison	Atkinson	Bailey
Ballentine	Bamberg	Bannister
Bernstein	Blackwell	Brawley
Brown	Burns	Calhoon
Caskey	Chellis	Chumley
Clary	Clemmons	Clyburn
Cobb-Hunter	Cogswell	Collins
B. Cox	Crawford	Davis
Dillard	Elliott	Felder
Finlay	Forrest	Forrester
Funderburk	Gagnon	Garvin
Gilliam	Govan	Hayes
Henderson-Myers	Henegan	Hewitt
Hixon	Hosey	Howard
Huggins	Hyde	Jefferson
Jordan	Kirby	Ligon
Loftis	Lowe	Lucas
Martin	McCravy	McKnight
Murphy	B. Newton	Norrell
Ott	Pendarvis	Pope
Ridgeway	Robinson	Rose

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Sandifer	Simmons	Simrill
Sottile	Spires	Stavrinakis
Stringer	Tallon	Taylor
Toole	West	Wheeler
Whitmire	R. Williams	S. Williams
Willis	Wooten	Young
Yow		

Total--82

Those who voted in the negative are:

Bennett	Bradley	Daning
Erickson	Fry	Gilliard
Hill	Hiott	Johnson
Kimmons	Long	Mace
Magnuson	McDaniel	McGinnis
Morgan	D. C. Moss	G. R. Smith
Trantham		

Total--19

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

STATEMENT FOR THE JOURNAL

February 21, 2019

The Honorable James H. "Jay" Lucas
Speaker of the House of Representatives
506 Blatt Building
Columbia, SC 29201

Dear Speaker Lucas,

I am notifying you that I will not participate in the debate or vote on H. 3760, which is a bill to merge the Patients' Compensation Fund with the South Carolina Medical Malpractice Joint Underwriting Association. In accordance with Section 8-13-700(B) of the SC Code, I recuse myself from voting on the Bill because of a potential conflict of interest due to an economic interest of myself and the business with which I am associated may be affected. I wish to have my recusal noted for the House Journal.

Sincerely,
Rep. G. Murrell Smith, Jr.

[HJ]

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STATEMENT FOR THE JOURNAL

February 21, 2019
The Honorable James H. "Jay" Lucas
Speaker of the House of Representatives
506 Blatt Building
Columbia, SC 29201

Dear Speaker Lucas,

I am notifying you that I will not participate in the debate or vote on H. 3760, which is a bill to merge the Patients' Compensation Fund with Section 8-13-700(B) of the SC Code, I recuse myself from voting on the Bill because of a potential conflict of interest due to an economic interest of myself and the business with which I am associated may be affected. I wish to have my recusal noted for the House Journal.

Sincerely,
Rep. W. Brian White

STATEMENT FOR THE JOURNAL

February 21, 2019
The Honorable James H. "Jay" Lucas
Speaker of the House of Representatives
506 Blatt Building
Columbia, SC 29201

Dear Speaker Lucas,

I am notifying you that I will not participate in the debate or vote on H. 3760, which is a bill to merge the Patients' Compensation Fund with the South Carolina Medical Malpractice Joint Underwriting Association. In accordance with Section 8-13-700(B) of the SC Code, I recuse myself from voting on the Bill because of a potential conflict of interest due to an economic interest of myself and the business with which I am associated may be affected. I wish to have my recusal noted for the House Journal.

Sincerely,
Rep. Westley P. "West" Cox

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OBJECTION TO MOTION

Rep. SANDIFER asked unanimous consent that H. 3760 be read a third time tomorrow.

Rep. HILL objected.

H. 3754--AMENDED AND ORDERED TO THIRD READING

The following Bill was taken up:

H. 3754 -- Reps. Sandifer, Thayer, Clemmons and Rutherford: A BILL TO AMEND SECTION 27-32-10, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO DEFINITIONS IN REGARD TO VACATION TIME-SHARING PLANS, SO AS TO DEFINE THE TERM "TIMESHARE INSTRUMENT"; TO AMEND SECTION 27-32-410 RELATING TO TIMESHARE CLOSINGS, PROCEDURES, AND RELATED PROVISIONS, SO AS TO FURTHER PROVIDE FOR WHEN A TIMESHARE CLOSING IS CONSIDERED TO HAVE OCCURRED, AND OTHER REQUIREMENTS IN REGARD TO THE CLOSING; AND BY ADDING ARTICLE 5 TO CHAPTER 32, TITLE 27, SO AS TO ENACT THE "VACATION TIME-SHARING PLAN EXTENSIONS AND TERMINATION ACT", INCLUDING PROVISIONS TO CLARIFY AND SUPPLEMENT THE PROCEDURES AND REQUIREMENTS AS TO HOW OWNERS OF VACATION TIME-SHARING INTERESTS MAY TERMINATE VACATION TIME-SHARING PLANS OR EXTEND THE TERMS OF THESE PLANS, WITH THE PROVISIONS OF ARTICLE 5 TO APPLY BOTH PROSPECTIVELY AND RETROACTIVELY.

The Committee on Labor, Commerce and Industry proposed the following Amendment No.1 to H. 3754 (COUNCIL\SD\3754 C003.NL.SD19), which was adopted:

Amend the bill, as and if amended, by adding a new section appropriately numbered to read:

/ SECTION __. Section 27-30-120(6) of the 1976 Code, as added by Act 245 of 2018, is amended to read:

“(6) ‘Homeowners association’ or ‘association’ means an entity developed to manage and maintain a planned community or horizontal property regime for which there is a declaration requiring a person, by virtue of his ownership of a separate property within the planned community or horizontal property regime, to pay assessments for a share of real estate taxes, insurance premiums, maintenance, or improvement of, or services or other expenses related to, common elements and other

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real estate described in that declaration. A 'homeowners association' or 'association' does not include a vacation timesharing plan organized and subject ~~only~~ to the provisions of Chapter 32. /

Renumber sections to conform.
Amend title to conform.

Rep. THAYER explained the amendment.
The amendment was then adopted.

Rep. THAYER explained the Bill.

The question recurred to the passage of the Bill.

The yeas and nays were taken resulting as follows:
Yeas 109; Nays 0

Those who voted in the affirmative are:

Allison	Atkinson	Bailey
Ballentine	Bannister	Bennett
Bernstein	Blackwell	Bradley
Brawley	Brown	Burns
Calhoon	Caskey	Chellis
Chumley	Clary	Clemmons
Clyburn	Cobb-Hunter	Cogswell
Collins	B. Cox	W. Cox
Crawford	Daning	Davis
Dillard	Elliott	Erickson
Felder	Finlay	Forrest
Forrester	Fry	Funderburk
Gagnon	Garvin	Gilliam
Gilliard	Govan	Hayes
Henderson-Myers	Henegan	Herbkersman
Hewitt	Hill	Hiott
Hixon	Hosey	Howard
Huggins	Hyde	Jefferson
Johnson	Jordan	Kimmons
King	Kirby	Ligon
Loftis	Long	Lowe
Lucas	Mace	Magnuson
Martin	McCoy	McCray
McDaniel	McGinnis	McKnight

[HJ]

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Moore	Morgan	D. C. Moss
Murphy	B. Newton	Norrell
Ott	Parks	Pendarvis
Pope	Ridgeway	Rivers
Robinson	Rose	Sandifer
Simmons	Simrill	G. M. Smith
G. R. Smith	Sottile	Spires
Stavrinakis	Stringer	Tallon
Taylor	Thayer	Toole
Trantham	West	Wheeler
White	R. Williams	S. Williams
Willis	Wooten	Young
Yow		

Total--109

Those who voted in the negative are:

Total--0

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

**H. 3754--ORDERED TO BE READ THIRD TIME
TOMORROW**

On motion of Rep. THAYER, with unanimous consent, it was ordered that H. 3754 be read the third time tomorrow.

**S. 358--REQUEST FOR DEBATE AND ORDERED TO THIRD
READING**

The following Bill was taken up:

S. 358 -- Senator Cromer: A BILL TO AMEND SECTION 38-31-30, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE APPLICATION OF THE SOUTH CAROLINA PROPERTY AND CASUALTY INSURANCE GUARANTY ASSOCIATION, SO AS TO APPLY THE PROVISIONS OF CHAPTER 31, TITLE 38 TO A CLAIM OR LOSS COVERED BY SELF-INSURANCE THAT OCCURRED PRIOR TO THE ACQUISITION OF A BLOCK OF BUSINESS BY A LICENSED INSURER; AND TO AMEND SECTION 42-5-20, RELATING TO INSURANCE REQUIREMENTS

[HJ]

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

Rep. HILL requested debate on the Bill.

Rep. SPIRES explained the Bill.

