



**SENATOR GREG GREGORY
LEGISLATIVE REPORT
FALL 2011**

This is a report regarding what transpired in the SC General Assembly this year. In it I attempt to cover the major issues and a few amusing ones that may be of interest.

I returned to the Senate in April after 2 ½ years away and found it much as it was when I retired. The body typically completes 80% of its work in the last 20% of its available time. So, even though I was seated late in the legislative year, I had not missed much. Here's what happened:

Collards & Coons - SC may not be #1 in much, but we do lead the country in vanity plates and official state symbols. The Senate approved 32 new vanity plates this year, including one for coon hunters.

After brief debate, a bill passed the Senate designating collards as the official state vegetable. I voted no because: 1) Collards stink up my house on New Year's Day, 2) It is silly to keep passing bills for official state spiders, tartans, waltzes, etc. 3) Third grade is hard enough without having to remember all this extra stuff for SC History class.

Redistricting - Every ten years, after the completion of the US Census, political districts are redrawn to balance out population shifts. Senate District 16 was forced to shrink in size from 120,000 people to 105,000. Over 60% of them are in Lancaster County with around 85% of Fort Mill/Tega Cay rounding out the district.

Because of population growth, SC gained a US House seat. After weeks of debate, the General Assembly formed the new district to include an area from Chesterfield County to Horry County. Most likely, the new congressman will be from the Grand Strand area.

Lawsuit Reform - A bill was passed that limits punitive damages from lawsuits to \$500,000, or three times actual damages, whichever is greater. This brings SC in line with other southeastern states and is a factor in attracting jobs here.

Heavy Metal - Late in the year a bill was passed to combat increasing thefts of copper and other metals. Registration with the local sheriff's office is now required to transport copper. Also, records of sellers must be maintained by recyclers.

Voter ID - Beginning next year one must present a SC driver's license, state issued ID, passport, or federal military ID to vote. While voter fraud is not a significant problem in SC, everyone wants their vote to count. This bill will further ensure that.

Gov't Restructuring - The SC House passed several important measures to restructure state government. These included creating a Dept. of Administration to largely replace our unorthodox Budget and Control Board. This helps grant SC chief executives the same oversight of government held by most all other governors. The House also passed joint resolutions to allow voters the opportunity to let future governors appoint the State Superintendent of Education, and select a running mate as Lt. Governor. All of this legislation is pending in the Senate and I plan to push for its passage in January.

ATVs - Over sixty SC children have died in accidents involving ATVs during the last ten years. After an eight year effort on the part of the parents of one of those children, a bill became law which bans those younger than six years old from riding ATVs. Children fifteen years old and younger must pass a safety class and wear a helmet and goggles.

Amazon - Legislators were given a Hobson's choice on the issue of whether to force Amazon to collect sales tax in SC. Businesses with physical locations here are required to charge sales tax on internet sales. Amazon, now building a massive distribution center in Lexington County, balked at this and threatened to pull the plug on this facility and its 2,000 jobs. This presented legislators with a choice between losing these desperately needed jobs, or further bastardizing our "Swiss cheese" tax code. My votes were against the Amazon tax break because it is unfair to existing retailers. However, I was on the losing side.

Wile E. Coyotes - They are migrating up from the Southwest and can now be found in all 46 counties. Coyotes are rarely seen in the daytime, but are a menace to pets, livestock, deer and turkeys. To better the chances of thinning their numbers the Senate passed a bill along to the House allowing hunters to shoot them at night.

Back In Black - This year began with budget writers expecting an \$800 million (15%) shortfall in our general fund. Revenues, however, rose like Lazarus and increased over 6%. This brought good and bad implications. It was good that revenue turned positive after several painful years of decline and resulting budget cuts. It was bad that improving revenue "untied us from the railroad tracks" and took away needed pressure to reform our flawed tax code.

Big items in the current budget include restoration of an additional \$243 in per student funding for K-12. A boost of \$25 million will fund charter schools. A sum of \$146 million will go toward paying down a nearly \$1 billion loan SC was forced to take from Washington to cover unemployment claims. On that front, the number of weeks of eligibility for the unemployed has been reduced from 26 to 20. These actions will result in a reduction of up to 25% in unemployment taxes paid by businesses. These premiums increased multifold for many struggling companies in 2011.

Included in the \$6 billion general fund budget was \$517 million in existing property tax relief for homeowners and almost \$100 million for businesses. Another \$287 million went into rainy day reserve funds as required by the SC Constitution.

After much posturing and jawboning over whether it would be funded, ETV was given \$6.5 million. In addition to what one sees and hears on its channels, ETV also provides important services for many other state agencies. Considering its funding represents 1% of the state budget, I consider it short-sighted to zero it out.

Welfare (AFDC) payments were reduced from \$270 per month to \$217. To qualify recipients must work part time or be part of a training program. (Food stamps and other forms of welfare were not affected.) Conversely, Medicaid spending continued to grow like kudzu on a telephone pole. If increases are not soon arrested, Medicaid will consume more and more of the state budget. As it grows, funding for higher education, the DNR, Highway Patrol and other agencies will continue to fall. State employees have not had raises for many years and a major culprit is Medicaid spending. With 20% of South Carolinians on the program it has become unsustainable. Eligibility requirements must be increased to avoid Medicaid crowding out other important state responsibilities.

On the positive side, even though our budget is flawed, we don't spend more than we take in. Also, unlike the federal government, SC retains its AAA credit rating. Only 12 states have a AAA rating.

Questions or Comments:

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