NO. 46

# JOURNAL

# OF THE

# SENATE

OF THE

# STATE OF SOUTH CAROLINA



**REGULAR SESSION BEGINNING TUESDAY, JANUARY 14, 2025** 

TUESDAY, APRIL 1, 2025

# Tuesday, April 1, 2025 (Statewide Session)

**Indicates Matter Stricken** 

Indicates New Matter

The Senate assembled at 12:00 Noon, the hour to which it stood adjourned, and was called to order by the PRESIDENT.

A quorum being present, the proceedings were opened with a devotion by the Chaplain as follows:

#### Psalm 150:6

In Psalm 150 we read: "Let everything that breathes praise the Lord! Praise the Lord!"

Join me as we bow, if you will: O wondrous Lord, these days it almost feels as if the world around us is spinning madly out of control, and we find ourselves thinking, what truly is praiseworth? Then, we pause, take a deep breath, and remember how very much there really is for which we need to give thanks. For this very Nation itself that we love, for the many caring and conscientious people who surround us -- and there are indeed so many. For each of these thoughtful and diligent Senators. And also for all of our Senate aides, as well as every other staff member, whatever his or her role, without whose efforts we would surely find ourselves adrift. So, Lord, in every regard, let us here in the Senate of South Carolina never fail to praise You. Your gifts to us truly are great, indeed. In Your loving name we pray, dear Lord. Amen.

The PRESIDENT called for Petitions, Memorials, Presentments of Grand Juries and such like papers.

#### RECESS

At 12:15 P.M., on motion of Senator MARTIN, the Senate receded from business.

At 12:21 P.M., the Senate resumed.

#### Call of the Senate

Senator MARTIN moved that a Call of the Senate be made. The following Senators answered the Call:

nder Allen
non Campsen
r Corbin
e Garrett

<sup>1</sup> 

Goldfinch	Graham	Grooms
Hembree	Hutto	Jackson
Johnson	Kennedy	Leber
Martin	Massey	Matthews
Nutt	Ott	Peeler
Reichenbach	Rice	Sabb
Stubbs	Sutton	Tedder
Turner	Verdin	Walker
Williams	Young	Zell

A quorum being present, the Senate resumed.

# **MESSAGE FROM THE GOVERNOR**

The following appointments were transmitted by the Honorable Henry Dargan McMaster:

# **Statewide Appointments**

Initial Appointment, South Carolina State Board of Social Work Examiners, with term coterminous with Governor

Director:

Anthony Catone, P.O. Box 1520, Columbia, SC 29202 VICE: Michael Leach

Referred to the Committee on Family and Veterans' Services.

Initial Appointment, State Human Affairs Commission, with the term to commence June 30, 2024, and to expire June 30, 2027

At-Large, Chairman:

Stephen E. Hall, 6 Lotus Court, Greenville, SC 29609 VICE: James T. McLawhorn, Jr.

Referred to the Committee on Judiciary.

#### **Doctor of the Day**

Senator ZELL introduced Dr. Robert Ridgeway III of Clarendon County, S.C., Doctor of the Day.

# Leave of Absence

On motion of Senator TEDDER, at 4:01 P.M., Senator MATTHEWS was granted a leave of absence for the balance of the day.

#### Leave of Absence

On motion of Senator CORBIN, at 4:01 P.M., Senator MARTIN was granted a leave of absence for the balance of the day.

# Leave of Absence

On motion of Senator SABB, at 4:01 P.M., Senator HUTTO was granted a leave of absence for the balance of the day.

# **Expression of Personal Interest**

Senator RICE rose for an Expression of Personal Interest.

# **ACTING PRESIDENT PRESIDES**

At 12:32 P.M., Senator JACKSON assumed the Chair.

# **Expression of Personal Interest**

Senator ALEXANDER rose for an Expression of Personal Interest.

# **Remarks to be Printed**

On motion of Senator PEELER, with unanimous consent, the remarks of Senator ALEXANDER, when reduced to writing and made available to the Desk, would be printed in the Journal.

# **PRESIDENT PRESIDES**

At 12:37 P.M., the PRESIDENT assumed the Chair.

# **CO-SPONSORS ADDED**

The following co-sponsors were added to the respective Bills:

- S. 32 Sens. Garrett, Jackson and Zell
- S. 288 Sen. Kimbrell
- S. 318 Sen. Martin
- S. 383 Sen. Zell
- S. 405 Sen. Martin
- S. 415 Sen. Zell
- S. 425 Sen. Devine
- S. 508 Sen. Davis

### **OBJECTION**

H. 4014 -- Rep. Bustos: A BILL TO ABOLISH THE CONSTITUENT DISTRICTS OF CHARLESTON COUNTY SCHOOL DISTRICT AND THEIR RESPECTIVE BOARDS OF TRUSTEES AND TO DELEGATE THE POWERS DEVOLVED

UPON THE TRUSTEES OF THE CONSTITUENT DISTRICTS BY ACT 340 OF 1967, AS AMENDED, TO THE BOARD OF TRUSTEES OF CHARLESTON COUNTY SCHOOL DISTRICT.

On motion of Senator MATTHEWS, the Bill was recalled from the Charleston County Delegation.

The Bill was recalled and ordered placed on the Calendar for consideration tomorrow. Senator TEDDER objected.

Senator TEDDER objected.

**INTRODUCTION OF BILLS AND RESOLUTIONS** The following were introduced:

S. 512 -- Senator Devine: A SENATE RESOLUTION TO RECOGNIZE AND HONOR THE BLYTHEWOOD HIGH SCHOOL GIRLS VARSITY BASKETBALL TEAM, COACHES, AND SCHOOL OFFICIALS FOR A REMARKABLE SEASON AND TO CONGRATULATE THEM ON WINNING THE 2025 SOUTH CAROLINA CLASS AAAAA STATE CHAMPIONSHIP TITLE. lc-0232vr-gm25.docx

The Senate Resolution was adopted.

S. 513 -- Senator Devine: A SENATE RESOLUTION TO CONGRATULATE THE RIDGE VIEW HIGH SCHOOL BOYS BASKETBALL TEAM ON CAPTURING THE 2025 CLASS AAAAA DIVISION 1 STATE CHAMPIONSHIP TITLE AND TO HONOR THE TEAM'S EXCEPTIONAL PLAYERS, COACHES, AND STAFF. lc-0240cm-gt25.docx

The Senate Resolution was adopted.

S. 514 -- Senator Devine: A SENATE RESOLUTION TO RECOGNIZE AND HONOR THE W. J. KEENAN BOYS' BASKETBALL TEAM, COACHES, SCHOOL OFFICIALS, AND THEIR FAMILIES FOR A SUCCESSFUL SEASON AND TO CONGRATULATE THEM FOR WINNING THE 2025 SOUTH CAROLINA HIGH SCHOOL LEAGUE CLASS AAA STATE CHAMPIONSHIP TITLE.

lc-0383wab-gm25.docx

The Senate Resolution was adopted.

S. 515 -- Senator Allen: A SENATE RESOLUTION TO RECOGNIZE AND COMMEND THE HONORABLE ALEX KINLAW JR., A FORMER JUDGE FOR THE 13TH JUDICIAL CIRCUIT, UPON THE OCCASION OF HIS RETIREMENT FROM THE BENCH AND TO WISH HIM CONTINUED SUCCESS AND HAPPINESS IN ALL HIS FUTURE ENDEAVORS.

lc-0292sa-rm25.docx

The Senate Resolution was adopted.

S. 516 -- Senator Allen: A SENATE RESOLUTION TO CONGRATULATE GENNIE B. HUDGENS HARPE OF GREENVILLE COUNTY ON THE OCCASION OF HER NINETIETH BIRTHDAY AND TO WISH HER A JOYOUS BIRTHDAY CELEBRATION AND MANY YEARS OF CONTINUED HEALTH AND HAPPINESS.

lc-0216dg-gm25.docx

The Senate Resolution was adopted.

S. 517 -- Senator Grooms: A SENATE RESOLUTION TO CONGRATULATE ABATE OF SOUTH CAROLINA UPON THE OCCASION OF ITS FIFTIETH ANNIVERSARY AND TO COMMEND ABATE OF SOUTH CAROLINA FOR ITS MANY YEARS OF DEDICATED SERVICE TO THE PEOPLE AND THE STATE OF SOUTH CAROLINA.

sr-0306km-hw25.docx

The Senate Resolution was adopted.

S. 518 -- Senator Grooms: A BILL TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY ENACTING THE "SOUTH CAROLINA PRAY SAFE ACT" BY ADDING SECTION 23-3-90 SO AS TO ESTABLISH THE SOUTH CAROLINA PRAY SAFE GRANT PROGRAM WITHIN THE SOUTH CAROLINA LAW ENFORCEMENT DIVISION TO PROVIDE GRANTS FOR SECURITY ENHANCEMENTS TO CERTAIN ORGANIZATIONS THAT ARE AT RISK OF BEING VICTIMS OF A RELIGIOUSLY MOTIVATED CRIME.

sr-0057cem25.docx

Read the first time and referred to the Committee on Judiciary.

S. 519 -- Senators Davis, Turner, Kimbrell, Climer, Hutto, Graham, Sabb, Rice, Adams, Williams, Leber and Walker: A BILL TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY AMENDING SECTION 12-21-620, RELATING TO TAX RATES ON PRODUCTS CONTAINING TOBACCO, SO AS TO TAX CIGARETTES FOR HEATING ONE AND ONE-QUARTER MILLS ON EACH CIGARETTE.

lc-0209dg25.docx

Read the first time and referred to the Committee on Finance.

S. 520 -- Senator Davis: A BILL TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY ENACTING THE "SOUTH CAROLINA PRAY SAFE ACT" BY ADDING SECTION 23-3-90 SO AS TO ESTABLISH THE SOUTH CAROLINA PRAY SAFE GRANT PROGRAM WITHIN THE SOUTH CAROLINA LAW ENFORCEMENT DIVISION TO PROVIDE GRANTS FOR SECURITY ENHANCEMENTS TO CERTAIN ORGANIZATIONS THAT ARE AT RISK OF BEING VICTIMS OF A RELIGIOUSLY MOTIVATED CRIME.

lc-0218dg25.docx

Read the first time and referred to the Committee on Judiciary.

S. 521 -- Senator Garrett: A BILL TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY ADDING SECTION 9-11-28 SO AS TO PROVIDE THAT A COUNCIL OF A MUNICIPALITY MAY ALLOW A MUNICIPAL COURT JUDGE TO PARTICIPATE IN THE POLICE OFFICERS RETIREMENT SYSTEM.

sr-0053cem25.docx

Read the first time and referred to the Committee on Judiciary.

S. 522 -- Senator Grooms: A BILL TO AMEND SECTIONS 2 AND 3 OF ACT 1235 OF 1970 SO AS TO CHANGE THE NAME OF THE CHARLESTON COUNTY AIRPORT DISTRICT TO THE CHARLESTON REGIONAL AIRPORT DISTRICT AND TO CHANGE THE NAME OF THE CHARLESTON COUNTY AVIATION AUTHORITY TO THE CHARLESTON REGIONAL AVIATION AUTHORITY.

sr-0305km25.docx

Read the first time and ordered placed on the Local and Uncontested Calendar.

S. 523 -- Senator Hembree: A CONCURRENT RESOLUTION TO REQUEST THAT THE DEPARTMENT OF TRANSPORTATION NAME THE INTERSECTION OF SC 31 AND SC 9 IN HORRY COUNTY SOUTH CAROLINA THE "S.C. DEPARTMENT OF TRANSPORTATION COMMISSIONER TONY K. COX INTERSECTION" AND ERECT APPROPRIATE MARKERS OR SIGNS AT THIS LOCATION CONTAINING THE DESIGNATION. sr-0286km-hw25.docx

The Concurrent Resolution was introduced and referred to the Committee on Transportation.

S. 524 -- Senator Blackmon: A SENATE RESOLUTION TO RECOGNIZE AND HONOR THE LANCASTER HIGH SCHOOL BOYS VARSITY BASKETBALL TEAM, COACHES, AND SCHOOL OFFICIALS FOR AN EXTRAORDINARY SEASON AND TO CONGRATULATE THEM FOR WINNING THE 2025 SOUTH CAROLINA CLASS AAAA STATE CHAMPIONSHIP TITLE. lc-0122ha-kar25.docx

The Senate Resolution was adopted.

S. 525 -- Senator Blackmon: A SENATE RESOLUTION TO RECOGNIZE AND HONOR THE ANDREW JACKSON HIGH SCHOOL GIRLS VARSITY BASKETBALL TEAM, COACHES, AND SCHOOL OFFICIALS FOR AN OUTSTANDING SEASON AND TO CONGRATULATE THEM FOR WINNING THE 2024-2025 SOUTH CAROLINA CLASS AA STATE CHAMPIONSHIP TITLE. lc-0385wab-ar25.docx

The Senate Resolution was adopted.

S. 526 -- Senator Goldfinch: A BILL TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY AMENDING SECTION 48-39-280, RELATING TO BEACH PRESERVATION APPEALS POLICIES AND PROCEDURES, SO AS TO STAY ANY ENFORCEMENT ACTION DURING THE PENDENCY OF THE APPEAL AND TO PROVIDE THAT THE AGENCY WILL BE RESPONSIBLE FOR ATTORNEY FEES AND COSTS TO THE APPELLANT IF THE ADMINISTRATIVE LAW JUDGE REVERSES THE DECISION OF THE AGENCY.

sr-0059cem25.docx

Read the first time and referred to the Committee on Agriculture and Natural Resources.

S. 527 -- Senator Garrett: A SENATE RESOLUTION TO HONOR GREATER GREENWOOD UNITED MINISTRY AT THE CELEBRATION OF ITS THIRTIETH ANNIVERSARY, TO THANK THIS FINE ORGANIZATION FOR ITS THREE DECADES OF WORTHY SERVICE, AND TO EXTEND BEST WISHES FOR MANY MORE YEARS OF BLESSING IN SERVING THE GREENWOOD COMMUNITY.

lc-0287sa-rm25.docx

The Senate Resolution was adopted.

S. 528 -- Senator Garrett: A SENATE RESOLUTION TO CONGRATULATE MT. LEBANON METHODIST CHURCH OF GREENWOOD ON THE OCCASION OF ITS HISTORIC ONE HUNDRED NINETIETH ANNIVERSARY AND TO COMMEND THE CHURCH FOR NEARLY TWO CENTURIES OF SERVICE TO GOD AND THE COMMUNITY.

lc-0125ph-rm25.docx

The Senate Resolution was adopted.

S. 529 -- Senator Allen: A SENATE RESOLUTION TO CONGRATULATE FERRIA MALENDA LAKE GOODWIN OF GREENVILLE COUNTY ON THE OCCASION OF HER EIGHTY-FIFTH BIRTHDAY AND TO WISH HER A JOYOUS BIRTHDAY CELEBRATION AND MANY YEARS OF CONTINUED HEALTH AND HAPPINESS.

lc-0210hdb-gm25.docx

The Senate Resolution was adopted.

H. 3556 -- Reps. B. Newton, Schuessler, Guest, Taylor and Hixon: A BILL TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY AMENDING SECTION 7-17-560, RELATING TO THE AUTHORITY OF THE STATE EXECUTIVE COMMITTEE OF A POLITICAL PARTY TO HEAR CERTAIN PRIMARY PROTESTS AND CONTESTS, SO AS TO REQUIRE THE STATE EXECUTIVE COMMITTEE TO ALSO HEAR PROTESTS AND CONTESTS IN THE CASE OF COUNTY OFFICERS, LESS THAN COUNTY OFFICERS, AND MUNICIPAL OFFICERS, TO AUTHORIZE THE STATE EXECUTIVE COMMITTEE TO ADOPT A RESOLUTION TO REQUIRE THE FILING OF ANY PROTEST OR CONTEST TO BE ACCOMPANIED BY A BOND WITH SURETY, AND TO PROVIDE FOR APPEALS FROM DECISIONS BY THE STATE

EXECUTIVE COMMITTEE; BY AMENDING SECTION 7-17-570, RELATING TO HEARINGS OF PRIMARY PROTESTS AND CONTESTS, SO AS TO EXTEND THE TIME IN WHICH THE STATE EXECUTIVE COMMITTEE MUST CONDUCT SUCH HEARINGS; BY AMENDING SECTION 5-15-80, RELATING TO MUNICIPAL PRIMARY PROTESTS AND CONTESTS, SO AS TO PROVIDE THAT SUCH PROTESTS AND CONTESTS ARE TO BE FILED, HEARD, AND DECIDED IN THE MANNER PROVIDED IN SECTIONS 7-17-560 AND 7-17-570; AND BY REPEALING SECTIONS 7-17-520, 7-17-530, 7-17-540, 7-17-550, 7-17-580, AND 7-17-590 ALL RELATING TO PRIMARY PROTESTS AND CONTESTS FOR CERTAIN OFFICES.

lc-0094hdb25.docx

Read the first time and referred to the Committee on Judiciary.