The yeas and nays were taken resulting as follows:

Yeas 106; Nays 0

Those who voted in the affirmative are:

Allison	Atkinson	Bailey
Ballentine	Bannister	Bennett
Bernstein	Blackwell	Bradley
Brown	Burns	Calhoon
Caskey	Chellis	Chumley
Clary	Clemmons	Clyburn
Cobb-Hunter	Cogswell	Collins
B. Cox	Crawford	Daning
Davis	Dillard	Elliott
Erickson	Felder	Forrest
Forrester	Fry	Funderburk
Gagnon	Garvin	Gilliam
Gilliard	Govan	Hayes
Henderson-Myers	Henegan	Hewitt
Hill	Hiott	Hixon
Hosey	Howard	Huggins
Hyde	Jefferson	Johnson
Jordan	Kimmons	King
Kirby	Ligon	Loftis
Long	Lowe	Lucas
Mace	Magnuson	Martin
McCoy	McCravy	McDaniel
McGinnis	McKnight	Morgan
D. C. Moss	Murphy	B. Newton

[HJ]

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Norrell	Ott	Parks
Pendarvis	Pope	Ridgeway
Rivers	Robinson	Rose
Rutherford	Sandifer	Simmons
Simrill	G. M. Smith	G. R. Smith
Sottile	Spires	Stavrinakis
Stringer	Tallon	Taylor
Thayer	Toole	Trantham
West	Wheeler	White
Whitmire	R. Williams	S. Williams
Willis	Wooten	Young
Yow		

Total--106

Those who voted in the negative are:

Total--0

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

STATEMENT FOR THE JOURNAL

February 21, 2019
The Honorable James H. "Jay" Lucas
Speaker of the House of Representatives
506 Blatt Building
Columbia, SC 29201

Dear Speaker Lucas,

I am notifying you that I will not participate in the debate or vote on S. 358, which is a bill dealing with the property and casualty insurance guaranty association. In accordance with Section 8-13-700(B) of the SC Code, I recuse myself from voting on the Bill because of a potential conflict of interest due to an economic interest of myself and the business with which I am associated may be affected. I wish to have my recusal noted for the House Journal.

Sincerely,
Rep. Westley P. "West" Cox

[HJ]

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S. 358--ORDERED TO BE READ THIRD TIME TOMORROW

On motion of Rep. SPIRES, with unanimous consent, it was ordered that S. 358 be read the third time tomorrow.

S. 75--ORDERED TO THIRD READING

The following Bill was taken up:

S. 75 -- Senator Cromer: A BILL TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING ARTICLE 9 TO CHAPTER 13, TITLE 38 SO AS TO REQUIRE AN INSURER OR AN INSURANCE GROUP TO SUBMIT A CORPORATE GOVERNANCE ANNUAL DISCLOSURE AND ESTABLISH CERTAIN REQUIREMENTS FOR THE DISCLOSURE, TO DEFINE NECESSARY TERMS, TO AUTHORIZE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE TO PROMULGATE REGULATIONS RELATED TO THE DISCLOSURE, TO PROVIDE CERTAIN CONFIDENTIALITY REQUIREMENTS FOR INFORMATION SUBMITTED TO THE DIRECTOR AND TO PROHIBIT THE DIRECTOR OR A PERSON WHO RECEIVES INFORMATION RELATED TO THE ANNUAL DISCLOSURE FROM TESTIFYING IN A PRIVATE CIVIL ACTION CONCERNING THE CONFIDENTIAL INFORMATION, TO AUTHORIZE THE DIRECTOR TO RETAIN THIRD PARTY CONSULTANTS AND PRESCRIBE CERTAIN RULES FOR THE CONSULTANTS, TO PROVIDE A PENALTY FOR AN INSURER WHO FAILS TO FILE THE CORPORATE GOVERNANCE ANNUAL DISCLOSURE, AND TO SET AN EFFECTIVE DATE; BY ADDING SECTION 38-21-295 SO AS TO AUTHORIZE THE DIRECTOR TO ACT AS THE GROUP-WIDE SUPERVISOR FOR AN INTERNATIONALLY ACTIVE INSURANCE GROUP UNDER CERTAIN CIRCUMSTANCES, TO ESTABLISH A PROCEDURE FOR THE DIRECTOR TO DETERMINE WHETHER HE MAY ACT AS THE GROUP-WIDE SUPERVISOR OR ACKNOWLEDGE ANOTHER REGULATORY OFFICIAL TO ACT AS THE GROUP-WIDE SUPERVISOR, TO AUTHORIZE THE DIRECTOR TO ENGAGE IN CERTAIN ACTIVITIES AS GROUP-WIDE SUPERVISOR, AND TO AUTHORIZE THE DIRECTOR TO PROMULGATE REGULATIONS; AND TO AMEND SECTION 38-21-10 SO AS TO DEFINE THE TERMS "DIRECTOR", "GROUP-WIDE SUPERVISOR", AND "INTERNATIONALLY ACTIVE INSURANCE GROUP".

[HJ]

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Rep. SPIRES explained the Bill.

The yeas and nays were taken resulting as follows:

Yeas 107; Nays 0

Those who voted in the affirmative are:

Allison	Atkinson	Bailey
Ballentine	Bannister	Bennett
Bernstein	Blackwell	Bradley
Brawley	Brown	Burns
Calhoon	Caskey	Chellis
Chumley	Clary	Clemmons
Clyburn	Cobb-Hunter	Cogswell
Collins	B. Cox	Crawford
Daning	Davis	Dillard
Elliott	Erickson	Felder
Finlay	Forrest	Forrester
Fry	Funderburk	Gagnon
Garvin	Gilliam	Gilliard
Govan	Hayes	Henderson-Myers
Henegan	Herbkersman	Hewitt
Hill	Hiott	Hixon
Hosey	Howard	Huggins
Hyde	Jefferson	Johnson
Jordan	Kimmons	King
Kirby	Ligon	Loftis
Long	Lowe	Lucas
Mace	Magnuson	Martin
McCoy	McCravy	McDaniel
McGinnis	McKnight	Moore
Morgan	D. C. Moss	Murphy
B. Newton	Ott	Parks
Pendarvis	Pope	Ridgeway
Rivers	Robinson	Rose
Sandifer	Simmons	Simrill
G. M. Smith	G. R. Smith	Sottile
Spires	Stavrinakis	Stringer
Tallon	Taylor	Thayer
Toole	West	Wheeler
White	Whitmire	R. Williams

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S. Williams	Willis	Wooten
Young	Yow	

Total--107

Those who voted in the negative are:

Total--0

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

STATEMENT FOR THE JOURNAL

February 21, 2019
The Honorable James H. "Jay" Lucas
Speaker of the House of Representatives
506 Blatt Building
Columbia, SC 29201

Dear Speaker Lucas,

I am notifying you that I will not participate in the debate or vote on S. 75, which is a bill to require an insurer or an insurance carrier to submit a corporate governance annual disclosure. In accordance with Section 8-13-700(B) of the SC Code, I recuse myself from voting on the Bill because of a potential conflict of interest due to an economic interest of myself and the business with which I am associated may be affected. I wish to have my recusal noted for the House Journal.

Sincerely,
Rep. Westley P. "West" Cox

S. 75--ORDERED TO BE READ THIRD TIME TOMORROW

On motion of Rep. SPIRES, with unanimous consent, it was ordered that S. 75 be read the third time tomorrow.

S. 360--AMENDED AND ORDERED TO THIRD READING

The following Bill was taken up:

S. 360 -- Senator Cromer: A BILL TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 38-47-55 SO AS TO CLARIFY THAT CERTAIN INDIVIDUALS ARE AUTHORIZED TO ADJUST FOOD SPOILAGE CLAIMS WITHOUT

[HJ]