H. 3557 -- Reps. B. Newton, Pedalino, Taylor, Guest, Crawford, Schuessler and Hixon: A BILL TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY AMENDING SECTION 7-11-15, RELATING TO QUALIFICATIONS TO RUN AS A CANDIDATE IN GENERAL ELECTIONS, SO AS TO SHORTEN THE CANDIDATE FILING PERIOD, TO REQUIRE ALL CANDIDATES FROM EACH POLITICAL PARTY IN THIS STATE TO PAY A FILING FEE, AND TO AUTHORIZE POLITICAL PARTIES TO CHARGE A CERTIFICATION FEE TO ALL CANDIDATES; AND BY AMENDING SECTION 7-11-210, RELATING TO THE FILING OF PARTY PLEDGES BY CANDIDATES, SO AS TO CHANGE THE DATE BY WHICH A PARTY PLEDGE MUST BE FILED. Ic-0095hdb25.docx

Read the first time and referred to the Committee on Judiciary.

H. 3731 -- Rep. Bernstein: A BILL TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY REPEALING SECTION 2 OF ACT 201 OF 2024 SO AS TO REMOVE A SUNSET PROVISION CONCERNING THE AUTHORITY OF SPECIAL PURPOSE DISTRICTS TO OWN, DISPOSE, ACQUIRE, PURCHASE, HOLD, USE, LEASE, CONVEY, SELL, TRANSFER, OR OTHERWISE DISPOSE OF PROPERTY.

lc-0217wab25.docx

Read the first time and referred to the Committee on Judiciary.

H. 4244 -- Rep. Bernstein: A CONCURRENT RESOLUTION TO RECOGNIZE AND HONOR PEDIATRICIANS, PEDIATRIC SUBSPECIALISTS, AND PEDIATRIC TRAINEES AND TO DECLARE APRIL 1, 2025, AS "SOUTH CAROLINA PEDIATRICIANS DAY" IN THE PALMETTO STATE. lc-0235cm-gt25.docx

On motion of Senator VERDIN, with unanimous consent, the Concurrent Resolution was adopted and returned to the House.

#### HOUSE CONCURRENCE

S. 392 -- Senator Johnson: A CONCURRENT RESOLUTION TO RECOGNIZE SOUTH CAROLINA AS A TECHNOLOGY FIRST STATE. COMMITTED TO THE **EXPLORATION** AND **UNDERSTANDING** OF ENABLING AND ASSISTIVE TECHNOLOGY SUPPORTS THAT MAY ALLOW ALL SOUTH CAROLINIANS WITH DISABILITIES GREATER OPPORTUNITY TO LIVE INDEPENDENT AND FULFILLING LIVES.

Returned with concurrence.

Received as information.

#### HOUSE CONCURRENCE

S. 509 -- Senator Hembree: A CONCURRENT RESOLUTION TO RECOGNIZE APRIL 1, 2025, AS "HIGHER EDUCATION DAY" IN SOUTH CAROLINA.

Returned with concurrence. Received as information.

# THE SENATE PROCEEDED TO A CALL OF THE UNCONTESTED LOCAL AND STATEWIDE CALENDAR.

# READ THE THIRD TIME SENT TO THE HOUSE

The following Bills and Resolutions were read the third time and ordered sent to the House:

S. 307 -- Senators Climer, Kimbrell, Williams and Walker: A BILL TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY ADDING CHAPTER 36 TO TITLE 56 SO AS TO PROVIDE GUIDELINES FOR A PEER-TO-PEER CAR SHARING PROGRAM, TO OUTLINE INSURANCE AND LIABILITY PROCEDURES, AND TO PROVIDE DEFINITIONS.

S. 190 -- Senators Adams, Tedder, Sutton and Devine: A BILL TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY AMENDING SECTION 31-12-30, RELATING TO THE DEFINITION OF "REDEVELOPMENT PROJECT," SO AS TO INCLUDE AFFORDABLE HOUSING PROJECTS; BY AMENDING SECTION 31-12-210, RELATING TO ISSUANCE OF OBLIGATIONS FOR A REDEVELOPMENT PROJECT BY MUNICIPALITY, SO AS TO INCREASE THE TIME LIMIT OF WHICH AN OBLIGATION MUST BE ISSUED; AND BY AMENDING SECTION 12-10-88, RELATING TO REDEVELOPMENT FEES, SO AS TO UPDATE THE DEFINITION OF CLOSED OR REALIGNED FEDERAL INSTALLATIONS.

S. 388 -- Education Committee: A JOINT RESOLUTION TO APPROVE REGULATIONS OF THE STATE COMMISSION ON HIGHER EDUCATION, RELATING TO PALMETTO FELLOWS SCHOLARSHIP PROGRAM, DESIGNATED AS REGULATION DOCUMENT NUMBER 5322, PURSUANT TO THE PROVISIONS OF ARTICLE 1, CHAPTER 23, TITLE 1 OF THE SOUTH CAROLINA CODE OF LAWS.

S. 389 -- Education Committee: A JOINT RESOLUTION TO APPROVE REGULATIONS OF THE STATE COMMISSION ON HIGHER EDUCATION, RELATING TO LIFE SCHOLARSHIP AND SCHOLARSHIP ENHANCEMENT, DESIGNATED AS REGULATION DOCUMENT NUMBER 5321, PURSUANT TO THE PROVISIONS OF ARTICLE 1, CHAPTER 23, TITLE 1 OF THE SOUTH CAROLINA CODE OF LAWS.

S. 487 -- Fish, Game and Forestry Committee: A JOINT RESOLUTION TO APPROVE REGULATIONS OF THE DEPARTMENT OF NATURAL RESOURCES, RELATING TO DEER PROCESSORS AND DONATED DEER PROCESSING FEE RECOVERY, DESIGNATED AS REGULATION DOCUMENT NUMBER 5330, PURSUANT TO THE PROVISIONS OF ARTICLE 1, CHAPTER 23, TITLE 1 OF THE SOUTH CAROLINA CODE OF LAWS.

#### **OBJECTION**

S. 171 -- Senators Gambrell and Garrett: A BILL TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY ADDING ARTICLE 3 TO CHAPTER 75, TITLE 39 SO AS TO PROVIDE REQUIREMENTS FOR WASTE TIRE MANIFESTS AND RELATED PROVISIONS; BY ADDING ARTICLE 5 TO CHAPTER 75, TITLE 39 SO AS TO PROHIBIT THE INSTALLATION OF UNSAFE USED TIRES, AND RELATED PROVISIONS; BY AMENDING SECTION 44-96-170(E) THROUGH (F), RELATING TO WASTE TIRES, SO AS TO PROVIDE THAT A COUNTY MAY CHARGE UP TO FOUR HUNDRED DOLLARS AS A TIPPING FEE; BY AMENDING SECTION 44-96-170(N) THROUGH (S), RELATING TO WASTE TIRES. SO AS TO AMEND THE COLLECTION OF THE FEE TO INCLUDE USED TIRES. TO PROVIDE FOR THE APPLICATION OF THE WASTE TIRE FEE AND RELATED WASTE TIRE FUNDS, TO REMOVE THE REBATE PROVISIONS, AND TO PROVIDE FOR THE DEVELOPMENT OF A STATEWIDE MARKET INFRASTRUCTURE FOR TIRE-DERIVED PRODUCTS; TO DIRECT THE CODE COMMISSIONER TO MAKE CONFORMING CHANGES; AND TO DEFINE NECESSARY TERMS.

Senator CORBIN objected to consideration of the Bill.

#### **OBJECTION**

S. 318 -- Senators Goldfinch, Alexander, Johnson, Fernandez, Gambrell, Stubbs, Grooms, Climer, Leber, Cash, Kimbrell, Davis, Young, Peeler, Corbin, Turner, Rice, Verdin, Garrett, Bennett and Martin: A JOINT RESOLUTION SO AS TO ENACT THE "COMMISSION ON FISCAL RESTRAINT AND GOVERNMENT EFFICIENCY"; TO PROVIDE FOR THE MEMBERSHIP OF THE COMMISSION; TO PROVIDE FOR THE COMMISSION'S DUTIES AND OBLIGATIONS; TO PRIORITIZE SPENDING CUTS AND ESTABLISH A DATE THAT THE SPENDING CUTS MUST BE REPORTED TO THE GENERAL ASSEMBLY AND THE GOVERNOR; TO PROVIDE FOR THE REPORT ON THE COMMISSION'S OTHER DUTIES AND OBLIGATIONS; AND TO SUNSET THE COMMISSION.

The Senate proceeded to the consideration of the Resolution.

The Committee on Finance proposed the following amendment (SF-318.AA0007S):

Amend the joint resolution, as and if amended, by striking SECTIONS 1 and 2 and inserting:

SECTION 1. This act may be cited as the "Commission on Fiscal Restraint and Government Efficiency".Delivery of Government Efficiency Commission Act."

SECTION 2. (A) There is created the <u>Commission on Fiscal</u> <u>Restraint and Government EfficiencyDelivery of Government</u> <u>EfficiencyCommission</u>. The voting members of the commission shall be comprised of:

(1) three members appointed by the President of the Senate;

(2) three members appointed by the Speaker of the House of Representatives; and

(3) three members appointed by the Governor from the State at large.

(B) The voting members of the commission may not be a member of the General Assembly or otherwise have a conflict of interest. A commission member has a 'conflict of interest' if it is reasonably foreseeable that the commission member will derive a direct financial benefit or suffer a direct financial loss as a result of a particular outcome that might reasonably be reached by the commission.<sub>7</sub>

(C) Membership on the commission shall not constitute holding an 'office' for the purpose of the prohibition on dual office holding in Section 3, Article VI and Section 1A, Article XVII of the South Carolina Constitution, 1895.

(B)(D) The commission shall be chaired by the Director of the Department of Administration, or her designee. The Director of the Department of Administration's designee may not be a member of the General Assembly. The commission chair shall be a non-voting member.

(C)(E) Commissioners shall serve without compensation and are not entitled to mileage, subsistence, or per diem as provided by law for members of state boards, committees, and commissions.

(D)(F) The commission shall utilize staff from the General Assembly and the executive branch at the discretion of the chair. The commission may also engage third-party consultants or other experts in related fields to fulfill its duties and obligations.

Amend the joint resolution further, by striking SECTIONS 4 and 5 and inserting:

SECTION 4. The commission shall first undertake the review of appropriations in the State budget to identify areas where spending

reductions are appropriate. The commission's findings shall identify the amount of recommended reductions and identify the source of the reductions as specifically as possible, down to the program or subprogram level if possible. The commission shall report its findings to the President of the Senate, Chairman of the Senate Finance Committee, Speaker of the House of Representatives, the Chairman of the House of Representatives Ways and Means Committee, and the Governor not later than October 1, 2025. Upon receipt of this report, the Chairman of the Senate Finance Committee and the Chairman of the House of Representatives Ways and Means Committee may request that the chair of the commission present specific findings at a regular meeting of the relevant budget subcommittee or of the full standing committee. The commission's report shall be published on the General Assembly's and the Governor's website.

SECTION 5. Following the commission's recommendations concerning reductions in appropriations, the commission shall then work to fulfill its remaining duties and obligations. The commission shall report its <u>additional</u> findings to the President of the Senate, Chairman of the Senate Finance Committee, Speaker of the House of Representatives, the Chairman of the House of Representatives Ways and Means Committee, and the Governor not later than October 1, 2026. <u>The commission may, at its discretion, report these findings to the standing legislative oversight committees of the General Assembly for consideration for investigation as outlined in Section 2-2-40. The commission's report shall be published on the General Assembly's and the Governor's website.</u>

Renumber sections to conform. Amend title to conform.

Senator GROOMS explained the amendment.

The question being the adoption of the amendment.

Senator MATTHEWS objected to further consideration of the Bill.

# AMENDED, READ THE SECOND TIME

S. 220 -- Senator Cromer: A BILL TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY AMENDING SECTION 38-21-10, RELATING TO DEFINITIONS, SO AS TO DEFINE TERMS; BY AMENDING SECTION 38-21-30, RELATING TO THE AUTHORITY OF INSURERS TO INVEST IN SECURITIES OF

SUBSIDIARIES, SO AS TO INCLUDE HEALTH MAINTENANCE ORGANIZATIONS; BY AMENDING SECTION 38-21-70, RELATING TO CONTENTS OF STATEMENTS, SO AS TO FURTHER EXPLAIN THE REQUIREMENTS OF REPORTING THE DESCRIPTION OF TRANSACTIONS; BY AMENDING SECTION 38-21-90. RELATING TO APPROVAL OF COMMISSIONER OF ACQUISITION OF CONTROL, SO AS TO REQUIRE THE PERSON ACQUIRING CONTROL OF A DOMESTIC INSURER TO MAINTAIN OR RESTORE CAPITAL; BY AMENDING SECTION 38-21-160, RELATING TO INFORMATION WHICH NEED NOT BE DISCLOSED IN REGISTRATION STATEMENTS, SO AS TO DESIGNATE THAT THE DEFINITION DOES NOT APPLY FOR OTHER PURPOSES; BY AMENDING SECTION 38-21-225, RELATING TO THE ANNUAL ENTERPRISE RISK REPORT, SO AS TO IDENTIFY EXEMPTIONS FOR FILING THE GROUP CAPITAL CALCULATION AND TO REQUIRE FILING RESULTS OF THE LIQUIDITY STRESS TEST FOR SOME INSURERS; BY AMENDING SECTION 38-21-250, RELATING TO STANDARDS FOR TRANSACTIONS WITHIN INSURANCE SYSTEMS, SO AS TO OUTLINE RESPONSIBILITIES OF THE DIRECTOR, AMONG OTHER THINGS; AND BY AMENDING SECTION 38-21-290, RELATING TO CONFIDENTIAL INFORMATION, SO AS TO REQUIRE THE DIRECTOR TO KEEP GROUP CAPITAL CALCULATIONS, GROUP CAPITAL RATIO AND LIQUIDITY STRESS TEST RESULTS, AND SUPPORTING DISCLOSURES CONFIDENTIAL; AND TO ADD REFERENCES TO THIRD-PARTY CONSULTANTS.

The Senate proceeded to the consideration of the Bill.

Senator BENNETT proposed the following amendment (LC-220.PH0001S), which was adopted:

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

SECTION X. Section 38-12-30(64) of the S.C. Code is amended to read:

(64) "Person" means an individual, a business entity, a multilateral development bank, or a government or quasi-governmental body, such as a political subdivision or a government sponsored enterprise, and the affiliates and subsidiaries of any such individual, business entity, bank, or governmental or quasi-governmental body.

SECTION X. Section 38-12-220(A)(1) and (2) of the S.C. Code is amended to read:

(A)(1) Except as otherwise provided in this chapter, an insurer may not acquire, directly or indirectly through an investment affiliate, an investment pursuant to this chapter if as a result of and after giving effect to the investment the insurer holds more than three<u>five</u> percent of its admitted assets in investments of all kinds issued, assumed, accepted, insured, or guaranteed by a single person, including its affiliates and subsidiaries. This limitation applies to aggregate amounts invested in or held directly or indirectly in a single person or business entity by an insurer, its affiliates, and subsidiaries.

(2) This three percent-limitation does not apply to the aggregate amounts insured by a single financial guaranty insurer with the highest generic rating issued by a nationally recognized statistical rating organization.

SECTION X. Section 38-12-430(A)(1) of the S.C. Code is amended to read:

(A)(1) Except as otherwise provided in this chapter, an insurer may not acquire, directly or indirectly through an investment affiliate, an investment pursuant to this chapter if as a result of and after giving effect to the investment the insurer holds more than five percent of its admitted assets in investments of all kinds issued, assumed, accepted, insured, or guaranteed by a single person, including its affiliates and subsidiaries. This limitation applies to aggregate amounts invested in or held directly or indirectly in a single person or business entity by an insurer, its affiliates, and subsidiaries.

Renumber sections to conform. Amend title to conform.

Senator BENNETT explained the amendment.

The amendment was adopted.

The question being the second reading of the Bill.

Alexander

Blackmon

The "ayes" and "nays" were demanded and taken, resulting as follows: Ayes 43; Nays 0

#### AYES

Adams Bennett Allen Campsen

<sup>16</sup> 

Cash	Chaplin	Climer
eusn	1	0111101
Corbin	Cromer	Davis
Elliott	Fernandez	Garrett
Goldfinch	Graham	Grooms
Hembree	Hutto	Jackson
Johnson	Kennedy	Kimbrell
Leber	Martin	Massey
Matthews	Nutt	Ott
Peeler	Rankin	Reichenbach
Rice	Sabb	Stubbs
Sutton	Tedder	Turner
Verdin	Williams	Young
Zell		5

Total--43

### NAYS

#### Total--0

There being no further amendments, the Bill, as amended, was read the second time, passed and ordered to a third reading.

# COMMITTEE AMENDMENT ADOPTED READ THE SECOND TIME

S. 11 -- Senators Jackson and Davis: A BILL TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY AMENDING SECTION 8-11-150(A), RELATING TO PAID PARENTAL LEAVE, SO AS TO AMEND THE DEFINITION OF "ELIGIBLE STATE EMPLOYEE".

The Senate proceeded to the consideration of the Bill.

The Committee on Finance proposed the following amendment (LC-11.DG0001S), which was adopted:

Amend the bill, as and if amended, SECTION 1, by striking Section 8-11-150(A)(2) and inserting:

(2) "Eligible state employee" means an employee occupying any percentage of a full-time equivalent position any person employed full-time by this State, its departments, agencies, or institutions, including any person employed full-time by a four-year or postgraduate institution of higher education under the control of the State or a technical college supported and under the control of the State by any

department, institution, commission, board or any other unit of government of this State who occupies a position eligible to earn annual leave. This includes any person employed by a four-year or postgraduate institution of higher education under the control of the State or a technical college supported and under the control of the State who occupies a position eligible to earn annual leave.

Amend the bill further, by striking SECTION 2 and inserting: SECTION 2. This act takes effect upon approval by the Governor. This act takes effect on October 1, 2025, and applies to qualifying events occurring thereon or after.

Renumber sections to conform. Amend title to conform.

Senator TURNER explained the amendment.

The amendment was adopted.

The question being the second reading of the Bill.

The "ayes" and "nays" were demanded and taken, resulting as follows: Ayes 45; Nays 0

	AYES	
Adams	Alexander	Allen
Bennett	Blackmon	Campsen
Cash	Chaplin	Climer
Corbin	Cromer	Davis
Devine	Elliott	Fernandez
Garrett	Goldfinch	Graham
Grooms	Hembree	Hutto
Jackson	Johnson	Kennedy
Kimbrell	Leber	Martin
Massey	Matthews	Nutt
Ott	Peeler	Rankin
Reichenbach	Rice	Sabb
Stubbs	Sutton	Tedder
Turner	Verdin	Walker
Williams	Young	Zell

Total--45

#### NAYS

#### Total--0

There being no further amendments, the Bill, as amended, was read the second time, passed and ordered to a third reading.

# COMMITTEE AMENDMENT ADOPTED READ THE SECOND TIME

S. 32 -- Senators Grooms, Leber, Rice, Reichenbach, Climer, Garrett, Jackson and Zell: A BILL TO AMEND THE SOUTH CAROLINA CODE OF LAWS SO AS TO ENACT THE "PREGNANCY RESOURCE ACT"; BY ADDING SECTION 12-6-3383 SO AS TO PROVIDE FOR A TAX CREDIT FOR VOLUNTARY CASH CONTRIBUTIONS MADE TO A PREGNANCY RESOURCE CENTER OR CRISIS PREGNANCY CENTER AND TO PROVIDE GUIDELINES FOR THE CREDIT.

The Senate proceeded to the consideration of the Bill.

The Committee on Finance proposed the following amendment (LC-32.DG0001S), which was adopted:

Amend the bill, as and if amended, SECTION 2, by striking Section 12-6-3383(A)(2)(a)(i) and inserting:

(i) an organization that is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code and is a pregnancy resource center<u>or</u>, crisis pregnancy center<u>, maternity home</u>, or <u>residential program for human trafficking victims</u>. To be considered an "eligible charitable organization," a <u>pregnancy resource center or crisis</u> <u>pregnancy center the organization</u> must:

(A) certify that no more than twenty percent of the contributions received under this section will be spent on administrative purposes; and

(B) file the organization's publicly available Internal Revenue Service filings with the Secretary of State annually; and

Amend the bill further, SECTION 2, by striking Section 12-6-3383(B)(1) and inserting:

(B)(1) A taxpayer who makes voluntary cash contributions during the taxable year to an eligible charitable organization is eligible for a <u>nonrefundable</u> tax credit not to exceed fifty percent of his total tax liability for the taxes imposed by this chapter.

Amend the bill further, SECTION 2, by striking Section 12-6-3383(D) and inserting:

(D) An Each year, an eligible charitable organization shall provide the department with a written certification that it meets all criteria to be considered an eligible charitable organization. The organization shall also notify the department of any changes that may affect eligibility under this section. In order to be recertified, the eligible charitable organization must provide the department with the number and total amount of voluntary cash contributions in the previous tax year as well as a copy of a compilation, review, or compliance audit of the organization's financial statements relating to the grants received, conducted by a certified public accounting firm.

Amend the bill further, SECTION 2, by striking Section 12-6-3383(F) and inserting:

(F) The department shall review each written certification <u>and</u> <u>recertification</u> and determine whether the organization meets all the criteria to be considered an eligible charitable organization and notify the organization of its determination. The department may also periodically request recertification from the organization. The department shall compile a list of eligible charitable organizations and make the list available to the public.

Amend the bill further, SECTION 2, by striking Section 12-6-3383(I) and inserting:

(I) The aggregate amount of tax credits that may be allocated by the department under this section during a calendar year shall not exceed three million five hundred thousand dollars. However, beginning in 2026, the aggregate amount of tax credits that may be allocated by the department under this section during a calendar year shall not exceed ten million dollars. For credits allocated during a calendar year for contributions to eligible charitable organizations, no more than twenty-five percent of such credits may be allocated for contributions to a single eligible charitable organization. However, credits not allocated before June 1, 2026, may be allocated without regard to such restriction for the same calendar year.

(J) The department may adopt rules necessary to implement the provisions of this section.

Amend the bill further, by adding an appropriately numbered SECTION to read:

SECTION X. The provisions of this act are repealed on December 31, 2030, except that if the credit allowed by Section 12-6-3383, as added

by this act, is earned before the repeal, the provisions of Section 12-6-3383(B)(2) continue to apply until the credits have been fully claimed. Amend the bill further, by striking SECTION 3 and inserting: SECTION 3. This act takes effect upon approval by the Governor and <u>first applies to tax years beginning after 2024</u>. Renumber sections to conform.

Amend title to conform.

Senator TURNER explained the amendment.

The amendment was adopted.

The question being the second reading of the Bill.

The "ayes" and "nays" were demanded and taken, resulting as follows: Ayes 45; Nays 0

	AYES	
Adams	Alexander	Allen
Bennett	Blackmon	Campsen
Cash	Chaplin	Climer
Corbin	Cromer	Davis
Devine	Elliott	Fernandez
Garrett	Goldfinch	Graham
Grooms	Hembree	Hutto
Jackson	Johnson	Kennedy
Kimbrell	Leber	Martin
Massey	Matthews	Nutt
Ott	Peeler	Rankin
Reichenbach	Rice	Sabb
Stubbs	Sutton	Tedder
Turner	Verdin	Walker
Williams	Young	Zell
	Te4al 45	

Total--45

NAYS

Total--0

There being no further amendments, the Bill, as amended, was read the second time, passed and ordered to a third reading.

#### **OBJECTION**

S. 76 -- Senators Hembree, Grooms and Young: A BILL TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY AMENDING SECTION 16-8-230, RELATING TO DEFINITIONS, SO AS TO PROVIDE APPROPRIATE DEFINITIONS; BY AMENDING SECTION 16-8-240, RELATING TO USE OF OR THREAT OF PHYSICAL VIOLENCE BY CRIMINAL GANG MEMBERS AND PENALTIES, SO AS TO ESTABLISH UNLAWFUL CRIMINAL GANG ACTIVITY; BY ADDING SECTION 16-8-245 SO AS TO PROVIDE ADMISSIBILITY OF CRIMINAL GANG AND CRIMINAL GANG ACTIVITY EVIDENCE DURING A TRIAL OR PROCEEDING; BY AMENDING SECTION 16-8-250, RELATING TO PREVENTING WITNESSES OR VICTIMS FROM TESTIFYING AND PENALTIES, SO AS TO PROVIDE A MECHANISM TO ABATE A PUBLIC NUISANCE OF REAL PROPERTY USED BY A CRIMINAL GANG; BY ADDING SECTION 16-8-275 SO AS TO PROVIDE ADMISSIBILITY IN A CRIMINAL PROCEEDING OF THE ACCUSED'S COMMISSION OF CRIMINAL GANG ACTIVITY; BY ADDING SECTION 16-8-520 SO AS TO PROVIDE APPROPRIATE DEFINITIONS FOR THE ANTI-RACKETEERING ACT; BY ADDING SECTION 16-8-530 SO AS TO MAKE IT FOR ANY PERSON TO ENGAGE **UNLAWFUL** IN RACKETEERING ACTIVITY; BY ADDING SECTION 16-8-540 SO AS TO PROVIDE CRIMINAL PENALTIES FOR ENGAGING IN RACKETEERING ACTIVITY; BY ADDING SECTION 16-8-550 SO AS TO PROVIDE THAT THE CIRCUIT COURT MAY ENJOIN VIOLATIONS OF THE ANTI-RACKETEERING ACT BY ISSUING APPROPRIATE ORDERS; BY ADDING SECTION 16-8-560 SO AS **ESTABLISH** JURISDICTION FOR TO RACKETEERING ACTIVITY; BY ADDING SECTION 16-8-570 SO AS TO PROVIDE PROTECTION FROM DISCLOSURE OF INFORMANTS; AND BY AMENDING SECTION 14-7-1630, RELATING TO JURISDICTION OF JURIES, NOTIFICATION TO IMPANEL JURIES, POWERS AND DUTIES OF IMPANELING AND PRESIDING JUDGES, THE TRANSFER OF INCOMPLETE INVESTIGATIONS. EFFECTIVE DATES AND NOTICE REQUIREMENTS WITH RESPECT TO ORDERS OF JUDGE, AND APPEALS, SO AS TO ADD THE CRIME

OF RACKETEERING TO THE JURISDICTION OF THE STATE GRAND JURY.

Senator DEVINE objected to consideration of the Bill.

# **CARRIED OVER**

S. 269 -- Senators Turner and Elliott: A BILL TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY ADDING SECTION 59-19-275 SO AS TO PROVIDE THAT PUBLIC SCHOOL WITH MORE DISTRICTS THAN FIFTEEN THOUSAND STUDENTS MAY USE SECURITY PERSONNEL LICENSED AS A PROPRIETARY SECURITY BUSINESS; BY AMENDING SECTION 40-18-60, RELATING TO QUALIFICATIONS OF A LICENSEE, SO AS TO ADD PROVISIONS CONCERNING PUBLIC SCHOOL DISTRICTS APPLYING FOR LICENSURE; BY AMENDING SECTION 40-18-80, RELATING TO QUALIFICATIONS OF APPLICANTS, SO AS TO PROVIDE THAT THE SOUTH LAW **ENFORCEMENT** CAROLINA DIVISION SHALL IMPLEMENT CERTAIN RELATED TRAINING REQUIREMENTS; AND BY AMENDING SECTION 40-18-140, RELATING TO EXCEPTIONS FROM APPLICATIONS OF THIS CHAPTER, SO AS TO CLARIFY THAT PUBLIC SCHOOL DISTRICTS ARE EXCLUDED FROM THESE REQUIREMENTS.

On motion of Senator HEMBREE, the Bill was carried over.

# **CARRIED OVER**

S. 270 -- Senators Alexander, Hembree and Adams: A BILL TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY AMENDING SECTION 16-3-29, RELATING TO ATTEMPTED MURDER, SO AS TO DEFINE ATTEMPTED MURDER AS COMMITTING AN UNLAWFUL ACT OF A VIOLENT NATURE THAT CAUSES INJURY TO ANOTHER WITH MALICE.

The Senate proceeded to the consideration of the Bill.

The Committee on Judiciary proposed the following amendment (SJ-270.SW0004S):

Amend the bill, as and if amended, SECTION 1, by striking Section 16-3-29 and inserting:

Section 16-3-29. A person who, with intent to kill, attempts to kill another person with malice aforethought, either expressed or implied, commits the offense of attempted murder., with malice express or implied, commits an unlawful act of a violent nature that causes injury

or is likely to cause injury to another person with malice, expressed or implied, is guilty of the crime of attempted murder. An "unlawful act of a violent nature" is any act directed towards another person that, if completed, would have been likely to cause death or great bodily injury. Where injury is caused to a person other than the target of the act, malice toward the target person may be transferred to the actual victim. A person who violates this section is guilty of a felony, and, upon conviction, must be imprisoned for not more than thirty years for each violation of this section. A sentence imposed pursuant to this section may not be suspended nor may probation be granted.

Amend the bill further, by adding an appropriately numbered SECTION to read:

SECTION X. Section 16-3-600(C) of the S.C. Code is amended to read: (C)(1) A person commits the offense of assault and battery in the first degree if the person unlawfully:

(a) injures another person, and the act:

(i) involves nonconsensual touching of the private parts of a person, either under or above clothing, with lewd and lascivious intent; or

(ii) occurred during the commission of a robbery, burglary, kidnapping, or theft; or

(b) offers or attempts to injure another person with the present ability to do so, and the act:

(i) is accomplished by means likely to produce death or great bodily injury; or

(ii) occurred during the commission of a robbery, burglary, kidnapping, or theft.

(2) A person who violates this subsection is guilty of a felony, and, upon conviction, must be imprisoned for not more than ten years.

(3) Assault and battery in the first degree is a lesser-included offense of assault and battery of a high and aggravated nature, as defined in subsection (B)(1), and attempted murder, as defined in Section 16-3-29.

Renumber sections to conform.

Amend title to conform.

Senator ADAMS explained the amendment.

The question being the adoption of the amendment.

On motion of Senator ADAMS, the Bill was carried over.

#### **READ THE SECOND TIME**

S. 405 -- Senators Alexander and Martin: A BILL TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY AMENDING SECTION 16-3-85, RELATING TO HOMICIDE BY CHILD ABUSE, SO AS TO INCREASE THE AGE OF A CHILD UNDER THIS SECTION FROM UNDER THE AGE OF ELEVEN TO UNDER THE AGE OF EIGHTEEN.

The Senate proceeded to the consideration of the Bill.

The question being the second reading of the Bill.

The "ayes" and "nays" were demanded and taken, resulting as follows: Ayes 45; Nays 0

	AYES	
Adams	Alexander	Allen
Bennett	Blackmon	Campsen
Cash	Chaplin	Climer
Corbin	Cromer	Davis
Devine	Elliott	Fernandez
Garrett	Goldfinch	Graham
Grooms	Hembree	Hutto
Jackson	Johnson	Kennedy
Kimbrell	Leber	Martin
Massey	Matthews	Nutt
Ott	Peeler	Rankin
Reichenbach	Rice	Sabb
Stubbs	Sutton	Tedder
Turner	Verdin	Walker
Williams	Young	Zell

Total--45

NAYS

#### Total--0

The Bill was read the second time, passed and ordered to a third reading.