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AN ADJUSTER'S LICENSE; BY ADDING SECTION 38-72-75 SO AS TO REQUIRE A LONG-TERM CARE INSURANCE PROVIDER TO SUBMIT ALL PREMIUM RATE SCHEDULES TO THE DEPARTMENT OF INSURANCE AND TO ESTABLISH CERTAIN PROCEDURES CONCERNING THE PREMIUM APPROVAL PROCESS; TO AMEND SECTION 38-3-110, RELATING TO THE DUTIES OF THE DIRECTOR OF THE DEPARTMENT OF INSURANCE, SO AS TO ALTER PUBLIC HEARING REQUIREMENTS; TO AMEND SECTION 38-7-20, RELATING TO INSURANCE PREMIUM TAXES, SO AS TO EXCLUDE CERTAIN FACTORS FROM THE TOTAL PREMIUM COMPUTATION; TO AMEND SECTION 38-7-60, RELATING TO THE SUBMISSION OF A RETURN OF PREMIUMS, SO AS TO REQUIRE THE SUBMISSION OF A RETURN OF PREMIUMS COLLECTED; TO AMEND SECTION 38-43-247, RELATING TO THE REPORTING OF CRIMINAL PROSECUTIONS, SO AS TO ONLY REQUIRE THE REPORTING OF CRIMINAL CONVICTIONS; TO AMEND SECTION 38-44-50, RELATING TO THE REVIEW OF A MANAGING GENERAL AGENT, SO AS TO ALTER THE SUBMISSION DATE FROM MARCH FIRST TO JUNE FIRST; TO AMEND SECTIONS 38-46-60 AND 38-46-90, BOTH RELATING TO A PARTY ENGAGED AS A REINSURANCE INTERMEDIARY-BROKER, SO AS TO ALTER THE SUBMISSION DATE OF CERTAIN DOCUMENTS FROM MARCH FIRST TO JUNE FIRST; TO AMEND SECTIONS 38-57-130, 38-57-140, AND 38-57-150, ALL RELATING TO PROHIBITED TRADE PRACTICES, SO AS TO CLARIFY THAT CERTAIN PRACTICES ARE PROHIBITED; TO AMEND SECTIONS 38-75-730 AND 38-75-1200, BOTH RELATING TO CANCELLATIONS OF PROPERTY, CASUALTY, AND TITLE INSURANCE POLICIES, SO AS TO EXTEND WHEN AN INSURER CAN CANCEL A POLICY WITHOUT CAUSE TO ONE HUNDRED TWENTY DAYS AND TO PROHIBIT AN INSURER FROM CANCELLING A POLICY OUTSIDE OF THE ONE HUNDRED TWENTY-DAY PERIOD IF THEY HAD NOTICE OF A CHANGE IN RISK PRIOR TO THE EXPIRATION OF THE ONE HUNDRED TWENTY-DAY PERIOD; TO AMEND SECTION 38-90-160, AS AMENDED, RELATING TO THE APPLICATION OF CERTAIN PROVISIONS TO CAPTIVE INSURANCE COMPANIES, SO AS TO APPLY THE SOUTH CAROLINA INSURANCE DATA SECURITY ACT TO CAPTIVE INSURANCE COMPANIES; AND TO AMEND SECTION 38-99-70, RELATING TO LICENSEES EXEMPTED

THURSDAY, FEBRUARY 21, 2019

FROM CERTAIN DATA SECURITY REQUIREMENTS, SO AS TO ONLY EXEMPT THE LICENSEES FROM THE PROVISIONS OF SECTION 38-99-20.

The Committee on Labor, Commerce and Industry proposed the following Amendment No. 1 to S. 360 (COUNCIL\CZ\360C001.JN.CZ19), which was adopted:

Amend the bill, as and if amended, by deleting SECTION 8 in its entirety and inserting:

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

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

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

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

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

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

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

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

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

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

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

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

Renumber sections to conform.

Amend title to conform.

Rep. SPIRES explained the amendment.

The amendment was then adopted.

[HJ]

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The question recurred to the passage of the Bill.

The yeas and nays were taken resulting as follows:

Yeas 103; Nays 0

Those who voted in the affirmative are:

Allison	Atkinson	Bailey
Ballentine	Bannister	Bennett
Bernstein	Blackwell	Brawley
Brown	Burns	Calhoon
Caskey	Chellis	Chumley
Clary	Clyburn	Cobb-Hunter
Cogswell	Collins	B. Cox
Crawford	Daning	Davis
Dillard	Elliott	Erickson
Finlay	Forrest	Forrester
Fry	Funderburk	Gagnon
Garvin	Gilliam	Gilliard
Govan	Hayes	Henderson-Myers
Henegan	Herbkersman	Hewitt
Hiott	Hixon	Hosey
Howard	Huggins	Hyde
Jefferson	Johnson	Jordan
Kimmons	King	Kirby
Ligon	Loftis	Long
Lowe	Lucas	Mace
Magnuson	Martin	McCrary
McDaniel	McGinnis	McKnight
Moore	Morgan	D. C. Moss
Murphy	B. Newton	Norrell
Ott	Parks	Pendarvis
Pope	Ridgeway	Robinson
Rose	Rutherford	Sandifer
Simrill	G. M. Smith	G. R. Smith
Sottile	Spires	Stavrinakis
Stringer	Tallon	Taylor
Thayer	Toole	Trantham
West	Wheeler	White
Whitmire	R. Williams	S. Williams

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Willis
Yow

Wooten

Young

Total--103

Those who voted in the negative are:

Total--0

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

STATEMENT FOR THE JOURNAL

February 21, 2019
The Honorable James H. "Jay" Lucas
Speaker of the House of Representatives
506 Blatt Building
Columbia, SC 29201

Dear Speaker Lucas,

I am notifying you that I will not participate in the debate or vote on S. 360, which is a bill to clarify that certain individuals to adjust food spoilage claims without an adjuster's license and to establish certain procedures concerning the premium approval process. In accordance with Section 8-13-700(B) of the SC Code, I recuse myself from voting on the Bill because of a potential conflict of interest due to an economic interest of myself and the business with which I am associated may be affected. I wish to have my recusal noted for the House Journal.

Sincerely,
Rep. Westley P. "West" Cox

S. 360--ORDERED TO BE READ THIRD TIME TOMORROW

On motion of Rep. SPIRES, with unanimous consent, it was ordered that S. 360 be read the third time tomorrow.

H. 3985--DEBATE ADJOURNED

The following Bill was taken up:

H. 3985 -- Reps. Lucas, G. M. Smith and Stavrinakis: A BILL TO AMEND SECTION 12-6-40, AS AMENDED, CODE OF LAWS OF

[HJ]

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SOUTH CAROLINA, 1976, RELATING TO THE APPLICATION OF THE INTERNAL REVENUE CODE TO STATE INCOME TAX LAWS, SO AS TO UPDATE THE REFERENCE TO THE INTERNAL REVENUE CODE TO THE YEAR 2018 AND TO PROVIDE THAT IF THE INTERNAL REVENUE CODE SECTIONS ADOPTED BY THIS STATE ARE EXTENDED, THEN THESE SECTIONS ALSO ARE EXTENDED FOR SOUTH CAROLINA INCOME TAX PURPOSES.

Rep. G. R. SMITH moved to adjourn debate on the Bill until Wednesday, February 27, which was agreed to.

H. 3986--DEBATE ADJOURNED

The following Bill was taken up:

H. 3986 -- Reps. G. M. Smith and Willis: A BILL TO AMEND ARTICLE 3 OF CHAPTER 5, TITLE 11, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE "ABLE SAVINGS PROGRAM" SO AS TO RENAME THE PROGRAM THE "SOUTH CAROLINA STABLE ACCOUNT PROGRAM" AND TO MAKE CONFORMING CHANGES; TO AMEND SECTION 12-6-1140, RELATING TO INCOME TAX DEDUCTIONS, SO AS TO MAKE CONFORMING CHANGES; AND TO DIRECT THE CODE COMMISSIONER TO MAKE CERTAIN CONFORMING CHANGES.

Rep. G. R. SMITH moved to adjourn debate on the Bill until Wednesday, February 27, which was agreed to.

H. 3987--ORDERED TO THIRD READING

The following Bill was taken up:

H. 3987 -- Reps. Gagnon and West: A BILL TO AMEND SECTION 7-7-30, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE DESIGNATION OF VOTING PRECINCTS IN ABBEVILLE COUNTY, SO AS TO REDESIGNATE THE MAP NUMBER ON WHICH THE NAMES OF THESE PRECINCTS MAY BE FOUND AND MAINTAINED BY THE REVENUE AND FISCAL AFFAIRS OFFICE.

THURSDAY, FEBRUARY 21, 2019

The yeas and nays were taken resulting as follows:

Yeas 101; Nays 0

Those who voted in the affirmative are:

Allison	Atkinson	Bailey
Ballentine	Bamberg	Bannister
Bennett	Bernstein	Blackwell
Bradley	Brown	Burns
Calhoon	Caskey	Chellis
Chumley	Clary	Clemmons
Clyburn	Cogswell	Collins
B. Cox	W. Cox	Crawford
Daning	Davis	Dillard
Elliott	Erickson	Felder
Finlay	Forrest	Forrester
Fry	Funderburk	Gagnon
Garvin	Gilliam	Gilliard
Govan	Hayes	Henderson-Myers
Henegan	Hewitt	Hill
Hixon	Hosey	Howard
Huggins	Hyde	Jefferson
Johnson	Jordan	Kimmons
King	Kirby	Ligon
Loftis	Long	Lowe
Lucas	Mace	Magnuson
Martin	McCoy	McCray
McDaniel	McGinnis	McKnight
Morgan	D. C. Moss	Murphy
B. Newton	Norrell	Parks
Ridgeway	Rivers	Robinson
Rose	Rutherford	Sandifer
Simrill	G. M. Smith	G. R. Smith
Sottile	Spires	Stavrinakis
Stringer	Tallon	Taylor
Thayer	Toole	West
Wheeler	White	R. Williams
S. Williams	Willis	Wooten
Young	Yow	

Total--101

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Those who voted in the negative are:

Total--0

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

**H. 3987--ORDERED TO BE READ THIRD TIME
TOMORROW**

On motion of Rep. GAGNON, with unanimous consent, it was ordered that H. 3987 be read the third time tomorrow.

RECURRENCE TO THE MORNING HOUR

Rep. BRAWLEY moved that the House recur to the morning hour, which was agreed to.