#### **READ THE SECOND TIME**

S. 415 -- Senators Young, Elliott, Sutton, Ott, Devine, Reichenbach and Zell: A BILL TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY AMENDING SECTION 63-7-20, RELATING TO CHILDREN'S CODE DEFINITIONS, SO AS TO ADD THE TERM "LICENSED"; BY AMENDING SECTION 63-9-1110, RELATING TO ADOPTION BY A STEPPARENT OR RELATIVE, SO AS TO APPLY TO CHILDREN PLACED WITH RELATIVES OR FICTIVE KIN FOR THE PURPOSE OF ADOPTION; BY AMENDING SECTION 63-7-2320, RELATING TO THE KINSHIP FOSTER CARE PROGRAM, SO AS TO LOWER THE MINIMUM AGE OF A KINSHIP FOSTER PARENT FROM TWENTY-ONE TO EIGHTEEN AND TO ALLOW THE DEPARTMENT TO USE DIFFERENT STANDARDS WHEN LICENSING RELATIVES AND FICTIVE KIN; BY AMENDING SECTION 63-7-2350, RELATING TO RESTRICTIONS ON FOSTER CARE, ADOPTION, OR LEGAL GUARDIAN PLACEMENTS, SO AS TO MAKE CONFORMING CHANGES; AND BY AMENDING SECTION 63-7-2400, RELATING TO THE NUMBER OF FOSTER CHILDREN WHO MAY BE PLACED IN A FOSTER HOME, SO AS TO REMOVE THERAPEUTIC FOSTER CARE PLACEMENT LIMITATIONS FROM KINSHIP FOSTER CARE PLACEMENTS.

The Senate proceeded to the consideration of the Bill.

Senator REICHENBACH explained the Bill.

The question being the second reading of the Bill.

The "ayes" and "nays" were demanded and taken, resulting as follows: Ayes 45; Nays 0

	AYES	
Adams	Alexander	Allen
Bennett	Blackmon	Campsen
Cash	Chaplin	Climer
Corbin	Cromer	Davis
Devine	Elliott	Fernandez
Garrett	Goldfinch	Graham
Grooms	Hembree	Hutto
Jackson	Johnson	Kennedy
Kimbrell	Leber	Martin

Massey	Matthews	Nutt
Ott	Peeler	Rankin
Reichenbach	Rice	Sabb
Stubbs	Sutton	Tedder
Turner	Verdin	Walker
Williams	Young	Zell

#### Total--45

NAYS

Total--0

The Bill was read the second time, passed and ordered to a third reading.

# COMMITTEE AMENDMENT ADOPTED READ THE SECOND TIME

S. 425 -- Senators Davis, Hembree, Ott, Elliott, Jackson, Rankin and Devine: A BILL TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY ADDING SECTION 59-63-795 SO AS TO PROVIDE EACH PUBLIC SCHOOL DISTRICT ANNUALLY SHALL IDENTIFY THE NUMBER OF ITS STUDENTS WHO LIVE IN POVERTY AND INCREASE ACCESS TO FREE SCHOOL BREAKFASTS AND LUNCHES FOR THESE STUDENTS, TO PROVIDE CRITERIA FOR DETERMINING ELIGIBILITY, TO PROVIDE RELATED REQUIREMENTS OF SCHOOL DISTRICTS, SCHOOLS, AND SCHOOL BOARDS.

The Senate proceeded to the consideration of the Bill.

The Committee on Education proposed the following amendment (SEDU-425.KG0001S), which was adopted:

Amend the bill, as and if amended, SECTION 1, by striking Section 59-63-795(B) and inserting:

(B) The local board of trustees of a district in which all schools are eligible to receive the free federal reimbursement rate for all reimbursable school breakfasts and lunches served, pursuant to the Community Eligibility Provision (CEP) in Section 1759(a) of Title 42 of the United States Code, shall adopt a resolution indicating its degree of participation, if any, in CEP. If a district is unable to participate in CEP because participation would cause a financial hardship, its board shall

adopt a resolution stating that it is unable to participate in CEP and demonstrate the financial hardship. The resolution must be published on a public meeting agenda concurrently with the proposed district budget as an action item. A majority of the board members is required to approve any resolution under this subsection. The requirements of this subsection shall be suspended if CEP is suspended or discontinued by federal action.

Renumber sections to conform. Amend title to conform.

Senator HEMBREE explained the amendment.

The amendment was adopted.

The question being the second reading of the Bill.

The "ayes" and "nays" were demanded and taken, resulting as follows: Ayes 45; Nays 0

	AYES	
Adams	Alexander	Allen
Bennett	Blackmon	Campsen
Cash	Chaplin	Climer
Corbin	Cromer	Davis
Devine	Elliott	Fernandez
Garrett	Goldfinch	Graham
Grooms	Hembree	Hutto
Jackson	Johnson	Kennedy
Kimbrell	Leber	Martin
Massey	Matthews	Nutt
Ott	Peeler	Rankin
Reichenbach	Rice	Sabb
Stubbs	Sutton	Tedder
Turner	Verdin	Walker
Williams	Young	Zell

Total--45

NAYS

Total--0

There being no further amendments, the Bill, as amended, was read the second time, passed and ordered to a third reading.

#### **CARRIED OVER**

S. 446 -- Senators Young and Elliott: A BILL TO AMEND THE SOUTH CAROLINA CODE OF LAWS SO AS TO ENACT THE "ELECTRIC RATE STABILIZATION ACT"; AND BY ADDING ARTICLE 24 TO CHAPTER 27, TITLE 58, SO AS TO ALLOW ELECTRIC UTILITIES TO REQUEST THE PUBLIC SERVICE COMMISSION TO ADJUST THEIR RATES ANNUALLY, ADJUST UTILITY RATES, ESTABLISH THE BASELINE RATE ORDER AND REQUIREMENTS FOR ADJUSTMENTS IN RATES, PROVIDE PROTECTIONS FOR CUSTOMERS, AND AUTHORIZE AN ADDITIONAL ELECTRIC UTILITY POSITION FOR THE OFFICE OF REGULATORY STAFF.

On motion of Senator MASSEY, the Bill was carried over.

#### COMMITTEE AMENDMENT ADOPTED READ THE SECOND TIME

H. 3430 -- Reps. B. Newton, Murphy, Caskey, Mitchell, Pope, W. Newton, Bannister, Sessions, Jordan, Robbins, Collins, Martin, Lawson, Wickensimer, Landing, Long, Hiott, Forrest, Sanders, Teeple, Oremus, Hartz, Guest, Pedalino, M.M. Smith, Schuessler, Chapman, Gatch, McGinnis, Neese, Hardee, Ligon, Taylor, Willis, Vaughan, Brittain, Erickson, Bradley, Rankin, Hager, Whitmire, Gilliam, Crawford, Hewitt, Yow, Hixon, Ballentine, Gagnon and Brewer: A BILL TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY ADDING SECTION 11-7-70 SO AS TO PROVIDE THAT THE GOVERNOR SHALL APPOINT THE STATE AUDITOR WITH THE ADVICE AND CONSENT OF THE SENATE; BY AMENDING SECTION 1-3-240, RELATING TO REMOVAL OF OFFICERS BY THE GOVERNOR, SO AS TO ADD THE STATE AUDITOR; AND BY REPEALING SECTION 11-7-10 RELATING TO THE SELECTION OF THE STATE AUDITOR.

The Senate proceeded to the consideration of the Bill.

The Committee on Finance proposed the following amendment (SF-3430.AA0011S), which was adopted:

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

SECTION 1. Section 11-7-10 of the S.C. Code is amended to read:

Section 11-7-10. The State Fiscal Accountability Authority shall select the State Auditor, who shall select necessary assistants in conformity with the appropriations for the office. (A) There is established the Department of Governmental Auditing headed by the State Auditor. The State Auditor must be selected without regard to political affiliation and on the basis of integrity, capability for strong leadership, and demonstrated ability in accounting, auditing, financial analysis, law, management analysis, public administration, investigation, criminal justice administration, or other closely related fields.

(B) The State Auditor shall be appointed by the Governor with the advice and consent of the Senate for a term of six years. The State Auditor's term shall commence on July first of the appointing year and expire on June thirtieth of the ending year. The State Auditor may be removed from office pursuant to Section 1-3-240(C). The Governor may reappoint the State Auditor for additional terms. The State Auditor may serve in a holdover capacity for a maximum of seven months past the expiration of their term.

(C) The State Auditor's annual compensation shall be set by the Agency Head Salary Commission and shall not be reduced during their term of office. The State Auditor shall receive compensation as established under the provisions of Section 8-11-160 and for which funds have been authorized in the general appropriations act.

(D) The State Auditor shall employ a staff comprised of deputy auditors, accountants, and other professional staff necessary to carry out the duties of the Department as authorized by law. The deputy auditors and all employees of the Department who report directly to a deputy auditor serve at will and may be removed by the State Auditor. The Department of Administration's Division of State Human Resources, in consultation with the State Auditor, shall establish appropriate classifications or unclassified position titles within each position category along with a salary range commensurate with the level of responsibility and duties of the position for the deputy auditors and all employees of the Department of Governmental Auditing who report directly to a deputy auditor. The State Auditor shall fix the salaries of all staff subject to the funds authorized in the annual appropriations act and in accordance with the position categories established pursuant to this paragraph of the State's existing uniform classification and compensation plan as is appropriate. Deputy auditors and all employees of the Department of Governmental Accounting who report directly to a deputy auditor shall not be subject to the limitations of Section 8-11-

165(B). The State Auditor shall provide requisite training and professional development pursuant to Section 8-15-60. All classified or unclassified personnel employed by the divisions, programs, services, or initiatives of the Office of the State Auditor, either by contract or by employment at will, become on the effective date of the act, employees of the Department of Governmental Accounting, with the same compensation, classification, and grade level, as applicable, subject to and until such time as the State Auditor acts to employ the staff and fix the salaries as provided for in this Section.

(E) The Department of Administration shall provide administrative support to the Department of Governmental Auditing for the performance of its duties, including but not limited to information technology, shared services support, and logistical support. In a manner to be determined by the Department of Administration, the Department of Governmental Auditing shall reimburse the Department of Administration for personnel and operating expenses relating to the provision of administrative support pursuant to this section.

SECTION 2. Section 11-7-20 of the S.C. Code is amended to read:

Section 11-7-20. (A) All state agencies and entities supported partially or entirely by public funds are subject to audit by or under the oversight of the State Auditor, except as otherwise specifically provided by law. The State Auditor, to the extent practicable and consistent with his overall responsibility, shall audit or cause to be audited each State agency and entity annually. These audits shall be made to assist in furnishing for the purpose of providing the General Assembly, the Governor, the executive departments and agencies of the State, the governing bodies and executive departments of the political subdivisions of the State, all state entities and the public with an independent evaluation of whether public funds are managed according to the applicable financial reporting framework and may include an independent evaluation of public program performance.

(B) Annually the State Auditor shall audit or cause to be audited the State's basic financial statements prepared by the Comptroller General of South Carolina.

(C) The State Auditor shall examine as often the State Auditor deems appropriate the accounts kept by the State Treasurer, and if the Auditor discovers any irregularity or deficiency in the accounts, unless the irregularity or deficiency is rectified or explained to the State Auditor's satisfaction, report it in writing to the General Assembly and provide a copy of the report to the Governor and Attorney General. In addition to regular audits, the State Auditor shall audit the State Treasurer's records

at the time a new State Treasurer assumes office and the State Treasurer shall assume responsibility for the balances in the accounts, as determined by the audit. The State Auditor shall audit the State Treasurer's records at the end of the State Treasurer's term of office or at the time the State Treasurer leaves office to determine that the accounts are in order.

(D) The State Auditor may examine the accounts and records of any bank or financial institution relating to transactions with the State Treasurer, or with any State agency. The State Auditor may require banks or financial institutions doing business with the State to provide the State Auditor information relating to transactions with the State Treasurer or any State agency.

(E) The State Auditor shall provide a report to the Governor and Attorney General, and other appropriate officials, of facts in the State Auditor's possession that pertain to the apparent violation of criminal statutes or apparent instances of malfeasance, misfeasance, or nonfeasance by an officer or employee. In the event the State Auditor identifies instances of fraud, waste, and abuse during any state agency audit, the State Auditor shall refer such instances to the State Inspector General for examination. If the Governor or Attorney General is the subject of the report, the report shall be made to the President of the Senate, the Speaker of the House, the Office of the Inspector General and other appropriate officials.

(C)-(F) Annually the State Auditor shall audit or cause to be audited the compliance of the State of South Carolina with the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) or its successor as applicable to major Federal programs.

(D) (G) Audits must be conducted in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, the Uniform Guidance, Audits of States, Local Governments, and Nonprofit Organizations, or its successor.

(H) The State Auditor shall, in the reports of audits, make any comments, suggestions, or recommendations the Auditor deems appropriate concerning any aspect of the State agency's activities and operations.

(I) The State Auditor shall cooperate, act, and function with other audit or evaluation organizations in the State, with appropriate councils or committees of other states, with governing bodies of the political subdivisions of the State, and with federal agencies in an effort to maximize the extent of intergovernmental audit coordination and thereby avoid unnecessary duplication and expense of audit effort. Nothing in this Section shall be construed to give the State Auditor control over the internal auditors of any agency, except those statutorily required in 57-1-360.

SECTION 3. Section 11-7-25 of the S.C. Code is amended to read: Section 11-7-25. Division of Local Government Services

(A) The Department shall include a Division of Local Government Services headed by a deputy auditor.

(B) The Division To the extent practicable and consistent with his overall responsibility, the State Auditor periodically shall periodically audit or cause to be audited the financial records of the county treasurers, municipal treasurers, county clerks of court, magistrates, and municipal courts to report if whether fines and assessments imposed pursuant to Sections 14-1-205 through 14-1-208 are collected properly and remitted to the State Treasurer.

<u>(C)</u> Upon the issuance of an audit report, the State Auditor immediately shall notify the State Treasurer, Division of Court Administration, and the chief administrator of the affected agency, department, county, or municipality. <u>Such audit reports shall also be</u> made available to the State Inspector General pursuant to Section 1-6-50 and to the Legislative Audit Council pursuant to Section 2-15-50.

(D) The Division of Local Government Services may use funds appropriated to the Department for innovative audit, accounting, or local government assistance services that improve the quality or increase the range of services offered to local governments to accomplish accurate, efficient, and transparent financial reporting.

SECTION 4. Section 11-7-30 of the S.C. Code is amended to read:

Section 11-7-30. Reports of audit findings must be available to the Governor, State Fiscal Accountability Authority, General Assembly, and the general public. The State Auditor shall notify the Governor, the General Assembly, and the State Fiscal Accountability Authority immediately upon the issuance of an audit report. Such audit reports shall also be made available to the State Inspector General pursuant to Section 1-6-50 and to the Legislative Audit Council pursuant to Section 2-15-50.

SECTION 5. Section 11-7-55 of the S.C. Code is amended to read:

Section 11-7-55. The State Auditor may obtain the services of independent public accountants as he considers necessary to carry out his duties and responsibilities. The State Auditor may use funds appropriated for personal services to contract with private firms, using a request for proposals, to perform audits. <u>Notwithstanding this section</u>, the State Auditor maintains sole responsibility for the audit of the State's <u>Annual Comprehensive Financial Report prepared by the Comptroller General's Office.</u>

SECTION 6. Section 11-7-60 of the S.C. Code is amended to read:

Section 11-7-60. (A) Each State agency shall remit to the State Auditor an amount representing an equitable portion of the expense of contracting with a certified public accounting firm to conduct a portion of the audit of the State's Comprehensive Annual Financial Report Annual Comprehensive Financial Report prepared by the Comptroller General's Office. Each state agency's equitable portion of the expense must be determined by a schedule developed by the State Auditor. The remittance must be based upon invoices provided by the State Auditor upon completion of the annual audit. The audit must be rebid using a request for proposals no less frequently than every five years.

(B) The Auditor shall, through appropriate tests, satisfy himself or herself concerning the propriety of the data presented in the Annual Comprehensive Financial Report and shall express the appropriate auditor's opinion in accordance with generally accepted auditing standards.