COMMITTEE APPOINTMENT

The following was received:

February 19, 2019
The Honorable Max T. Hyde, Jr.
South Carolina House of Representatives
402A Blatt Building
Columbia, South Carolina 29201

Dear Max:

It is with pleasure that I appoint you to serve on the House Judiciary Committee, effective immediately. I know that you will serve on this committee with honor and distinction.

I appreciate your willingness to serve in this capacity and for your previous service on the Medical, Military, Public and Municipal Affairs Committee. Please do not hesitate to contact me if I may be of assistance to you in any way.

Sincerely,
James H. "Jay" Lucas
Speaker of the House

Received as information.

[HJ]

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REPORTS OF STANDING COMMITTEES

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

H. 3016 -- Reps. Govan, Jefferson, S. Williams and Rivers: A CONCURRENT RESOLUTION TO REQUEST THE DEPARTMENT OF TRANSPORTATION NAME THE PORTION OF GOFF AVENUE IN THE CITY OF ORANGEBURG FROM ITS INTERSECTION WITH UNITED STATES HIGHWAY 601 TO ITS INTERSECTION WITH UNITED STATES HIGHWAY 21 "DR. H.N. TISDALE AVENUE" AND ERECT APPROPRIATE MARKERS OR SIGNS ALONG THIS PORTION OF HIGHWAY CONTAINING THIS DESIGNATION.

Ordered for consideration tomorrow.

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

H. 3011 -- Rep. Brown: A CONCURRENT RESOLUTION TO REQUEST THE DEPARTMENT OF TRANSPORTATION NAME THE BRIDGE THAT CROSSES STORE CREEK ALONG SOUTH CAROLINA HIGHWAY 174 IN CHARLESTON COUNTY THE "REVEREND TONY L. DAISE BRIDGE" AND ERECT APPROPRIATE MARKERS OR SIGNS AT THIS BRIDGE CONTAINING THIS DESIGNATION.

Ordered for consideration tomorrow.

Rep. MCCOY, from the Committee on Judiciary, submitted a favorable report on:

H. 3370 -- Reps. Clary, Elliott, Bernstein, Kirby, Cobb-Hunter, Crawford, Murphy, Kimmons and Chellis: A BILL TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 16-3-1656 SO AS TO REQUIRE NONPROFIT VICTIM ASSISTANCE ORGANIZATIONS THAT SERVE VICTIMS OF DOMESTIC VIOLENCE AND SEXUAL ASSAULT TO PROTECT THE CONFIDENTIALITY AND PRIVACY OF CLIENTS, WITH EXCEPTIONS; AND BY ADDING SECTION 19-11-110 SO AS TO PROHIBIT EMPLOYEES, AGENTS, AND VOLUNTEERS OF SUCH ORGANIZATIONS FROM TESTIFYING IN ACTIONS OR PROCEEDINGS ABOUT COMMUNICATIONS MADE BY A

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CLIENT OR RECORDS KEPT DURING THE COURSE OF PROVIDING SERVICES TO THE CLIENT, WITH EXCEPTIONS, AND FOR OTHER PURPOSES.

Ordered for consideration tomorrow.

Rep. MCCOY, from the Committee on Judiciary, submitted a favorable report on:

H. 3362 -- Reps. Pendarvis, Weeks and Wheeler: A BILL TO AMEND SECTION 56-1-1020, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE DEFINITION OF THE TERM "HABITUAL OFFENDER", SO AS TO PROVIDE THE SUSPENSION OF A PERSON'S DRIVER'S LICENSE FOR FAILURE TO PAY A TRAFFIC TICKET SHALL NOT CONSTITUTE A CONVICTION OF AN OFFENSE THAT WOULD RESULT IN THE PERSON BEING CONSIDERED AN "HABITUAL OFFENDER".

Ordered for consideration tomorrow.

Rep. MCCOY, from the Committee on Judiciary, submitted a favorable report on:

H. 3916 -- Reps. Murphy, Chellis, Kimmons, Simrill and Pope: A BILL TO AMEND SECTION 12-37-2615, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO PENALTIES FOR FAILURE TO REGISTER A MOTOR VEHICLE, SO AS TO PROVIDE THAT A PERSON WHO FAILS TO REGISTER A MOTOR VEHICLE IS GUILTY OF A MISDEMEANOR AND, UPON CONVICTION, MUST BE FINED FIVE HUNDRED DOLLARS OR IMPRISONED FOR A PERIOD NOT TO EXCEED THIRTY DAYS, OR BOTH.

Ordered for consideration tomorrow.

Rep. HOWARD, from the Committee on Medical, Military, Public and Municipal Affairs, submitted a favorable report on:

H. 3101 -- Reps. G. M. Smith, Hosey, Thayer, Yow, Erickson, Bradley, McCravy, W. Newton, Huggins and W. Cox: A BILL TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, TO ENACT THE "INTERSTATE MEDICAL LICENSURE COMPACT" BY ADDING ARTICLE 3 TO CHAPTER 47, TITLE 40 SO AS TO PROVIDE FOR THE ENTRY OF SOUTH CAROLINA INTO A

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MULTISTATE PHYSICIAN LICENSURE COMPACT, TO PROVIDE FOR THE RECIPROCAL PRACTICE OF MEDICINE AMONG THE STATES THAT ARE PARTIES TO THE COMPACT, TO PROVIDE STANDARDS AND PROCEDURES APPLICABLE TO PRACTICING MEDICINE IN OTHER STATES PURSUANT TO THE COMPACT, TO PROVIDE FOR A COORDINATED LICENSURE INFORMATION SYSTEM FOR SHARING DATA AMONG COMPACT STATES, AND TO PROVIDE PROCEDURES FOR DISPUTE RESOLUTIONS, DISCIPLINARY ACTIONS, AND TERMINATION OF MEMBERSHIPS.

Ordered for consideration tomorrow.

Rep. HOWARD, from the Committee on Medical, Military, Public and Municipal Affairs, submitted a favorable report with amendments on:

H. 3438 -- Reps. Pitts, McCravy, B. Cox, Huggins, Cobb-Hunter, Hixon, W. Cox, Taylor and Davis: A BILL TO AMEND SECTION 25-11-10, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE DIVISION OF VETERANS AFFAIRS, SO AS TO ESTABLISH THE DIVISION WITHIN THE EXECUTIVE BRANCH OF GOVERNMENT, TO PROVIDE THAT THE DIRECTOR MUST BE APPOINTED BY THE GOVERNOR AND CONFIRMED BY THE GENERAL ASSEMBLY, AND TO ENUMERATE THE DIVISION'S POWERS AND DUTIES; TO AMEND SECTION 25-11-20, RELATING TO THE DIRECTOR OF THE DIVISION OF VETERANS AFFAIRS, SO AS TO ENUMERATE SPECIFIC DUTIES; AND TO AMEND SECTION 25-11-40, RELATING TO THE APPOINTMENT, REMOVAL, TRAINING, AND ACCREDITATION OF COUNTY VETERANS AFFAIRS OFFICERS, SO AS TO REVISE THE DEFINITION OF "VETERAN" FOR PURPOSES OF APPOINTING COUNTY VETERANS AFFAIRS OFFICERS, TO ELIMINATE THE AUTHORITY TO APPOINT NONVETERANS TO SERVE AS COUNTY VETERANS AFFAIRS OFFICERS, TO PROVIDE AN EXCEPTION FOR PERSONS CURRENTLY SERVING AS COUNTY VETERANS AFFAIRS OFFICERS, AND TO REMOVE LOCAL NONCONFORMING PROVISIONS.

Ordered for consideration tomorrow.

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Rep. HOWARD, from the Committee on Medical, Military, Public and Municipal Affairs, submitted a favorable report on:

H. 3726 -- Reps. Weeks, Fry, Alexander, Dillard, Erickson, Hewitt, Huggins, Norrell, Pendarvis, Ridgeway, Rutherford, Spires, Trantham, West, Wooten, Yow, Henegan, Daning and Cogswell: A BILL TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTIONS 17-5-135 AND 17-5-250 SO AS TO REQUIRE, AMONG OTHERS, CORONERS AND MEDICAL EXAMINERS TO COMPLETE CONTINUING EDUCATION ON THE IDENTIFICATION OF DEATHS CAUSED BY OPIATES.

Ordered for consideration tomorrow.

Rep. HOWARD, from the Committee on Medical, Military, Public and Municipal Affairs, submitted a favorable report with amendments on:

S. 80 -- Senator Sheheen: A JOINT RESOLUTION TO AMEND SECTION 3 OF ACT 289 OF 2018, RELATING TO THE SOUTH CAROLINA AMERICAN REVOLUTION SESTERCENTENNIAL COMMISSION, TO PROVIDE FOR THE MEMBERSHIP OF THE COMMISSION.

Ordered for consideration tomorrow.

Rep. HOWARD, from the Committee on Medical, Military, Public and Municipal Affairs, submitted a favorable report on:

S. 327 -- Senator Shealy: A BILL TO AMEND SECTION 1-25-60(A)(5)(b) OF THE 1976 CODE, RELATING TO THE STATE INTERAGENCY PLANNING AND EVALUATION ADVISORY COMMITTEE, TO REDESIGNATE THE GENERAL COMMITTEE AS THE FAMILY AND VETERANS' SERVICES COMMITTEE.

Ordered for consideration tomorrow.

HOUSE RESOLUTION

The following was introduced:

H. 4032 -- Reps. Hiott, Alexander, Allison, Anderson, Atkinson, Bailey, Bales, Ballentine, Bamberg, Bannister, Bennett, Bernstein, Blackwell, Bradley, Brawley, Brown, Bryant, Burns, Calhoon, Caskey, Chellis, Chumley, Clary, Clemmons, Clyburn, Cobb-Hunter, Cogswell,

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Collins, B. Cox, W. Cox, Crawford, Daning, Davis, Dillard, Elliott, Erickson, Felder, Finlay, Forrest, Forrester, Fry, Funderburk, Gagnon, Garvin, Gilliam, Gilliard, Govan, Hardee, Hart, Hayes, Henderson-Myers, Henegan, Herbkersman, Hewitt, Hill, Hixon, Hosey, Howard, Huggins, Hyde, Jefferson, Johnson, Jordan, Kimmons, King, Kirby, Ligon, Loftis, Long, Lowe, Lucas, Mace, Mack, Magnuson, Martin, McCoy, McCravy, McDaniel, McGinnis, McKnight, Moore, Morgan, D. C. Moss, V. S. Moss, Murphy, B. Newton, W. Newton, Norrell, Ott, Parks, Pendarvis, Pope, Ridgeway, Rivers, Robinson, Rose, Rutherford, Sandifer, Simmons, Simrill, G. M. Smith, G. R. Smith, Sottile, Spires, Stavrinakis, Stringer, Tallon, Taylor, Thayer, Thigpen, Toole, Trantham, Weeks, West, Wheeler, White, Whitmire, R. Williams, S. Williams, Willis, Wooten, Young and Yow: A HOUSE RESOLUTION TO RECOGNIZE AND COMMEND THE LEADERSHIP AND MEMBERS OF SOUTH CAROLINA 4-H AND TO DECLARE TUESDAY, MARCH 12, 2019, AS 4-H DAY AT THE STATE CAPITOL.

The Resolution was adopted.

HOUSE RESOLUTION

The following was introduced:

H. 4033 -- Reprs. Ridgeway, Alexander, Allison, Anderson, Atkinson, Bailey, Bales, Ballentine, Bamberg, Bannister, Bennett, Bernstein, Blackwell, Bradley, Brawley, Brown, Bryant, Burns, Calhoon, Caskey, Chellis, Chumley, Clary, Clemmons, Clyburn, Cobb-Hunter, Cogswell, Collins, B. Cox, W. Cox, Crawford, Daning, Davis, Dillard, Elliott, Erickson, Felder, Finlay, Forrest, Forrester, Fry, Funderburk, Gagnon, Garvin, Gilliam, Gilliard, Govan, Hardee, Hart, Hayes, Henderson-Myers, Henegan, Herbkersman, Hewitt, Hill, Hiott, Hixon, Hosey, Howard, Huggins, Hyde, Jefferson, Johnson, Jordan, Kimmons, King, Kirby, Ligon, Loftis, Long, Lowe, Lucas, Mace, Mack, Magnuson, Martin, McCoy, McCravy, McDaniel, McGinnis, McKnight, Moore, Morgan, D. C. Moss, V. S. Moss, Murphy, B. Newton, W. Newton, Norrell, Ott, Parks, Pendarvis, Pope, Rivers, Robinson, Rose, Rutherford, Sandifer, Simmons, Simrill, G. M. Smith, G. R. Smith, Sottile, Spires, Stavrinakis, Stringer, Tallon, Taylor, Thayer, Thigpen, Toole, Trantham, Weeks, West, Wheeler, White, Whitmire, R. Williams, S. Williams, Willis, Wooten, Young and Yow: A HOUSE RESOLUTION TO RECOGNIZE AND HONOR THE LAURENCE

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MANNING ACADEMY BOWLING TEAM, COACHES, AND SCHOOL OFFICIALS FOR A REMARKABLE SEASON AND TO CONGRATULATE THEM FOR WINNING THE 2019 SOUTH CAROLINA INDEPENDENT SCHOOL ASSOCIATION STATE CHAMPIONSHIP TITLE.

The Resolution was adopted.

HOUSE RESOLUTION

The following was introduced:

H. 4034 -- Rep. Ridgeway: A HOUSE RESOLUTION TO EXTEND THE PRIVILEGE OF THE FLOOR OF THE SOUTH CAROLINA HOUSE OF REPRESENTATIVES TO THE LAURENCE MANNING ACADEMY BOWLING TEAM OF CLARENDON COUNTY WITH THE TEAM COACHES AND SCHOOL OFFICIALS, AT A DATE AND TIME TO BE DETERMINED BY THE SPEAKER, FOR THE PURPOSE OF BEING RECOGNIZED AND COMMENDED FOR CAPTURING THE 2019 SOUTH CAROLINA INDEPENDENT SCHOOL ASSOCIATION STATE CHAMPIONSHIP TITLE.

Be it resolved by the House of Representatives:

That the privilege of the floor of the South Carolina House of Representatives be extended to the Laurence Manning Academy bowling team of Clarendon County with the team coaches and school officials, at a date and time to be determined by the Speaker, for the purpose of being recognized and commended for capturing the 2019 South Carolina Independent School Association State Championship title.

The Resolution was adopted.

HOUSE RESOLUTION

The following was introduced:

H. 4035 -- Reps. G. R. Smith, Willis, Alexander, Allison, Anderson, Atkinson, Bailey, Bales, Ballentine, Bamberg, Bannister, Bennett, Bernstein, Blackwell, Bradley, Brawley, Brown, Bryant, Burns, Calhoon, Caskey, Chellis, Chumley, Clary, Clemmons, Clyburn, Cobb-Hunter, Cogswell, Collins, B. Cox, W. Cox, Crawford, Daning, Davis,

[HJ]

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Dillard, Elliott, Erickson, Felder, Finlay, Forrest, Forrester, Fry, Funderburk, Gagnon, Garvin, Gilliam, Gilliard, Govan, Hardee, Hart, Hayes, Henderson-Myers, Henegan, Herbkersman, Hewitt, Hill, Hiott, Hixon, Hosey, Howard, Huggins, Hyde, Jefferson, Johnson, Jordan, Kimmons, King, Kirby, Ligon, Loftis, Long, Lowe, Lucas, Mace, Mack, Magnuson, Martin, McCoy, McCravy, McDaniel, McGinnis, McKnight, Moore, Morgan, D. C. Moss, V. S. Moss, Murphy, B. Newton, W. Newton, Norrell, Ott, Parks, Pendarvis, Pope, Ridgeway, Rivers, Robinson, Rose, Rutherford, Sandifer, Simmons, Simrill, G. M. Smith, Sottile, Spires, Stavrinakis, Stringer, Tallon, Taylor, Thayer, Thigpen, Toole, Trantham, Weeks, West, Wheeler, White, Whitmire, R. Williams, S. Williams, Wooten, Young and Yow: A HOUSE RESOLUTION TO RECOGNIZE AND HONOR THE HILLCREST HIGH SCHOOL WRESTLING TEAM, COACHES, AND SCHOOL OFFICIALS FOR A REMARKABLE SEASON AND TO CONGRATULATE THEM FOR WINNING THE 2019 SOUTH CAROLINA CLASS AAAAA STATE CHAMPIONSHIP TITLE.

The Resolution was adopted.

HOUSE RESOLUTION

The following was introduced:

H. 4036 -- Reps. G. R. Smith and Willis: A HOUSE RESOLUTION TO EXTEND THE PRIVILEGE OF THE FLOOR OF THE SOUTH CAROLINA HOUSE OF REPRESENTATIVES TO THE HILLCREST HIGH SCHOOL WRESTLING TEAM OF GREENVILLE COUNTY WITH THE TEAM, COACHES, AND SCHOOL OFFICIALS, AT A DATE AND TIME TO BE DETERMINED BY THE SPEAKER, FOR THE PURPOSE OF BEING RECOGNIZED AND COMMENDED FOR CAPTURING THE 2019 SOUTH CAROLINA CLASS AAAAA STATE CHAMPIONSHIP TITLE.

Be it resolved by the House of Representatives:

That the privilege of the floor of the South Carolina House of Representatives be extended to the Hillcrest High School wrestling team of Greenville County with the team, coaches, and school officials, at a date and time to be determined by the Speaker, for the purpose of being

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recognized and commended for capturing the 2019 South Carolina Class AAAAA State Championship title.

The Resolution was adopted.