SECTION 7. Section 1-3-240(C) of the S.C. Code is amended to read:

(C)(1) Persons appointed to the following offices of the State may be removed by the Governor for malfeasance, misfeasance, incompetency, absenteeism, conflicts of interest, misconduct, persistent neglect of duty in office, or incapacity:

(a) Workers' Compensation Commission;

(b) [Reserved] State Auditor

(c) Ethics Commission;

(d) Election Commission;

(e) Professional and Occupational Licensing Boards;

(f) Juvenile Parole Board;

(g) Probation, Parole and Pardon Board;

(h) Director of the Department of Public Safety;

(i) Board of the Department of Health and Environmental Control, excepting the chairman;

(j) Chief of State Law Enforcement Division;

(k) South Carolina Lottery Commission;

(1) Executive Director of the Office of Regulatory Staff;

(m) Directors of the South Carolina Public Service Authority appointed pursuant to Section 58-31-20;

(n) State Ports Authority;

(o) State Inspector General;

(p) State Adjutant General;

(q) South Carolina Retirement Investment Commission members appointed by the Governor or members of the General Assembly; and

(r) South Carolina Public Benefit Authority members.

(2) Upon the expiration of an officeholder's term, the individual may continue to serve until a successor is appointed and qualifies.

SECTION 8. On the effective date of this act, the interim State Auditor selected by the State Fiscal Accountability Authority shall continue in office in a holdover capacity until the Governor appoints a State Auditor as provided in this act. The interim State Auditor serving in holdover capacity shall be eligible for appointment by the Governor. A vacancy shall be filled in the same manner as appointment.

SECTION 9. Section 1-11-20(F) of the S.C. Code is amended to read:

(F) The State Auditor is transferred to, and incorporated into, the State Fiscal Accountability Authority. [Reserved]

SECTION 10. Section 4-9-150 of the S.C. Code is amended to read:

Section 4-9-150. The council shall provide for an independent annual audit of all financial records and transactions of the county and any agency funded in whole by county funds and may provide for more frequent audits as it considers necessary. Special audits may be provided for any agency receiving county funds as the county governing body considers necessary. The audits must be made by a certified public accountant or public accountant or firm of these accountants who have no personal interest, direct or indirect, in the fiscal affairs of the county government or any of its officers. The council may, without requiring competitive bids, designate the accountant or firm annually or for a period not exceeding three years. The designation for any particular fiscal year must be made no later than thirty days after the beginning of the fiscal year. The report of the audit must be made available for public inspection. A copy of the report of the audit must be submitted to the State Treasurer Department of Governmental Auditing no later than January first each year following the close of the books of the previous fiscal year. Upon a showing of proper cause, as determined by the State Treasurer Department, the State Treasurer Department shall grant a

county an extension of ninety days. To be considered, a request for extension must be signed by the chair of the council before the deadline for filing.

If the report is not filed with the <u>State Treasurer Department by</u> January first, or within the time extended for filing the report, <u>the</u> <u>Department shall notify funds distributed by</u> the State Treasurer to <u>withhold funds to</u> the county in the current fiscal year <u>must be withheld</u> pending receipt of a copy of the report. <u>The Department shall post these</u> audits in a conspicuous place on its website.

SECTION 11. Section 5-7-240(C) of the S.C. Code is amended to read:

(C) The audit or compilation must be performed by an independent certified public accountant or a firm of certified public accountants. The report of the audit or compilation shall be made available for public inspection, and a copy must be provided to the Department of <u>Governmental Auditing</u>. Financial statements of municipalities with a court system must include the requirements of Section 14-1-208. <u>The</u> Department shall post these audits and compilations of financial statements in a conspicuous place on its website.

A municipality that exceeds the threshold in the current fiscal year but was below the threshold in the previous fiscal year must begin submitting audited financial statements annually beginning no later than the fiscal year following the year in which its total revenues exceed the threshold.

SECTION 12. Section 14-1-208(E) of the S.C. Code is amended to read:

(E) To ensure that fines and assessments imposed pursuant to this section and Section 14-1-209(A) are properly collected and remitted to the State Treasurer, the audit or compilation performed for each municipality pursuant to Section 5-7-240 must include a Uniform Supplemental Schedule Form detailing all fines and assessments collected at the court level, the amount remitted to the municipal treasurer, and the amount remitted to the State Treasurer.

(1) To the extent that records are made available in the format determined pursuant to subsection (E)(4), the Uniform Supplemental Schedule Form developed by the Office of the Attorney General, South Carolina Crime Victim Services Division, must be used by all counties and municipalities to report their crime victim services funds and must include the following elements:

(a) all fines collected by the clerk of court for the municipal court;

(b) all assessments collected by the clerk of court for the municipal court;

(c) the amount of fines retained by the municipal treasurer;

(d) the amount of assessments retained by the municipal treasurer;

(e) the amount of fines and assessments remitted to the State Treasurer pursuant to this section; and

(f) the total funds, by source, allocated to victim services activities, how those funds were expended, and any balances carried forward.

(2) For municipalities required to provide for an annual audit of financial statements pursuant to Section 5-7-240, the Uniform Supplemental Schedule Form must be included in the external auditor's report as required by generally accepted auditing standards when information accompanies the basic financial statements in auditor submitted documents.

(3) For municipalities allowed to provide for a compilation of financial statements pursuant to Section 5-7-240, the Uniform Supplement Schedule Form must be included in the compilation report as supplemental information. In addition, the municipality is required to engage the external accountant to perform agreed upon procedures related to the supplemental schedule as established annually by the Office of the State Treasurer and approved by the Office of the State Auditor.

(4) Within thirty days of issuance of the audited or compiled financial statement, the municipality must submit to the <u>State Treasurer</u> <u>Department of Governmental Auditing</u> a copy of the audited or compiled financial statement and a statement of the actual cost associated with the preparation of the Uniform Supplemental Schedule Form required in this section and, if applicable, the agreed upon procedures. Upon submission to the <u>State Treasurer Department</u>, the municipality may retain and pay from the fines and assessments collected pursuant to this section the actual expense charged by the external auditor or accountant associated with the Uniform Supplemental Schedule Form required in this subsection, not to exceed two thousand dollars each year.

(5) The clerk of court and municipal treasurer shall keep records of fines and assessments required to be reviewed pursuant to this subsection in the format determined by the municipal governing body and make those records available for review.

SECTION 13. This act takes effect upon approval by the Governor. Renumber sections to conform.

Amend title to conform.

Senator GROOMS explained the amendment.

The amendment was adopted.

The question being the second reading of the Bill.

#### The "ayes" and "nays" were demanded and taken, resulting as follows: Ayes 45; Nays 0

	AYES	
Adams	Alexander	Allen
Bennett	Blackmon	Campsen
Cash	Chaplin	Climer
Corbin	Cromer	Davis
Devine	Elliott	Fernandez
Garrett	Goldfinch	Graham
Grooms	Hembree	Hutto
Jackson	Johnson	Kennedy
Kimbrell	Leber	Martin
Massey	Matthews	Nutt
Ott	Peeler	Rankin
Reichenbach	Rice	Sabb
Stubbs	Sutton	Tedder
Turner	Verdin	Walker
Williams	Young	Zell
	Total45	

NAYS

#### Total--0

There being no further amendments, the Bill, as amended, was read the second time, passed and ordered to a third reading.

#### **CARRIED OVER**

H. 3654 -- Reps. Calhoon, Bernstein and Spann-Wilder: A BILL TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY AMENDING SECTIONS 63-7-1990 AND 63-11-550, BOTH RELATING TO CONFIDENTIALITY OF CHILD WELFARE RECORDS AND INFORMATION, SO AS TO AUTHORIZE

DISCLOSURE OF CASE RECORDS TO COUNTY AND STATE GUARDIAN AD LITEM PROGRAM STAFF AND TO THE STATE CHILD ADVOCATE; AND BY AMENDING SECTIONS 63-11-700, 63-11-1340, AND 63-11-1360, RELATING TO CERTAIN DIVISIONS OF THE DEPARTMENT OF CHILDREN'S ADVOCACY, SO AS TO UPDATE REFERENCES TO THE DEPARTMENT AND THESE DIVISIONS.

On motion of Senator CORBIN, the Bill was carried over.

#### **CARRIED OVER**

H. 3862 -- Reps. Erickson, G.M. Smith, Gilliam, Mitchell and M.M. Smith: A BILL TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY AMENDING SECTION 59-40-50, RELATING TO CHARTER SCHOOL ADMISSIONS PREFERENCES, SO AS TO REVISE CRITERIA FOR ADMISSIONS PREFERENCES, AND TO ADD PROVISIONS CONCERNING STUDENTS WITH MULTIPLE ENROLLMENT PREFERENCES.

The Senate proceeded to the consideration of the Bill.

Senator YOUNG explained the Bill.

The question being the second reading of the Bill.

On motion of Senator YOUNG, the Bill was carried over.

#### POINT OF ORDER

H. 3947 -- Reps. Hixon, Pedalino, McCabe, Vaughan and Taylor: A BILL TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY AMENDING SECTION 40-57-340, RELATING TO BIENNIAL CONTINUING EDUCATION REQUIREMENTS FOR LICENSURE RENEWAL BY THE REAL ESTATE COMMISSION, SO AS TO PROVIDE NONRESIDENT BROKERS AND NONRESIDENT ASSOCIATES WHO SUCCESSFULLY SATISFY CONTINUING EDUCATION REQUIREMENTS OF THEIR JURISDICTION OF RESIDENCE MAY BE EXEMPT FROM THE CONTINUING EDUCATION REQUIREMENTS OF THIS STATE WITH APPROVAL OF THE COMMISSION.

#### **Point of Order**

Senator MARTIN raised a Point of Order under Rule 39 that the Bill had not been on the desks of the members at least one day prior to second reading.

The PRESIDENT sustained the Point of Order.

#### ADOPTED

S. 502 -- Senator Graham: A CONCURRENT RESOLUTION TO REQUEST THAT THE DEPARTMENT OF TRANSPORTATION NAME THE STRETCH OF KNIGHTS HILL ROAD FROM SPRINGDALE DRIVE TO CARTER STREET IN KERSHAW COUNTY "STEEPLECHASE THOROUGHFARE OF AMERICA" AND ERECT APPROPRIATE MARKERS OR SIGNS AT THIS LOCATION CONTAINING THE DESIGNATION.

The Resolution was adopted, ordered sent to the House.

# THE CALL OF THE UNCONTESTED CALENDAR HAVING BEEN COMPLETED, THE SENATE PROCEEDED TO THE MOTION PERIOD.

#### **MOTION ADOPTED**

At 1:44 P.M., on motion of Senator MASSEY, the Senate agreed to dispense with the balance of the Motion Period.

#### THE SENATE PROCEEDED TO THE SPECIAL ORDERS.

#### COMMITTEE AMENDMENT ADOPTED AMENDED, CARRIED OVER

H. 3309--Reps. G.M. Smith, Gatch, Herbkersman, Pope, B. Newton, Wooten, Robbins, Mitchell, Chapman, W. Newton, Taylor, Forrest, Hewitt, Kirby, Schuessler, Yow, Long, M.M. Smith, Hardee, Montgomery, Atkinson, Hixon, Ligon, Anderson, Weeks, Willis, Govan and Williams: A BILL TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY ENACTING THE "SOUTH CAROLINA ENERGY SECURITY ACT." (Abbreviated title)

Senator RANKIN spoke on the Bill.

The Committee on Judiciary proposed the following amendment (SJ-3309.BJ0010S), which was adopted:

Amend the bill, by striking all after the title but before the enacting words and inserting:

Amend the bill further, SECTION 4, by striking Section 58-4-10(B) and inserting:

(B) Unless and until it chooses not to participate, the Office of Regulatory Staff must be considered a party of record in all filings, applications, or proceedings before the commission. The regulatory staff must represent the public interest of South Carolina before the commission<u>as it pertains to the matters below:</u> For purposes of this chapter only, "public interest" means

<u>(1)</u> the concerns of the using and consuming public with respect to public utility services, regardless of the class of customer<sub>5</sub>:

(2) economic development and job attraction and retention in South Carolina; and

(3) preservation <u>of the continued investment in and maintenance of</u> utility facilities so as to provide reliable and high quality utility services.

Amend the bill further, SECTION 5, by striking Section 58-4-150(C)(8)(c) and inserting:

(c) recommendations to address any barriers identified in items (a) and (b) in a manner that is consistent with the public interest and which is not duly impactful to nonparticipating customers as it pertains to rate and system impacts, and which is not unduly impactful to entities providing public utility services; and-

(9) an analysis of the potential for the South Carolina Public Service Authority and the state's electric utilities to construct generation facilities utilizing domestic wood products from South Carolina as a primary or auxiliary fuel source.

(C)(D) In preparing the plan the Office of Regulatory Staff may retain an outside expert to assist with compiling this report.

(D)(E) In addition to the information required by this section, the plan must include recommendations for legislative, regulatory, or other public and private actions to best ensure a reliable and reasonably priced energy supply in South Carolina that supports the continued growth and success of this State. In forming these recommendations, the Office of Regulatory Staff must confer with the stakeholder group to ensure the recommendations would likely achieve the intended result for the electric grid, electric generation, and natural gas resources serving South Carolina customers.

(E)(F) The plan must be submitted to the Public Utilities Review Committee for approval.

(F)(G) The provisions of this section are subject to funding.

Amend the bill further, SECTION 6, by striking Section 58-38-20 and inserting:

(3) The EPI shall collaborate across South Carolina in coordination with energy utility providers, private industry, and workforce development to deliver advice on policy creation aligned with the state's distinctive needs and opportunities.

(4) The EPI shall collaborate with the Energy Center at Clemson University to identify research funding opportunities to meet the urgent needs for energy technology innovation in South Carolina, develop curriculum to ensure relevant academic programming for the future jobs and leadership roles in the new energy industry, provide energy-related training programs to meet the increasing demand for skilled workers in the new energy industry, and promote technology innovation, translational research, and rapid technology transfer from research labs to industry.

Amend the bill further, SECTION 7, by striking Section 58-33-195(D) and inserting:

(D) The General Assembly encourages the Public Service Authority and the state's electric utilities to complete evaluations for constructing generation facilities utilizing domestic wood products from South Carolina as a primary or auxiliary fuel source.

(D)(1)(E)(1) In the event any of the projects described in subsections (A), (B), or (C) are approved, the Office of Regulatory Staff, using its authority provided in Title 58, must continuously monitor the project or projects. This includes, but is not limited to, a review of the construction in progress, such as meeting projected timelines and financial projections are met. The Office of Regulatory Staff must provide monthly updates, in writing, to the commission and to the members of the General Assembly. Each electrical utility and the Public Service Authority must cooperate to the fullest extent with the Office of Regulatory Staff.

(2) The commission may, on its own motion, schedule a hearing to address concerns raised by the Office of Regulatory Staff in its written monthly review to the commission.

(3) The commission shall consider the Office of Regulatory Staff's written monthly reviews in any future matters concerning any facility described in this section.

Amend the bill further, SECTION 8, by striking Section 58-31-205(A) and inserting:

(A) The Public Service Authority shall have the power to jointly own, as tenants-in-common or through a limited liability company, with investor-owned electric utilities of electrical generation and transmission facilities Dominion Energy South Carolina, Inc., one or more natural gasfired generation facilities, and related transmission facilities, to be constructed on a site at or near Dominion Energy South Carolina, Inc.'s former Canadys coal-fired generation station in Colleton County, the power to plan, finance, acquire, own, operate, and maintain an interest in such plants and facilities necessary or incidental to the generation and transmission of electric power and the power to make plans and enter into such contracts as are necessary or convenient for the planning, financing, acquisition, construction, ownership, operation, and maintenance of such plants and facilities. However, the Public Service Authority shall own a percentage of such plants and facilities equal to the percentage of the money furnished or the value of property supplied by the Public Service Authority for the acquisition and construction of the plants and facilities. The Public Service Authority shall also own and control a like percentage of the electrical output thereof.

Amend the bill further, SECTION 9, by striking Section 13-7-820(5) and inserting:

(5) to engage stakeholders and develop a strategic plan to advance the development of nuclear generation, including advanced nuclear generation such as small modular reactors, molten salt reactors, fusion energy, and spent nuclear fuel recycling facilities and fusion energy to serve customers in this State in the most economical manner at the earliest reasonable time possible.

Amend the bill further, SECTION 11, by striking Section 58-37-70(C), (D), (E), (F), and (G) and inserting:

(C) The commission may establish a small modular nuclear reactor pilot program, if such a program is endorsed by the Nuclear Advisory Council. A pilot program must include the following requirements:

(1) any entity that holds a current license from the U.S. Nuclear Regulatory Commission to construct or operate at least one existing nuclear electrical generating facility at the time of the application may apply to the commission for a certificate of public convenience and necessity pursuant to the Utility Facility Siting and Environmental Protection Act;

(2) a certificate may be granted if obtaining a certification of public convenience and necessity would permit the applicant to apply for, use, or leverage at least thirty percent of the construction costs of the small modular nuclear reactor by utilizing any benefits or incentives available

to lower the capital or operating costs including, but not limited to, governmental funds, tax credits, grants, and loan guarantees;

(3) the costs and benefits of a small modular nuclear reactor are reasonable and prudent compared to the levelized costs of electricity generation from other resources, applying any governmental tax credits and incentives. Factors that must be considered in levelized costs include fuel factors, economic and environmental benefits, and costs associated with any relative externalities;

(4) no more than three small modular nuclear reactors may receive a permit pursuant to this pilot program.

(D) An application for this pilot program must include:

(1) if the project's location:

(a) is on or adjacent to an existing or former coal electrical generation site;

(b) is on or adjacent to an existing nuclear facility;

(c) enables coal plant retirement or emissions reduction in the electrical utility's or the South Carolina Public Service Authority's balancing area; or

(d) supports diversity in energy production, reliability, and energy security;

(2) if the project is subject to competitive procurement or solicitation for services and equipment;

(3) a demonstration that the program's costs and benefits are reasonable and prudent and in the interest of South Carolina customers; and

(4) any other information the commission may wish to include in the application.

Nothing in this subsection limits any factors that the commission may consider in its determination of an application.

(E)(1) Reasonable and prudent costs incurred for a small modular nuclear reactor approved pursuant to this section shall be recoverable. In the event an electrical utility abandons a small modular nuclear reactor approved by the commission before its commercial operation, the electrical utility must provide a fulsome accounting to the commission of the circumstances of abandonment. Capital costs may only be recovered if the commission determines that the decision to abandon was reasonable, prudent, and in the public interest; however, these costs shall not include a rate of return. The commission may impose conditions it determines to be necessary to protect customers against unreasonable construction, development, or operational risk including, but not limited to, reporting, inspection, and the potential of requiring the utility to hire

an independent third-party construction monitor to evaluate the prudency of the utility's actions and associated expense during the development of the project and construction of the reactor.

(2) The commission must not allow any cost recovery related to a small modular nuclear reactor outside of a rate case.

(F)(1)(C)(1) In addition to the small modular nuclear facility pilot program, e<u>E</u>lectrical utilities and the South Carolina Public Service Authority are encouraged to shall evaluate the potential for deploying small modular nuclear facilities at suitable sites within this State. A "suitable site" may include sites of current nuclear facilities, sites where nuclear facilities have been proposed but not constructed, and brownfield sites, such as coal generation sites.

(2) Such an evaluation may include cost estimates of further studies related to a potential small modular nuclear facility to serve customers in South Carolina. This includes, but is not limited to, planning, licensing, and project development, the anticipated timeline of an early site permit, current possibilities or barriers to co-ownership of such facilities, and available federal benefits which may defray costs of these facilities.

(3) Electric utilities and the Public Service Authority must provide reports on such evaluations to the Public Utilities Review Committee, the Nuclear Advisory Council, and the Public Service Commission by December 31, 2027. When evaluating the potential of a nuclear facility, the applicant must provide notice and annual progress reports to the Public Utilities Review Committee, the Nuclear Advisory Council, and the commission. When available, the applicant must also provide cost estimates of the studies related to a potential nuclear facility to serve customers in South Carolina. This includes, but is not limited to, planning, licensing, and project development, the anticipated timeline of an early site permit, and current possibilities or barriers to co-ownership of such facilities, and available federal benefits which may defray costs of these facilities.

(3) In the event the commission finds cost estimates provided by an electric utility pursuant to item (2) are reasonable and prudent, the costs may be recoverable through rates, even if an application for a certificate of environmental compatibility and public convenience and necessity have not been filed. However, these costs shall not include a rate of return.

(G) Nothing in this section relieves an electrical utility or the South Carolina Public Service Authority of the burden of filing for a certificate

# pursuant to this article and obtaining appropriate approvals from the commission before commencing construction.

Amend the bill further, SECTION 12.A., by striking Section 58-37-110(B) and (C) and inserting:

(B) All state agencies are instructed to give expedited review of applications for energy infrastructure projects, to provide reasonable and constructive assistance to applicants to allow the applicants to comply with state any law and regulatory requirements as expeditiously as possible, and to be guided by the policy goals established in subsection (A).

(C) All state agencies are instructed to give due weight to the reduction in the environmental, aesthetic, and socioeconomic impacts that are incurred to support the safe, reliable, and economic provision of energy to the people of South Carolina when energy infrastructure projects can be located in existing energy corridors or on brownfield energy sites, and shall consider the relative reductions in such impacts compared to greenfield projects in evaluating projects in existing energy corridors or on brownfield energy sites.

Amend the bill further, SECTION 12.A., by striking Section 58-37-130 and inserting:

Section 58-37-130. The applicant or any person whose private rights are affected by an agency decision or action on an application for a permit for any energy infrastructure project may appeal that decision or action to the South Carolina Supreme Court. The Supreme Court shall hear these appeals as a direct appeal in accordance with the South Carolina Appellate Court-Rules Rule 203. The Court shall provide for an expedited briefing and hearing of the appeal, in preference to all other nonemergency matters on its docket and decide such appeals on an expedited basis. Any agency decision or action that is subject to a contested case review before the Administrative Law Court, pursuant to Section 1-23-600 et. seq., shall be appealable under this section upon issuance of an appealable order by the Administrative Law Court.

Amend the bill further, SECTION 16, by striking Section 58-41-20(1) and (J) and inserting:

(I) The commission is authorized to employ, through contract or otherwise, third-party consultants and experts in carrying out its duties under this section, including, but not limited to, evaluating avoided cost rates, methodologies, terms, calculations, and conditions under this section. The commission is exempt from complying with the State Procurement Code in the selection and hiring of a third-party 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 proceedings conducted pursuant to this section. 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 its 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. The commission and the Office of Regulatory Staff may not hire the same third-party consultant or expert in the same proceeding or to address the same or similar issues in different proceedings.

(J) 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.

Amend the bill further, SECTION 20, by striking Section 58-37-40(B)(1)(i) and inserting:

(j) a report addressing updates to the utility's transmission plan under the utility's open-access transmission tariff pursuant to the federal jurisdiction planning process. In this report, the utility shall describe if applicable planned transmission improvements may enable specific siting of new resources or provide expected and planned impacts to other

resource interconnection constraints or operations of the systems. The utility shall also describe how it evaluated alternate transmission technologies when developing solutions for identified transmission needs for interconnecting resources. a report addressing updates to the utility's transmission plan under the utility's open access transmission tariff pursuant to the federal jurisdictional planning process. In this report, the utility shall, when applicable, describe planned transmission improvements specific to siting of new resources expected to impact interconnection constraints or other operations of the systems. The utility shall also describe how it evaluated alternate transmission technologies when developing solutions for identified transmission needs for interconnecting resources. The utility's transmission report must include how the utility evaluates transmission investments, including:

(i) a description of how the utility evaluated a range of transmission solutions, including non-wires alternatives, joint projects with neighboring and other regional utilities, other upgrades to existing facilities, and other best practices. Modeling may consider, as appropriate, grid-enhancing technologies and alternate transmission technologies such as static synchronous compensators, static Volt-Ampere Reactive (VAR) compensators, advanced power flow control devices, transmission switching, synchronous condensers, voltage source converters, advanced conductors, switchable reactors, and tower lifting in a manner consistent with common utility practice;

(ii) a description of how transmission factored into the utility's evaluation of the range of future scenarios included in the fifteen-year time period of the utility's resource plan, including significant continued economic growth and the retirement of the utility's coal generation;

(iii) a discussion of transmission considerations for facilities included in the utility's preferred resource plan for which there are particular sites specified;

(iv) information such that intervenors and stakeholders can pursue participation in local transmission planning collaborative activities which are held pursuant to orders from the Federal Energy Regulatory Commission; and

(v) any other information that the utility believes is relevant to its resource plan or future transmission investments.

Amend the bill further, SECTION 23, by striking Section 58-33-310(C) and inserting:

(C) Any final order on the merits issued pursuant to this chapter shall be immediately appealable to the Supreme Court of South Carolina in accordance with South Carolina Appellate Court Rule 203<sub>7</sub>. The

Supreme Court shall provide for expedited briefing and hearing of the appeal in preference to all other nonemergency matters. The commission must not be a party to an appeal.

Amend the bill further, SECTION 30.A., by striking Section 58-3-70 and inserting:

Section 58-3-70. The chairman and members of the commission shall receive annual salaries payable in the same manner as the salaries of other state officers are paid. The commission members shall receive a salary in an amount equal to ninety percent of the salary fixed for the eircuit court judges Associate Justices of the Supreme Court of South Carolina. Each commissioner must devote full time to his duties as a commissioner and must not engage in any other employment, business, profession, or vocation during the normal business hours of the commission.

Amend the bill further, by striking SECTION 30.B and inserting:

B. This section is effective beginning with the fiscal year immediately following the next Public Service Commission election <u>after the effective date of this act</u>.

Amend the bill further, SECTION 31, by striking Section 58-41-50(B)(1) and inserting:

(B)(1) An electrical utility may file a proposed agreement regarding co-located resources between the utility and a customer <u>or multiple</u> <u>customers</u> with an electric load in excess of 25 megawatts for the commission's consideration. The proposed agreement must contain at least one of the following requirements:

(a) co-location of electric generation or storage on the customer's property provides bulk system benefits for all customers and benefits for the host customer;

(b) co-location of renewable electric generation resources on the customer's property provides bulk system benefits for all customers and the renewable attributes associated with such generation can be allocated to the host customer;

(c) co-location of electric generation on the customer's property would result in permitting and siting efficiencies to enable electric generation to come online earlier than otherwise could occur; or

(d) co-location of electric generation resources on the customer's property could be utilized as resiliency resources to serve the electric grid in times of need.

Amend the bill further, SECTION 31, by striking Section 58-41-50(B)(2)(a), (b), (c), and (d) and inserting:

(a) how the resource helps to serve resource needs identified in the electrical utility's most recent integrated resource plan filing;

(b)(a) credit and ratepayer protections included in the agreement;

(c)(b) the contractual terms that preserves the electrical utility's operation of resources; and

(d)(c) how costs and benefits associated with the agreement would be allocated among the customer who is a party to the agreement and other customers in the electrical utility's balancing area.

Amend the bill further, SECTION 31, by striking Section 58-41-50(C)(1) and inserting:

(1) the proposed program was voluntarily agreed upon by the electrical utility and the customer<u>or multiple customers</u>,

Amend the bill further, SECTION 31, by striking Section 58-41-50(D) and inserting:

(D) For purposes of this section, "co-located" or "co-location" includes electric generation, storage, renewables, and associated facilities on a customer's site as well as any location where the connection to the electrical utility is in such proximity to the customer's site that enables resilient power supply to support the development of power supply to meet the customer's needs. An agreement regarding co-location may also include potential co-ownership of the electric generation and associate facilities by the electrical utility and the customer. A customer participating in a co-location or co-ownership agreement shall not be considered an electrical utility.

Amend the bill further, by adding an appropriately numbered SECTION to read:

SECTION X. Chapter 33, Title 58 of the S.C. Code is amended by adding:

Section 58-33-200. For any construction project with a project budget of at least five hundred million dollars and in order to maintain the financial integrity of significant expenditures affecting ratepayers, the Office of Regulatory Staff shall retain an independent construction analyst who shall monitor the construction project on a regular basis and who shall provide to the Office of Regulatory Staff, the Public Service Commission, the Public Utilities Review Committee, and the Joint Bond Review Committee regular reports as to the status of the construction efforts as needed, but at least on a quarterly basis.

Renumber sections to conform.

Amend title to conform.

Senator RANKIN spoke on the committee amendment.

The amendment was adopted.

#### Amendment No. 1

Senator DAVIS proposed the following amendment (LC-3309.HA0048S), which was adopted:

Amend the bill, as and if amended, SECTION 16, by deleting Section 58-41-20(F)(3) from the bill.

Renumber sections to conform.

Amend title to conform.

Senator DAVIS explained the amendment.

The amendment was adopted.

#### Amendment No. 2

Senator DAVIS proposed the following amendment (LC-3309.HA0049S), which was adopted:

Amend the bill, as and if amended, SECTION 18.B., by striking Section 58-33-20(2)(a) and inserting:

(a) electric generating plant and associated facilities designed for, or capable of, operation at a capacity of more than seventy-five megawatts- or that requires a footprint of more than one hundred twenty-five acres of land.

Renumber sections to conform. Amend title to conform.

Senator DAVIS explained the amendment. Senator OTT spoke on the amendment.

Senator OTT moved to lay the amendment on the table.

The "ayes" and "nays" were demanded and taken, resulting as follows: Ayes 13; Nays 29

	AYES	
Blackmon	Campsen	Chaplin
Climer	Corbin	Gambrell
Hembree	Ott	Peeler
Rice	Turner	Young
Zell		

#### Total--13

#### NAYS

Alexander	Allen
Cash	Cromer
Devine	Elliott
Garrett	Goldfinch
Grooms	Jackson
Kennedy	Kimbrell
Massey	Nutt
Reichenbach	Sabb
Sutton	Tedder
Williams	
	Cash Devine Garrett Grooms Kennedy Massey Reichenbach Sutton

#### Total--29

The motion to lay the amendment on the table failed.

The question then was the adoption of the amendment.

The amendment was adopted.

#### Amendment No. 3

Senator DAVIS proposed the following amendment (LC-3309.HA0050S), which was carried over:

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

SECTION X. Title 58 of the S.C. Code is amended by adding:

#### CHAPTER 42

#### Competitive Procurement

Section 58-42-10. (A) The General Assembly finds that it is in the public interest for the state's electrical utilities to competitively procure targeted volumes of renewable energy and co-located energy storage resources. The General Assembly further finds that it is in the public interest for the state's electrical utilities to competitively procure certain stand-alone storage additions to be located in South Carolina. These procurements shall be consistent with the electric utilities' 2023 integrated resource plans as approved by the commission or the subsequent annual integrated resource plan updates as approved by the commission. The resources procured pursuant to this section are intended to be placed in service on or before January 1, 2035. The

volumes of each procurement may be increased or decreased as provided in this section. If an electrical utility proposes an amount of solar or storage in a future integrated resource plan filing that is lower than the amount contained in the electrical utility's 2023 integrated resource plan as approved by the commission, the electrical utility shall include and analyze at least one scenario consistent with the electrical utilities' 2023 preferred resource portfolio that includes volumes of solar and storage consistent with that contained in the 2023 integrated resource plans as approved by the commission.

(B) The electrical utilities shall procure the resources referred to in subsection (A) through at least a biennial competitive procurement process consistent with the requirements of Sections 58-42-20 and 58-42-30, and in accordance with this section. The target volume in each competitive procurement shall be consistent with the volume of resources needed to be procured at that time to achieve the resource inservice dates specified in the electrical utility's 2023 integrated resource plan as approved by the commission or a subsequent integrated resource plan annual update as approved by the commission.

(C) The amount of renewable energy or energy storage resources required to be procured by each electrical utility pursuant to this section shall be reduced by the alternating current ("AC") nameplate capacity of any facility of the same resource type for which such electrical utility enters into a power purchase agreement after the effective date of this section pursuant to the electrical utility's mandatory purchase obligation under Public Utility Regulatory Policies Act or pursuant to a prior competitive procurement which had not resulted in an executed power purchase agreement date of this section, provided that the facility is placed in service in 2035 or earlier.

(D) The target resource volumes for each competitive procurement shall reflect any increases or decreases included in the electrical utility's most recently approved integrated resource plan or integrated resource plan update. The electric utility may, at its option, include the procurement of non-renewable generation resources as part of its procurement of renewable and storage resources pursuant to this section.