HOUSE RESOLUTION

The following was introduced:

H. 4037 -- Reps. S. Williams, McDaniel, Simmons, Henegan, Garvin, Rivers and Herbkersman: A HOUSE RESOLUTION TO COMMEND ANTIOCH EDUCATIONAL CENTER IN JASPER COUNTY AND THE DESIGNERS OF PEEKA FOR THEIR SUCCESSFUL EFFORTS TO LAUNCH THE NATION'S FIRST DISTRICT-WIDE USE OF THE PEEKA VIRTUAL REALITY LEARNING TOOL IN THE JASPER COUNTY SCHOOL DISTRICT.

The Resolution was adopted.

HOUSE RESOLUTION

The following was introduced:

H. 4038 -- Reps. Blackwell, Clyburn, Hixon, Taylor and Young: A HOUSE RESOLUTION TO EXPRESS THE PROFOUND SORROW OF THE MEMBERS OF THE SOUTH CAROLINA HOUSE OF REPRESENTATIVES UPON THE DEATH OF AIKEN COUNTY CORONER TIMOTHY "TIM" CARLTON AND TO EXTEND THE DEEPEST SYMPATHY TO HIS FAMILY AND MANY FRIENDS.

The Resolution was adopted.

HOUSE RESOLUTION

The following was introduced:

H. 4039 -- Reps. Mace, Alexander, Allison, Anderson, Atkinson, Bailey, Bales, Ballentine, Bamberg, Bannister, Bennett, Bernstein, Blackwell, Bradley, Brawley, Brown, Bryant, Burns, Calhoon, Caskey, Chellis, Chumley, Clary, Clemmons, Clyburn, Cobb-Hunter, Cogswell, Collins, B. Cox, W. Cox, Crawford, Daning, Davis, Dillard, Elliott, Erickson, Felder, Finlay, Forrest, Forrester, Fry, Funderburk, Gagnon, Garvin, Gilliam, Gilliard, Govan, Hardee, Hart, Hayes, Henderson-Myers, Henegan, Herbkersman, Hewitt, Hill, Hiott, Hixon, Hosey,

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Howard, Huggins, Hyde, Jefferson, Johnson, Jordan, Kimmons, King, Kirby, Ligon, Loftis, Long, Lowe, Lucas, Mack, Magnuson, Martin, McCoy, McCravy, McDaniel, McGinnis, McKnight, Moore, Morgan, D. C. Moss, V. S. Moss, Murphy, B. Newton, W. Newton, Norrell, Ott, Parks, Pendarvis, Pope, Ridgeway, Rivers, Robinson, Rose, Rutherford, Sandifer, Simmons, Simrill, G. M. Smith, G. R. Smith, Sottile, Spires, Stavrinakis, Stringer, Tallon, Taylor, Thayer, Thigpen, Toole, Trantham, Weeks, West, Wheeler, White, Whitmire, R. Williams, S. Williams, Willis, Wooten, Young and Yow: A HOUSE RESOLUTION TO RECOGNIZE AND HONOR MARY WHYTE, ACCLAIMED AMERICAN ARTIST, AND TO CONGRATULATE HER FOR HER NATIONAL EXHIBITION, WE THE PEOPLE: PORTRAITS OF VETERANS IN AMERICA.

The Resolution was adopted.

HOUSE RESOLUTION

The following was introduced:

H. 4040 -- Reps. R. Williams, Alexander, Allison, Anderson, Atkinson, Bailey, Bales, Ballentine, Bamberg, Bannister, Bennett, Bernstein, Blackwell, Bradley, Brawley, Brown, Bryant, Burns, Calhoon, Caskey, Chellis, Chumley, Clary, Clemmons, Clyburn, Cobb-Hunter, Cogswell, Collins, B. Cox, W. Cox, Crawford, Daning, Davis, Dillard, Elliott, Erickson, Felder, Finlay, Forrest, Forrester, Fry, Funderburk, Gagnon, Garvin, Gilliam, Gilliard, Govan, Hardee, Hart, Hayes, Henderson-Myers, Henegan, Herbkersman, Hewitt, Hill, Hiott, Hixon, Hosey, Howard, Huggins, Hyde, Jefferson, Johnson, Jordan, Kimmons, King, Kirby, Ligon, Loftis, Long, Lowe, Lucas, Mace, Mack, Magnuson, Martin, McCoy, McCravy, McDaniel, McGinnis, McKnight, Moore, Morgan, D. C. Moss, V. S. Moss, Murphy, B. Newton, W. Newton, Norrell, Ott, Parks, Pendarvis, Pope, Ridgeway, Rivers, Robinson, Rose, Rutherford, Sandifer, Simmons, Simrill, G. M. Smith, G. R. Smith, Sottile, Spires, Stavrinakis, Stringer, Tallon, Taylor, Thayer, Thigpen, Toole, Trantham, Weeks, West, Wheeler, White, Whitmire, S. Williams, Willis, Wooten, Young and Yow: A HOUSE RESOLUTION TO CONGRATULATE LEO BONAPARTE OF FLORENCE ON THE OCCASION OF HIS EIGHTIETH BIRTHDAY AND TO WISH HIM A JOYOUS BIRTHDAY CELEBRATION AND MUCH HAPPINESS IN THE DAYS AHEAD.

The Resolution was adopted.

[HJ]

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HOUSE RESOLUTION

The following was introduced:

H. 4055 -- Rep. Govan: A HOUSE RESOLUTION TO CONGRATULATE THE SOUTH CAROLINA STATE UNIVERSITY NATIONAL ALUMNI ASSOCIATION ON ONE HUNDRED YEARS OF SERVICE.

The Resolution was adopted.

HOUSE RESOLUTION

The following was introduced:

H. 4056 -- Reps. Govan, Alexander, Anderson, Bamberg, Brawley, Brown, Clyburn, Dillard, Garvin, Gilliard, Hart, Henderson-Myers, Henegan, Hosey, Howard, Jefferson, King, Mack, McDaniel, McKnight, Moore, Parks, Pendarvis, Rivers, Robinson, Rutherford, Simmons, Thigpen, Weeks, R. Williams and S. Williams: A HOUSE RESOLUTION TO HONOR THE LIFE AND ACHIEVEMENTS OF PIONEER AFRICAN-AMERICAN AVIATOR SHIRLEY TYUS, A NATIVE OF SPARTANBURG.

The Resolution was adopted.

HOUSE RESOLUTION

The following was introduced:

H. 4057 -- Reps. Govan, Alexander, Anderson, Bamberg, Brawley, Brown, Clyburn, Dillard, Garvin, Gilliard, Hart, Henderson-Myers, Henegan, Hosey, Howard, Jefferson, Johnson, King, Mack, McDaniel, McKnight, Moore, Parks, Pendarvis, Rivers, Robinson, Rutherford, Simmons, Thigpen, Weeks, R. Williams and S. Williams: A HOUSE RESOLUTION TO RECOGNIZE AND HONOR ISAAC W. WILLIAMS, FOR HIS MANY AND ONGOING CONTRIBUTIONS TO THE CIVIL RIGHTS MOVEMENT IN THE STATE OF SOUTH CAROLINA.

The Resolution was adopted.

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CONCURRENT RESOLUTION

The following was introduced:

H. 4041 -- Reps. Ligon, Alexander, Allison, Anderson, Atkinson, Bailey, Bales, Ballentine, Bamberg, Bannister, Bennett, Bernstein, Blackwell, Bradley, Brawley, Brown, Bryant, Burns, Calhoun, Caskey, Chellis, Chumley, Clary, Clemmons, Clyburn, Cobb-Hunter, Cogswell, Collins, B. Cox, W. Cox, Crawford, Daning, Davis, Dillard, Elliott, Erickson, Felder, Finlay, Forrest, Forrester, Fry, Funderburk, Gagnon, Garvin, Gilliam, Gilliard, Govan, Hardee, Hart, Hayes, Henderson-Myers, Henegan, Herbkersman, Hewitt, Hill, Hiott, Hixon, Hosey, Howard, Huggins, Hyde, Jefferson, Johnson, Jordan, Kimmons, King, Kirby, Loftis, Long, Lowe, Lucas, Mace, Mack, Magnuson, Martin, McCoy, McCravy, McDaniel, McGinnis, McKnight, Moore, Morgan, D. C. Moss, V. S. Moss, Murphy, B. Newton, W. Newton, Norrell, Ott, Parks, Pendarvis, Pope, Ridgeway, Rivers, Robinson, Rose, Rutherford, Sandifer, Simmons, Simrill, G. M. Smith, G. R. Smith, Sottile, Spires, Stavrinakis, Stringer, Tallon, Taylor, Thayer, Thigpen, Toole, Trantham, Weeks, West, Wheeler, White, Whitmire, R. Williams, S. Williams, Willis, Wooten, Young and Yow: A CONCURRENT RESOLUTION TO AUTHORIZE PALMETTO BOYS STATE TO USE THE CHAMBERS OF THE SOUTH CAROLINA HOUSE OF REPRESENTATIVES AND SENATE FOR ITS ANNUAL STATE HOUSE MEETING ON FRIDAY, JUNE 14, 2019, HOWEVER, THE CHAMBERS MAY NOT BE USED IF THE GENERAL ASSEMBLY IS IN SESSION OR THE CHAMBERS ARE OTHERWISE UNAVAILABLE.