(E) The target resource volumes for competitive procurement shall take into account any changes in siting opportunities that may be affected by local permitting, zoning, or other regulatory or legal challenges.

(F) The target resource volumes for competitive procurement by the electrical utility shall be increased to account for replacing megawatts associated with:

(1) any inability by the electrical utility to reach target procurement volumes in prior procurement cycles;

(2) the inability of renewable energy or energy storage resources procured in any prior procurement cycles to be placed in service; and

(3) the expiration of any existing contracts for qualifying facilities pursuant to the Public Utility Regulatory Practices Act.

All target resource volumes referenced in this subsection shall be consistent with the needs identified in the most recently commission approved integrated resource plan or integrated resource plan update.

(G) Prior to making final awards in a competitive procurement, the electrical utility shall confirm that the resources selected are cost effective using methodologies and current inputs reflected in the applicable integrated resource plan or integrated resource plan update approved by the commission for that electrical utility.

(H) Notwithstanding the other subsections of this section, the results of competitive procurements within an electrical utility's balancing area outside of South Carolina that serve customers in the electrical utility's balancing area within South Carolina shall be approved or accepted by the commission as specified in 58-42-20(G).

(I) Notwithstanding Section 58-41-20(F)(2), electrical utilities shall continue to offer to qualifying small power production facilities power purchase agreements for the purchase of energy and capacity at avoided cost, with commercially reasonable terms and a duration of up to ten years, until the competitive procurement requirements of this section have been satisfied.

Section 58-42-20. (A) For purposes of this chapter:

(1) "Electrical utility" shall be defined as in Section 58-27-10, provided, however, that electrical utilities serving less than 100,000 customers shall be exempt from the provisions of this chapter unless otherwise provided.

(2) "Energy storage facility" means commercially available technology that can absorb energy and store it for later use, including, but not limited to, electrochemical, thermal, and electromechanical technologies but not including pumped hydroelectric facilities.

(3) "Renewable energy facility" has the same meaning as defined in Section 58-39-120(E).

(4) "Renewable energy resource" has the same meaning as "renewable generation resource" as defined in Section 58-39-120(F).

(B) Unless an electrical utility makes an application pursuant to subsection (G), electrical utilities shall file for commission approval a program for the competitive procurement of renewable energy resources

and such amount of associated co-located energy storage facilities as determined by the commission to meet needs for new generation and energy storage resources identified by the electrical utility's integrated resource plan or other planning process. A competitive procurement program may be used to procure any subset of energy, capacity, ancillary services, and environmental and renewable attributes. The commission may not grant approval of the program unless it finds that the electrical utility has satisfied all the requirements of this section and that the proposed program is in the best interests of the customers of the electrical utility. Co-located energy storage facilities, if included in the solicitation, must be associated equipment located at the same site as the renewable energy facility.

(C) Electrical utilities shall procure renewable energy resources and co-located energy storage facilities, or the output of such facilities, subject to the following requirements:

(1) Renewable energy and co-located energy storage resources, or their output, procured by electrical utilities shall be procured via a competitive solicitation process open to all market participants that meet minimum eligibility requirements.

(2) The electrical utility shall issue public notice of its intention to issue a competitive renewable energy and co-located energy storage solicitation, or both, at least ninety days prior to the commencement of each solicitation. This notice must include the proposed procurement volume, process, and timeline.

(3) The electrical utility shall provide a reasonable period of time for interested parties to review and comment on proposed requests for proposals, bid instructions, and bid evaluation criteria, and for commission approval, prior to finalization and issuance.

(4) Renewable energy facilities eligible to participate in a competitive procurement are those that use renewable energy resources.

(5) Energy storage facilities eligible to participate in a competitive procurement are those identified in Section 58-42-20(A)(2) installed an operated in conjunction with a renewable energy facility.

(6) The electrical utility shall be required to use an independent evaluator or independent administrator to oversee or manage the competitive procurement, as determined appropriate by the commission.

(7) The procurement of renewable energy facilities and co-located energy storage facilities and the output of such facilities shall result in a reasonable balance of electrical utility and independent third-party ownership of eligible facilities, as determined by the commission. The electrical utility and its affiliates may offer proposals into the

competitive procurement provided that appropriate safeguards are in place to ensure that such proposals do not receive any advantage in the bid evaluation process.

(D) An electrical utility shall make publicly available at least fortyfive days prior to each competitive solicitation:

(1) A commission-approved pro forma contract to inform prospective market participants of the procurement terms and conditions. The pro forma contract must: (i) include standardized and commercially reasonable requirements for contract performance security consistent with market standards; and (ii) define limits and compensation for resource dispatch and curtailment.

(2) A bid and portfolio evaluation methodology that: (i) ensures all bids are treated equitably, including price and nonprice evaluation criteria; and (ii) ensures electrical utility and independent third-party owned facilities are treated equitably with regards to resource dispatch and curtailments.

(3) Interconnection requirements including specification of how bids without existing interconnection studies must be treated for purposes of evaluation.

(E) After bids are submitted and evaluated, final winning bids will be selected based upon the published evaluation methodology.

(F) An electrical utility shall issue a public report summarizing the results of each competitive solicitation within sixty days of the award notifications. The report shall include, at minimum, a summary of the submitted bids and an anonymized list of the project awards, including their size, location, average award price and tenor, and award price range. Electrical utilities are permitted to recover costs incurred through such competitive procurement through rates established pursuant to Section 58-27-865 or Section 58-27-870.

(G) Notwithstanding the requirements of Section 58-42-10 and this section, the commission shall approve an electrical utility's competitive procurement of energy storage facilities or renewable energy resources and the output of energy storage facilities or renewable energy resources within an electrical utility's balancing area outside of South Carolina that serve customers within South Carolina if eligible energy storage facilities or renewable energy resources located within South Carolina were allowed to participate in the competitive procurement and if the commission determines that the results of such procurement are in the public interest and enable the economic, reliable, and safe operation of the electric grid. Electrical utilities shall be permitted to recover costs incurred through such competitive procurements through rates

established pursuant to Section 58-27-865 or Section 58-27-870. However, if the commission determines that the results of the procurement are not in the public interest for South Carolina, then the costs and benefits associated with such procurement shall be allocated away from South Carolina customers.

(H) The commission is authorized to adopt rules or procedures for conducting a procurement authorized by this section.

Section 58-42-30. (A) Within six months from the date of the enactment of this chapter, the commission shall open a docket to establish a competitive procurement program for each electrical utility for energy storage facilities to be located in South Carolina. Solicitations shall be subject to the following limitations:

(1) For transmission-connected energy storage (excluding pumped hydro) the electrical utilities shall conduct a competitive procurement for such resources, including utility-self developed projects. Each electrical utility shall file the proposed details of its competitive procurement process no later than twelve months after the date of the enactment of this chapter.

(2) The target procurement volume for stand-alone storage acquisition may not exceed the portion of stand-alone storage in the most recent commission approved integrated resource plan or integrated resource plan annual update that is equal to the portion of the respective electrical utility's peak load attributable to South Carolina customers.

(3) Stand-alone energy storage facilities with a design capacity less than or equal to twenty megawatts and intended primarily to address local reliability improvements or local capacity constraints are not subject to the competitive procurement requirements of this section.

(4)(a) The procurement of stand-alone energy storage facilities shall result in a reasonable balance of the electrical utility and independent third-party ownership of eligible facilities, as determined by the commission.

(b) An electrical utility and its affiliates may offer proposals into the competitive procurement provided that appropriate safeguards are in place to ensure that such proposals do not receive any advantage in the bid evaluation process. Electrical utility costs associated with facilities owned by an independent third-party power producer shall be capitalized and included within the electrical utility's rate base for ratemaking purposes.

(B) Competitively procured stand-alone storage shall be subject to operational protocols, equipment specifications and inspections established by the electric utility and which are necessary to ensure the

reliability of the electrical utility system. Information regarding competitively procured stand-alone storage must be provided to the Office of Regulatory Staff.

(C) Electrical utilities may recover costs incurred through such competitive procurement through rates established pursuant to Section 58-27-870.

SECTION X. Section 58-31-227(B) of the S.C. Code is amended to read:

(B) The Public Service Authority shall procure renewable energy resources subject to the following requirements:

(1) Renewable energy resources procured by the Public Service Authority shall be procured via a competitive solicitation process open to all independent market participants that meet minimum eligibility requirements.

(2) The Public Service Authority shall issue public notification of its intention to issue a competitive renewable solicitation at least ninety days prior to the release of each solicitation, including the proposed procurement volume, process, and timeline.

(3) Renewable energy facilities eligible to participate in a competitive procurement are those that have a valid interconnection request on file and that use renewable energy resources identified in Section 58-39-120(F) and may include battery storage devices-charged exclusively by renewable energy.

Renumber sections to conform. Amend title to conform.

Senator DAVIS explained the amendment.

On motion of Senator DAVIS, the amendment was carried over.

#### Amendment No. 4A

Senator DAVIS proposed the following amendment (LC-3309.HA0061S), which was carried over:

Amend the bill, as and if amended, SECTION 12.A., by striking Section 58-37-120(A) and inserting:

(A) Any agency presented with ana complete application for a permit for an energy infrastructure project shall promptly provide a public comment period and shall issue a decision on the application no later than six months after the date the complete application is received by the agency. If the agency fails to take final action within six months of receipt of the complete application, the application shall be deemed

approved, and the agency shall promptly issue documentation that the applicant may reasonably request establishing that the agency has granted the relief requested of such approval.

Amend the bill further, SECTION 12.A., by striking Section 58-37-120(D) and inserting:

(D) Upon receipt of an application, the agency shall promptly review it for sufficiency and shall provide the applicant with a list of all technical and administrative deficiencies within thirty days of receipt<del>, or if a public comment period</del> is required, fifteen days from the end of the comment period. The identification of by the agency of deficiencies in the application shall not toll the six-month period for agency determination.

Amend the bill further, SECTION 12.A., by striking Section 58-37-130 and inserting:

Section 58-37-130. The applicant or any person whose private rights are affected by an agency decision or action on an application for a permit for any energy infrastructure project may appeal that decision or action to the South Carolina Supreme Court. The Supreme Court shall hear these appeals as a direct appeal in accordance with the South Carolina Appellate Court-Rules Rule 203. The Court shall provide for an expedited briefing and hearing of the appeal, in preference to all other nonemergency matters on its docket and decide such appeals on an expedited basis. Any agency decision or action that is subject to a contested case review before the Administrative Law Court, pursuant to Section 1-23-600 et. seq., shall be appealable under this section upon issuance of an appealable order by the Administrative Law Court.

Renumber sections to conform.

Amend title to conform.

Senator DAVIS explained the amendment.

On motion of Senator DAVIS, the amendment was carried over.

#### Amendment No. 5

Senator DAVIS proposed the following amendment (LC-3309.HA0052S), which was carried over:

Amend the bill, as and if amended, SECTION 2, by striking Section 58-3-140(E) and inserting:

(D)(E) The commission must promulgate regulations to require the direct testimony of witnesses appearing on behalf of utilities and of witnesses appearing on behalf of persons having formal intervenor status, such testimony to be reduced to writing and prefiled with the

commission in advance of any hearing. In contested case proceedings, the applicant seeking relief from the commission shall have the right to prefile rebuttal testimony responsive to the direct prefiled testimony of other parties. The commission may allow supplemental testimony in cases where new matters arise after the filing of direct testimony, provided that parties shall have the right to respond to such supplemental testimony. The procedural schedule for each contested case proceeding shall include dates for completion of each phase of discovery, including discovery related to the application or other initial pleading as filed, direct testimony of the applicant, direct testimony of the Office of Regulatory Staff and other parties and intervenors, rebuttal testimony of the applicant, and surrebuttal testimony but only if allowed by the commission upon motion that there is material new information for which surrebuttal testimony is required. The commission must act on a motion to allow surrebuttal testimony within three business days. Except upon showing of exceptional circumstances or surprise, all discovery must be completed not less than ten days prior to the hearing. The party with the burden of proof must be permitted to open and close its case, including the presentation of responsive witness testimony.

<u>Amend</u> the bill further, SECTION 20, by striking Section 58-37-40(C)(2) and (3) and inserting:

(2) The commission shall approve an electrical utility's or the Public Service Authority's 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 or the Public Service Authority'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: In reviewing an integrated resource plan, the commission shall give due consideration as to the resources and actions necessary for the utility to fulfill compliance and reliability obligations pursuant to the Federal Energy Regulatory Commission, the North American Electric Reliability Corporation, the Southeastern Electric Reliability Council, and the Nuclear Regulatory Commission requirements, as well as environmental requirements applicable to resources serving customers in this state. Matters related to the scope and sufficiency of an electrical utility's demand-side plans and activities shall be considered exclusively in proceedings conducted pursuant to Section 58-37-20. In reviewing an integrated resource plan, the commission shall focus its review on the decisions which the

applicant must make in the near term based on the triennial integrated resource plan under consideration at the time and shall approve a plan if it finds that the plan appropriately balances the following factors:

(a) resource adequacy and capacity to serve anticipated peak electrical load, <u>including the need for electric capacity and energy</u> required to support economic development and industry retention in the electrical utility's or the Public Service Authority's service territory and to meet applicable planning reserve margins;

(b) consumer affordability and least <u>reasonable cost considering</u> <u>the resources needed to support economic development and industry</u> retention, and other risks and benefits;

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

(d) power supply reliability;

(e) commodity price risks;

(f) diversity of generation supply; and

(g) <u>the efficiencies and optimum plans for any electrical utility</u> <u>system spanning state lines located within the electrical utility's or the</u> <u>Public Service Authority's balancing authority area; and</u>

(h) other foreseeable conditions that the commission determines to be for the public's interest.

(3) In modifying or rejecting an electrical utility's or the Public Service Authority's integrated resource plan, the commission shall only require revisions that are reasonably anticipated to materially change resource procurement decisions to be made on the basis of the integrated resource plan under review. If the commission modifies or rejects an electrical utility's or the Public Service Authority's integrated resource plan, the electrical utility or the Public Service Authority, 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 electrical utility's or the Public Service Authority's revised filing, the Office of Regulatory Staff shall review the electrical utility's or the Public Service Authority's revised plan and submit a report to the commission assessing the sufficiency of the revised filing. Other parties to the integrated resource plan proceeding also may submit comments. No 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.

Amend the bill further, SECTION 20, by striking Section 58-37-40(E) and inserting:

(E) Intervenors shall bear their own costs of participating in proceedings before the commission, except that the commission may order utilities to provide software licenses to intervenors who are participating in litigated proceedings before the commission, where doing so is in the public interest.

Amend the bill further, SECTION 21, by striking Section 58-3-260(C) and inserting:

(C) Commissioners must limit their consideration of matters before them to the record presented by the parties and may not rely on material not presented in the record by the parties.

Amend the bill further, SECTION 21, by striking Section 58-3-260(I) and inserting:

(H)(I) Nothing in this section prevents a commissioner, hearing officer, or commission employee from:

(1) attending educational seminars sponsored by state, regional, or national organizations and seminars not affiliated with any utility regulated by the commission; however, the provisions of this section shall apply to any communications that take place outside any formal sessions of any seminars or group presentations.

<del>(I)</del>

Renumber sections to conform. Amend title to conform.

Senator DAVIS explained the amendment.

On motion of Senator DAVIS, the amendment was carried over.

On motion of Senator DAVIS, with unanimous consent, Amendment Nos. 6A, 7A and 8 were carried over.

#### Amendment No. 9

Senator DAVIS proposed the following amendment (LC-3309.HA0060S), which was adopted:

Amend the bill, as and if amended, SECTION 18.A., by striking Section 58-33-20(10) and inserting:

(10) The term "like facility" with reference to generation facilities and without limitation, includes a facility or facilities that are proposed to provide capacity on a site currently or previously used for siting electric generation that replaces the capacity of a facility or facilities that are

being retired, abandoned, brownfield, downrated, mothballed, or dedicated to standby or emergency service at the same site, limited to facilities no more than 300 megawatts for non-nuclear generation, so long as those new facilities will provide an amount of effective load-carrying capacity that in whole or in part will serve to replace the capacity to be lost as a result of retirement, capacity lost as a result of abandonment, or in the case of nuclear generation, will serve to provide the facility and includes associated transmission facilities needed to deliver power from that facility to customers. A "like facility" with reference to transmission facilities, and without limitation, includes any facility that represents the rebuilding, reconductoring, paralleling, increasing voltage, adding circuits or otherwise reconfiguring of an existing transmission line or other transmission facilities including, without limitation, projects to increase the capacity of such facilities, provided such facilities are: (a) located materially within a utility right of way or corridor; or (b) substantially located on the property of a customer, prospective customer, or the State.