Be it resolved by the House of Representatives, the Senate concurring:

That the members of the South Carolina General Assembly, by this resolution, authorize Palmetto Boys State to use the chambers of the South Carolina House of Representatives and Senate for its annual State House meeting on Friday, June 14, 2019. However, the chambers may not be used if the General Assembly is in session or the chambers are otherwise unavailable.

Be it further resolved that the State House security forces shall provide assistance and access as necessary for this meeting in accordance with previous procedures.

[HJ]

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Be it further resolved that no charges may be made for the use of the House and Senate chambers by Palmetto Boys State on this date.

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

CONCURRENT RESOLUTION

The following was introduced:

H. 4042 -- Reps. R. Williams, Alexander, Allison, Anderson, Atkinson, Bailey, Bales, Ballentine, Bamberg, Bannister, Bennett, Bernstein, Blackwell, Bradley, Brawley, Brown, Bryant, Burns, Calhoun, Caskey, Chellis, Chumley, Clary, Clemmons, Clyburn, Cobb-Hunter, Cogswell, Collins, B. Cox, W. Cox, Crawford, Daning, Davis, Dillard, Elliott, Erickson, Felder, Finlay, Forrest, Forrester, Fry, Funderburk, Gagnon, Garvin, Gilliam, Gilliard, Govan, Hardee, Hart, Hayes, Henderson-Myers, Henegan, Herbkersman, Hewitt, Hill, Hiott, Hixon, Hosey, Howard, Huggins, Hyde, Jefferson, Johnson, Jordan, Kimmons, King, Kirby, Ligon, Loftis, Long, Lowe, Lucas, Mace, Mack, Magnuson, Martin, McCoy, McCravy, McDaniel, McGinnis, McKnight, Moore, Morgan, D. C. Moss, V. S. Moss, Murphy, B. Newton, W. Newton, Norrell, Ott, Parks, Pendarvis, Pope, Ridgeway, Rivers, Robinson, Rose, Rutherford, Sandifer, Simmons, Simrill, G. M. Smith, G. R. Smith, Sottile, Spires, Stavrinakis, Stringer, Tallon, Taylor, Thayer, Thigpen, Toole, Trantham, Weeks, West, Wheeler, White, Whitmire, S. Williams, Willis, Wooten, Young and Yow: A CONCURRENT RESOLUTION TO RECOGNIZE AND COMMEND MRS. VANESSA TURNER MAYBANK FOR HER SUPPORT IN IDENTIFYING AND PRESERVING THE CONTRIBUTIONS OF THE STATE'S AFRICAN AMERICANS THROUGH HER SERVICE AS A CHARTER MEMBER OF THE SOUTH CAROLINA AFRICAN AMERICAN HERITAGE COMMISSION.

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

CONCURRENT RESOLUTION

The following was introduced:

H. 4043 -- Reps. R. Williams, Alexander, Allison, Anderson, Atkinson, Bailey, Bales, Ballentine, Bamberg, Bannister, Bennett,

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Bernstein, Blackwell, Bradley, Brawley, Brown, Bryant, Burns, Calhoon, Caskey, Chellis, Chumley, Clary, Clemmons, Clyburn, Cobb-Hunter, Cogswell, Collins, B. Cox, W. Cox, Crawford, Daning, Davis, Dillard, Elliott, Erickson, Felder, Finlay, Forrest, Forrester, Fry, Funderburk, Gagnon, Garvin, Gilliam, Gilliard, Govan, Hardee, Hart, Hayes, Henderson-Myers, Henegan, Herbkersman, Hewitt, Hill, Hiott, Hixon, Hosey, Howard, Huggins, Hyde, Jefferson, Johnson, Jordan, Kimmons, King, Kirby, Ligon, Loftis, Long, Lowe, Lucas, Mace, Mack, Magnuson, Martin, McCoy, McCravy, McDaniel, McGinnis, McKnight, Moore, Morgan, D. C. Moss, V. S. Moss, Murphy, B. Newton, W. Newton, Norrell, Ott, Parks, Pendarvis, Pope, Ridgeway, Rivers, Robinson, Rose, Rutherford, Sandifer, Simmons, Simrill, G. M. Smith, G. R. Smith, Sottile, Spires, Stavrinakis, Stringer, Tallon, Taylor, Thayer, Thigpen, Toole, Trantham, Weeks, West, Wheeler, White, Whitmire, S. Williams, Willis, Wooten, Young and Yow: A CONCURRENT RESOLUTION TO RECOGNIZE AND COMMEND DR. KARRY GUILLORY FOR HIS SUPPORT IN IDENTIFYING AND PRESERVING THE CONTRIBUTIONS OF THE STATE'S AFRICAN AMERICANS THROUGH HIS SERVICE AS A CHARTER MEMBER OF THE SOUTH CAROLINA AFRICAN AMERICAN HERITAGE COMMISSION.

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

INTRODUCTION OF BILLS

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

H. 4044 -- Reps. Fry, Long, Hill, Finlay, Crawford, McGinnis, B. Newton, Clemmons, Bennett, Davis, Johnson, Hardee and Martin: A BILL TO AMEND SECTION 7-5-170, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE NECESSITY OF WRITTEN VOTER REGISTRATION APPLICATIONS, SO AS TO REQUIRE THE STATE ELECTION COMMISSION TO AMEND THE SOUTH CAROLINA VOTER REGISTRATION APPLICATION FORM BY ADDING APPROPRIATELY SIZED CHECK BOXES IN WHICH REGISTRANTS VOLUNTARILY MAY DISCLOSE THEIR POLITICAL PARTY AFFILIATION; TO REQUIRE THE STATE ELECTION COMMISSION TO MAINTAIN A RECORD OF THE VOLUNTARY, SELF-IDENTIFIED POLITICAL PARTY

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AFFILIATIONS DISCLOSED PURSUANT TO THIS ACT, AND TO PROVIDE THAT THIS RECORD IS SUBJECT TO DISCLOSURE PURSUANT TO THE FREEDOM OF INFORMATION ACT; AND TO PROVIDE THAT THE VOLUNTARY, SELF-IDENTIFICATION OF ONE'S POLITICAL PARTY AFFILIATION PURSUANT TO THIS ACT MAY NOT BE USED TO RESTRICT PRIMARY VOTING.

Referred to Committee on Judiciary

H. 4045 -- Reps. King and Henegan: A BILL TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING ARTICLE 11 TO CHAPTER 3, TITLE 23 SO AS TO PROVIDE THE STATE LAW ENFORCEMENT DIVISION (SLED) SHALL ESTABLISH A HATE CRIMES DATABASE AND PROVIDE SLED MAY PROMULGATE REGULATIONS TO CARRY OUT THE PROVISIONS OF THIS ARTICLE.

Referred to Committee on Judiciary

H. 4046 -- Reps. Fry, Long, Crawford, B. Newton, Bennett, Clemmons, Davis, McCravy, Finlay, Gagnon, Hill and Martin: A BILL TO AMEND SECTION 7-9-70, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE REQUIRED NOTICES OF COUNTY CONVENTIONS, SO AS TO ELIMINATE THE REQUIREMENT THAT A COUNTY COMMITTEE PUBLISH CERTAIN NOTICES REGARDING COUNTY CONVENTIONS IN A NEWSPAPER HAVING GENERAL CIRCULATION IN THE COUNTY.

Referred to Committee on Judiciary

H. 4047 -- Reps. Fry, Yow, West, Caskey, McCravy, Crawford, McGinnis, B. Newton, McCoy, Bennett, Clemmons, Hardee, Davis, Johnson, Finlay, Gagnon, Hiott, Long and Martin: A BILL TO AMEND SECTION 7-11-10, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO METHODS OF NOMINATING CANDIDATES, SO AS TO PROHIBIT A CANDIDATE FROM FILING MORE THAN ONE STATEMENT OF INTENTION OF CANDIDACY FOR A SINGLE ELECTION, AND TO PROHIBIT A CANDIDATE FROM BEING NOMINATED BY MORE THAN ONE POLITICAL PARTY FOR A SINGLE OFFICE IN AN ELECTION; AND TO AMEND SECTION 7-13-320, RELATING TO BALLOTS AND

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SPECIFICATIONS, SO AS TO PROHIBIT A CANDIDATE'S NAME FROM APPEARING ON THE BALLOT MORE THAN ONCE.

Referred to Committee on Judiciary

H. 4048 -- Reps. Garvin, King, Henegan, Cobb-Hunter, Govan, Mack, McKnight, Thigpen, Rivers, Robinson, Atkinson, Kirby, Bales, Bailey, Parks, Alexander, McDaniel, Clyburn, Jefferson, S. Williams, R. Williams, Ott, Moore, Norrell, Rose, Pendarvis, Simmons, Howard, Henderson-Myers, Hosey, Brawley, Bernstein, Bamberg, Brown, Dillard, Funderburk, Hart, Hayes, Mace, Weeks and Wheeler: A BILL TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 24-3-185 SO AS TO PROVIDE THE DEPARTMENT OF CORRECTIONS SHALL PROVIDE AN INMATE CERTAIN INFORMATION WITH REGARD TO THE RESTORATION OF HIS VOTING RIGHTS ONCE HE IS RELEASED FROM THE CUSTODY OF THE DEPARTMENT.