Amend the bill further, SECTION 19, by striking Section 58-33-110(7) and inserting:

(7) The <u>Commission\_commission</u> shall have authority, where justified by public convenience and necessity, to grant permission to a person who has made application for a certificate under Section 58-33-120 to proceed with initial clearing, excavation, dredging, and construction.<u>;</u> provided, however, Pending an application for determination of a like facility, noNo permission from the commission shall be required to proceed with initial clearing, excavation, dredging, and initial construction of any proposed like facility; provided that in engaging in such clearing, excavation, dredging, or construction, the person shall proceed at his own risk, and such <u>early action in advance of a</u> <u>determination permission</u>-shall not in any way indicate approval by the <u>Commission</u>commission of the proposed site or like facility.

Renumber sections to conform. Amend title to conform.

Senator DAVIS explained the amendment.

The amendment was adopted.

#### Amendment No. 10

Senator YOUNG proposed the following amendment (SR-3309.KM0004S), which was carried over:

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

SECTION X. Chapter 27, Title 58 of the S.C. Code is amended by adding:

#### Article 24

#### Electric Rate Stabilization Act

Section 58-27-2700. A public utility providing retail electric service, in its discretion and at any time, may elect to have the terms of this article apply to its rates and charges for retail electric service, on a prospective basis, by filing a notice of the election with the commission and on the same day and by the same means serving a copy on the Office of Regulatory Staff. Upon receipt of notice of the election, the commission shall proceed to make the findings and establish the ongoing procedures required for adjustments in base rates to be made under this article. In carrying out the procedures established by this article with respect to such an election, the commission shall rely upon and utilize the approved rates, charges, revenues, expenses, capital structure, returns, and other matters established in the public utility's most recent general rate proceeding pursuant to Section 58-27-860; provided, however, that the most recent order must have been issued no more than five years prior to the initial election to come under the terms of this article and the utility must file an application for a general rate proceeding every five years after such election. A public utility may combine an election under this article with the filing of a rate proceeding pursuant to Section 58-27-860. The commission shall include the findings required by this article in its rate orders issued in the Section 58-27-860 proceedings, and the election shall remain in effect until the next general rate proceeding.

Section 58-27-2710. The election by a utility to have the terms of this article apply to its rates and charges for retail electric service once made shall remain in effect until the next general rate proceeding for the public utility under Section 58-27-860, at which time the public utility may then elect to continue the applicability of this article to its rates and charges or elect to opt out of the provisions of this article. The applicant may withdraw its request to come under the terms of this article at any time before the entry of a final order of the commission on the merits of the proceeding in which the election is made or on a petition for rehearing in the proceeding.

Section 58-27-2720. In issuing its order pursuant to Section 58-27-2710, and in addition to the other requirements of Section 58-27-2710, if a proceeding pursuant to that section is required, then:

(1) the commission shall specify a range for the utility's cost of equity that includes a band of fifty basis points (0.50 percentage points) below and fifty basis points (0.50 percentage points) above the cost of equity on which rates have been set; and

(2) the commission separately shall state the amount of the utility's net plant in service, construction work in progress, accumulated deferred income taxes, inventory, working capital, and other rate base components. It also shall state the utility's depreciation expense, operating and maintenance expense, income taxes, taxes other than income taxes, other components of income for return, revenues, capital structure, cost of debt, overall cost of capital, and earned return on common equity. The figures stated shall be those which the commission has determined to be the appropriate basis on which rates were set in the applicable orders.

Section 58-27-2730. The utility shall file with the commission monitoring reports for each twelve-month period ending on March 31, June 30, September 30, and December 31 of each year, the filings to be made no later than the fifteenth day of the third month following the close of the period. The utility shall serve a copy of such reports on the Office of Regulatory Staff on the same day and by the same means as they are provided to the commission. These quarterly monitoring reports shall include:

(1) the utility's actual net plant in service, construction work in progress, accumulated deferred income taxes, inventory, working capital, and other rate base components. The report shall also show the utility's depreciation expense, operating and maintenance expense, income taxes, taxes other than income taxes, other components of income for return, revenues, capital structure, cost of debt, overall cost of capital, and earned return on common equity;

(2) all applicable accounting and pro forma adjustments historically permitted or required by the commission for the utility in question or for similarly situated utilities, authorized by general principles of utility accounting, or authorized by accounting letters or orders issued by the commission. This authorization may occur either in a general rate hearing or in any other type of filing or hearing that the commission considers appropriate. However, other parties shall be given sufficient opportunity to review and provide comments on any proposed accounting letter or order issued after the initial order allowing future base rate adjustments pursuant to this article;

(3) pro forma adjustments to annualize for the twelve-month period any rate adjustments imposed pursuant to this article or other events

affecting only part of the period covered by the filing so that the annualization is required to show the effects of those events on the utility's earnings going forward; and

(4) pro forma or other adjustments required to properly account for atypical, unusual, or nonrecurring events.

Section 58-27-2740. (A) In the monitoring report filed for the twelve-month period ending December thirty-first of each year, the utility shall provide additional schedules indicating the following revenue calculations:

(1) if the utility's earnings exceed the upper end of the range established in the order, then the utility shall calculate the reduction in revenue required to lower its return on equity to the midpoint of the range established in the order; or

(2) if the utility's earnings are below the lower range established in the order, then the utility shall calculate the additional revenue required to increase its return on equity to the midpoint of the range established in the order.

(B) The utility also shall provide a schedule that specifies changes in its tariff rates required to achieve any indicated change in revenue.

(C) The proposed rate changes, filed by the utility, shall conform as nearly as is practicable with the revenue allocation principles contained in the most recent rate order.

Section 58-27-2750. The Office of Regulatory Staff shall review the monitoring report filed pursuant to Section 58-27-2730 and Section 58-27-2740 to determine compliance with its terms, taking into account the findings of any audit conducted by the Office of Regulatory Staff concerning compliance with Section 58-27-2730 and Section 58-27-2740. The Office of Regulatory Staff shall propose those adjustments it determines to be required to bring the report into compliance with Section 58-27-2740. Based upon that report and the findings of any audit conducted by the Office of Regulatory Staff, the commission shall order the utility to make the adjustments to tariff rates necessary to achieve the revenue levels indicated in Section 58-27-2740.

Section 58-27-2760. The procedures contained in this section shall apply to monitoring reports related to the quarter ending December 31.

(1) The utility shall file the monitoring reports annually with the commission and Office of Regulatory Staff on or before March 15.

(2) In cases where the monitoring report indicates rate adjustments are required, or where it otherwise appears to the commission or the Office of Regulatory Staff that an adjustment in rates may be warranted under this article, the commission shall issue a Notice of Filing annually on or

before March 31 and require interested persons to file a petition to intervene annually on or before May 15. The commission shall maintain a register of parties who have notified the commission in writing that they wish to be provided with any Notice of Filing related to specified utilities and the commission shall use reasonable efforts to provide such parties with Notices of Filing by such utilities, provided that the failure to do so shall not invalidate any subsequent proceedings. Intervenors shall have discovery rights related to the matters set forth in Section 58-27-2730.

(3) The Office of Regulatory Staff shall conduct an audit of the monitoring report to ascertain the reasonableness and prudency of all matters contained therein and specify any changes that the Office of Regulatory Staff determines to be necessary to correct errors in the report or to otherwise bring the report into compliance with this article. The Office of Regulatory Staff's audit report shall be verified and provided to the commission and to the utility and made available annually to all parties of record no later than June 1. Other parties of record shall also be allowed until June 1 of each year to file verified written comments and submit documentary evidence to the commission and the Office of Regulatory Staff in response to the utility's monitoring report.

(4) The utility shall be allowed until June 15 of each year to file verified written comments and submit documentary evidence to the commission and the Office of Regulatory Staff related to the utility's monitoring report and may request a non-evidentiary hearing before the commission concerning the utility's monitoring report.

(5) On or before July 15 of each year, the commission shall issue an initial order setting forth any changes required in the utility's request to adjust rates under this article (the "Initial Order"). In the absence of such an Initial Order, the electric rate adjustment contained in the utility's filing shall be considered granted as filed.

(6) Any electric rate adjustments authorized under the terms of this article shall take effect for all bills rendered on or after the first billing cycle of August of that year.

Section 58-27-2770. In calculating its revenue requirement under Section 58-27-2730, and apart from the recovery of a return on construction work in progress, an electric utility may not include in plant service its investments in any new electric generating facility of more than two hundred fifty megawatts, or the costs associated with operating such a facility, except through a general electric rate proceeding under Section 58-27-860 and Section 58-27-870 or through a contested case

proceeding for the limited purpose of establishing the prudence of the facility under this section.

Section 58-27-2780. Within thirty days of the issuance of an Initial Order pursuant to Section 58-27-2760, or within thirty days of the failure by the commission to issue an order as required pursuant to Section 58-27-2760, any aggrieved party may petition the commission for review of the Initial Order or failure to issue an order and all interested parties of record shall have a right to be heard at an evidentiary hearing on the matter. The party shall serve a copy of such petition on the Office of Regulatory Staff and other parties of record on the same day and by the same means as it is provided to the commission.

Section 58-27-2790. (A) After conducting the hearing required by Section 58-27-2780, the commission shall issue a final order that:

(1) sets forth any changes that are required to the rates approved in the Initial Order issued under Section 58-27-2760(5);

(2) determines the amount of any overcollection or undercollection by the utility that resulted from collection of the rates authorized in the Initial Order as compared to the rates authorized in the final order issued under this section; and

(3) establishes a credit to refund the amount of any overcollection, or a surcharge to collect the amount of any undercollection that arose during the time that the rates approved in the Initial Order were collected, and requires the utility to apply the credit or surcharge until such time as the overcollection or undercollection is exhausted.

(B) The commission shall issue any final order required under this section by December thirty-first of the year in which the monitoring report was filed. The order shall make the corrected rates and the credit or surcharge, if any, effective as of the first billing cycle of May of that year.

(C) The provisions of Sections 58-27-2150 and 58-27-2310 concerning rehearing and appeal shall apply to the orders issued pursuant to this section.

Section 58-27-2800. The review of Initial Orders pursuant to Section 58-27-2780 and Section 58-27-2790 is limited to issues related to compliance with the terms of this article. Matters determined in orders issued pursuant to Section 58-27-2720 are not subject to review except in full rate proceedings pursuant to Section 58-27-2740. Any proceedings pursuant to this article are without prejudice to the right of the commission to issue, or any interested party to request issuance of, a rule to show cause why a full rate proceeding should not be initiated, nor does this article limit the right of a utility to file an application pursuant

to Section 58-27-870 for an adjustment to its rates and charges, nor does it impose the restrictions on filings contained in Section 58-27-870(E).

Section 58-27-2810. (A) The Office of Regulatory Staff is authorized to create additional positions as the General Assembly may provide in the annual General Appropriations Act for the purpose of performing its duties under this article; however, no more than two positions for each electric utility regulated pursuant to this article may be authorized. All salaries, benefits, expenses, and charges incurred by the Office of Regulatory Staff for these positions must be borne by the electric utilities regulated pursuant to this article.

(B) On or before the first day of July in each year, the Department of Revenue must assess each electric utility regulated pursuant to this article an equal portion of these salaries, benefits, expenses, and charges on June 30 preceding that on which the assessment is made which is due and payable on or before July 15. The assessments must be charged against the electric utilities by the Department of Revenue and collected by the department in the manner provided by law for the collection of taxes from the electric utilities, including the enforcement and collection provisions of Article 1, Chapter 54 of Title 12 and paid, less the Department of Revenue actual incremental increase in the cost of administration into the state treasury as other taxes collected by the Department of Revenue for the State. These assessments are in addition to any amounts assessed pursuant to Section 58-4-60. These assessments must be deposited in a special fund with the State Treasurer's Office from which the salaries, benefits, expenses, and charges shall be paid.

(C) The Office of Regulatory Staff must annually certify to the Department of Revenue on or before May 1 the amounts to be assessed.

Renumber sections to conform. Amend title to conform.

Senator YOUNG explained the amendment.

On motion of Senator YOUNG, the amendment was carried over.

#### Amendment No. 11

Senator OTT proposed the following amendment (SR-3309.CEM0003S), which was carried over:

Amend the bill, as and if amended, SECTION 9, by striking Section 13-7-810 and inserting:

Section 13-7-810. There is hereby established a Nuclear Advisory Council in the Department of Administration, South Carolina Energy

<u>Policy Research and Economic Development Institute, also referred to as EPI, at the University of South Carolina</u> which shall be responsible to the <u>Executive</u> Director of the <del>Department of AdministrationOffice of Regulatory Staff</del> EPI and report to the Governor.

Amend the bill further, SECTION 9, by striking Section 13-7-860 and inserting:

Section 13-7-860. Staff support for the council shall be provided by the Department of AdministrationOffice of Regulatory Staff EPI. The Director of the Nuclear Advisory Council must be a full-time employee of the EPI Office of Regulatory Staff.

Renumber sections to conform. Amend title to conform.

Senator OTT explained the amendment.

On motion of Senator OTT, the amendment was carried over.

On motion of Senator MASSEY, the Bill was carried over.

#### **Motion Adopted**

On motion of Senator MASSEY, the Senate agreed to stand adjourned.

#### **ADJOURNMENT**

At 4:51 P.M., on motion of Senator MASSEY, the Senate adjourned to meet tomorrow at 1:00 P.M.

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### SENATE JOURNAL INDEX

$\begin{array}{cccccccccccccccccccccccccccccccccccc$
$\begin{array}{cccccccccccccccccccccccccccccccccccc$
$\begin{array}{cccccccccccccccccccccccccccccccccccc$
S. 190 11   S. 220 14   S. 269 23   S. 270 23   S. 307 10   S. 318 12   S. 388 11   S. 389 11   S. 392 10   S. 405 25   S. 415 26
S. 220 14   S. 269 23   S. 270 23   S. 307 10   S. 318 12   S. 388 11   S. 389 11   S. 392 10   S. 405 25   S. 415 26
$\begin{array}{cccccccccccccccccccccccccccccccccccc$
$\begin{array}{cccccccccccccccccccccccccccccccccccc$
S. 270 23   S. 307 10   S. 318 12   S. 388 11   S. 389 11   S. 392 10   S. 405 25   S. 415 26
$\begin{array}{cccccccccccccccccccccccccccccccccccc$
S. 318 12   S. 388 11   S. 389 11   S. 392 10   S. 405 25   S. 415 26
S. 388 11   S. 389 11   S. 392 10   S. 405 25   S. 415 26
S. 389 11   S. 392 10   S. 405 25   S. 415 26
S. 392 10   S. 405 25   S. 415 26
S. 405
S. 415 <b>26</b>
5 4/ 3
S. 446 <b>29</b>
S. 487
S. 502 <b>40</b>
S. 509 <b>10</b>
S. 5124
S. 5134
S. 5144
S. 5155
S. 5165
S. 5175
S. 5185
S. 5196

17	S. 520	6
19	S. 521	6
22	S. 522	6
12	S. 523	7
11	S. 524	7
14	S. 525	7
23	S. 526	7
23	S. 527	8
10	S. 528	8
12	S. 529	8
11		
11	Н. 3309	40
10	Amendment No. 1	51
25	Amendment No. 11	69
26	Amendment No. 2	51
27	Amendment No. 3	52
29	Amendment No. 4A	58
11	Amendment No. 5	59
40	Amendment No. 9	62
10	Н. 3430	29
.4	Н. 3556	8
4	Н. 3557	9
4	Н. 3654	
.5	Н. 3731	9
.5	Н. 3862	39
.5	Н. 3947	39
.5	Н. 4014	3
.6	Н. 4244	10