Referred to Committee on Judiciary

H. 4049 -- Reps. Stavrinakis and Clary: A BILL TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 16-17-780 SO AS TO CREATE THE CRIMINAL OFFENSE OF UNLAWFUL PERMITTING.

Referred to Committee on Judiciary

H. 4050 -- Rep. Brown: A BILL TO AMEND SECTION 59-20-50, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE TEACHER SALARY SCHEDULE, SO AS TO REQUIRE A TEN PERCENT INCREASE IN EACH STEP ON THE SCHEDULE.

Referred to Committee on Ways and Means

H. 4051 -- Reps. Murphy, Pendarvis, Gilliard, Simmons, Moore and Chellis: A BILL TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 58-17-155 SO AS TO PROVIDE THAT PRIOR TO COMMENCING REPAIRS, REHABILITATION, OR MAINTENANCE OF A PUBLIC RAILROAD CROSSING THAT REQUIRES THE CLOSURE OR BLOCKAGE OF THE CROSSING TO MOTOR VEHICLE TRAFFIC, THE RAILROAD CORPORATION OR RAILROAD COMPANY INITIATING THE REPAIRS, REHABILITATION, OR MAINTENANCE SHALL NOTIFY THE AFFECTED LOCAL GOVERNMENTAL ENTITY NOT LESS THAN SEVENTY-TWO

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HOURS BEFORE THE FREE MOVEMENT OF MOTOR VEHICLES IS INFRINGED UPON OR BLOCKED, TO DEFINE RELEVANT TERMS, AND TO PROHIBIT RAILROAD CORPORATIONS OR RAILROAD COMPANIES FROM CLOSING, BLOCKING, OR OBSTRUCTING PUBLIC RAILROAD CROSSINGS FOR REPAIRS, REHABILITATION, OR MAINTENANCE BETWEEN THE HOURS OF 6:00 A.M. AND 8:00 P.M.

Referred to Committee on Education and Public Works

H. 4052 -- Reps. Johnson, Fry, Hardee, Bailey and McGinnis: A BILL TO AMEND SECTION 62-5-103, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO PAYMENT OR DELIVERY TO A MINOR OR INCAPACITATED PERSON, SO AS TO AUTHORIZE THE COURT TO ORDER THE REASONABLE PAYMENT, EXPENDITURE, OR DISBURSEMENT OF FUNDS NECESSARY TO SATISFY A SPECIFIC NEED OF A MINOR OR INCAPACITATED PERSON WHICH IS NOT SPECIFICALLY AUTHORIZED ELSEWHERE IN THE CODE.

Referred to Committee on Judiciary

H. 4053 -- Reps. Bradley, Erickson, S. Williams, Bennett, King, Rutherford, Cobb-Hunter, Brown, Herbkersman, Long, D. C. Moss and Rivers: A BILL TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING ARTICLE 5 TO CHAPTER 2, TITLE 56 SO AS TO PROVIDE FOR THE ISSUANCE OF PERMIT DECALS OR REGISTRATION CARDS BY THE DEPARTMENT OF MOTOR VEHICLES TO CERTAIN OWNERS OF UTILITY TASK VEHICLES, TO ALLOW THE OPERATION OF PERMITTED UTILITY TASK VEHICLES ON CERTAIN PUBLIC STREETS AND ROADWAYS, AND TO DEFINE THE TERM "UTILITY TASK VEHICLE".

Referred to Committee on Education and Public Works

H. 4054 -- Rep. Sandifer: A JOINT RESOLUTION TO ALLOW FOR THE SUBMISSION OF LESS THAN THREE QUALIFIED APPLICANTS TO THE GOVERNOR TO SERVE AS EXECUTIVE DIRECTOR OF THE DEPARTMENT OF EMPLOYMENT AND WORKFORCE.

On motion of Rep. SANDIFER, with unanimous consent, the Joint Resolution was ordered placed on the Calendar without reference.

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S. 211 -- Senator Young: A BILL TO AMEND SECTION 63-7-940 OF THE 1976 CODE, RELATING TO AUTHORIZED USES OF UNFOUNDED CHILD ABUSE AND NEGLECT REPORTS, TO AUTHORIZE RELEASE OF INFORMATION ABOUT CHILD FATALITIES OR NEAR FATALITIES; TO AMEND SECTION 63-7-1990, AS AMENDED, RELATING TO CONFIDENTIALITY OF CHILD ABUSE AND NEGLECT RECORDS, TO AUTHORIZE THE RELEASE OF INFORMATION ABOUT CHILD FATALITIES OR NEAR FATALITIES; AND TO AMEND SECTION 63-7-20, RELATING TO CHILD PROTECTION DEFINITIONS, TO PROVIDE A DEFINITION FOR "NEAR FATALITY".

Referred to Committee on Judiciary

S. 181 -- Senators McElveen, Johnson, McLeod, Climer and Shealy: A BILL TO AMEND SECTION 63-9-80 OF THE 1976 CODE, RELATING TO THE REQUIRED DISCLOSURE OF INFORMATION TO A PROSPECTIVE ADOPTIVE PARENT, TO PROVIDE THAT BIOLOGICAL PARENTS MAY PROVIDE THEIR PERSONAL MEDICAL HISTORY INFORMATION AT THE TIME OF CONSENT OR RELINQUISHMENT FOR THE PURPOSES OF ADOPTION, TO PROVIDE THAT, IF THE INFORMATION IS PROVIDED, THEN IT SHALL BE MADE AVAILABLE TO THE PROSPECTIVE ADOPTIVE PARENT, AND TO PROVIDE THAT THE INFORMATION MUST ALSO BE DEPOSITED WITH THE COURT AND MAY BE MADE AVAILABLE TO THE ADOPTEE WHEN THE ADOPTEE REACHES THE AGE OF MAJORITY OR, PRIOR TO THAT TIME, IF IT IS IN THE BEST INTEREST OF THE CHILD.

Referred to Committee on Judiciary

S. 260 -- Senator Goldfinch: A BILL TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING CHAPTER 33 TO TITLE 33 SO AS TO ENACT THE "REVISED UNIFORM UNINCORPORATED NONPROFIT ASSOCIATION ACT", TO AMONG OTHER THINGS, DEFINE TERMS, SPECIFY APPLICABILITY, SET FORTH POWERS OF UNINCORPORATED NONPROFIT ASSOCIATIONS, TO SPECIFY LIABILITY, AND TO SET FORTH THE PROCESS BY WHICH A LEGAL ACTION AGAINST AN ASSOCIATION IS ADJUDICATED.

Referred to Committee on Judiciary

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S. 428 -- Senators Gambrell and Cash: A BILL TO AMEND SECTION 7-7-80, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE DESIGNATION OF VOTING PRECINCTS IN ANDERSON COUNTY, SO AS TO DELETE THE GROVE SCHOOL AND ANDERSON 5/A PRECINCTS AND ADD THE SOUTH FANT PRECINCT, AND TO REDESIGNATE THE MAP NUMBER ON WHICH THE NAMES OF THESE PRECINCTS MAY BE FOUND AND MAINTAINED BY THE REVENUE AND FISCAL AFFAIRS OFFICE.

On motion of Rep. WHITE, with unanimous consent, the Bill was ordered placed on the Calendar without reference.

S. 441 -- Senator Nicholson: A BILL TO AMEND SECTION 7-7-290, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE DESIGNATION OF VOTING PRECINCTS IN GREENWOOD COUNTY, SO AS TO REDESIGNATE THE MAP NUMBER ON WHICH THE NAMES OF THESE PRECINCTS MAY BE FOUND AND MAINTAINED BY THE REVENUE AND FISCAL AFFAIRS OFFICE.

On motion of Rep. MCCRAVY, with unanimous consent, the Bill was ordered placed on the Calendar without reference.

S. 504 -- Senators Hutto and M. B. Matthews: A BILL TO AMEND ACT 372 OF 2008, RELATING TO THE ALLENDALE COUNTY AERONAUTICS AND DEVELOPMENT COMMISSION, SO AS TO ABOLISH THE EXISTING NINE-MEMBER COMMISSION, TO TERMINATE THE TERMS OF ITS MEMBERS, TO RECONSTITUTE THE COMMISSION AS THE ALLENDALE COUNTY AERONAUTICS COMMISSION, AND TO REVISE THE COMPOSITION OF THE COMMISSION'S MEMBERSHIP.

On motion of Rep. HOSEY, with unanimous consent, the Bill was ordered placed on the Calendar without reference.

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

ADJOURNMENT

At 12:16 p.m. the House, in accordance with the motion of Rep. CASKEY, adjourned in memory of John Wooten, father of Representative Wooten, to meet at 10:00 a.m. tomorrow.

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