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Subject: Competitiveness Update

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Thumbs Up: To the 106 bipartisan House members who understand the importance of funding the state's in needs.

House Passes Infrastructure Funding Bill

On Wednesday, by a vote of 106-5, the House passed H.3412, legislation to redirect the sales tax on vehicles from the General Highway Fund. The legislation would phase-in approximately \$80 million in recurring dollars over two years to the South Carolina Department of Transportation (SCDOT). Currently, taxes from car sales are deposited into the state's General Fund. The South Carolina Chamber of Commerce supports the plan as a first step in addressing the state's infrastructure crisis.

House Speaker Bobby Harrell (Charleston), lead sponsor of the legislation, said, "Just as a student's college tuition at one of our universities is dedicated to funding that student's education, this bill dedicates the sales tax on cars to maintaining the roads that we use."

Representative B.R. Skelton (Pickens) offered two amendments to increase the state's gasoline tax to 26 cents per gallon. This would generate approximately \$335 million per year, with South Carolina residents receiving a \$53 rebate, making the revenue amendment was quickly tabled.

Also on Wednesday, Representative Tommy Stringer (Greenville) introduced a bill to tie the state's gas tax to inflation, initially by five cents.

During debate on H.3412, Representative Gilda Cobb-Hunter (Orangeburg) took to the House floor to remind legislators that the state needs a comprehensive plan to finance infrastructure. In fact, the South Carolina Chamber and 14 partner organizations have presented to legislators the *Road Map to the Future*, a comprehensive plan to address the state's infrastructure needs, which SCDOT estimates at \$1 billion. The *Road Map* calls for the completion of critical widening projects on the busiest interstates, fixing deficient bridges and improving existing roadways. The plan includes a host of funding options that do not increase taxes or fees. Using the plan, the General Fund could invest more than \$250 million in roads and bridges this year alone.

Last week, the commonwealth of Virginia passed its own transportation plan that includes a laundry list of funding options for transportation. As a result, over time, Virginia will have an additional \$1 billion in transportation funding annually, substantial enough to meet transportation needs. By addressing its infrastructure needs, Virginia - often deemed one of the most business friendly states in the country - is continuing to foster a pro-growth economic climate to add jobs and investment.

Call to Action: Support Infrastructure Today!

More than 50 top businesses in the state have [signed-on to a letter](#) urging strong action this year on infrastructure funding. The Chamber has issued a "last call" for signatures as the letter will be delivered to the General Assembly soon. E-mail grassroots@scchan.org Monday if you would like your company to be added to the [letter](#).

Recommit Workers' Comp Legislation

The House Judiciary Committee passed H.3147 this week, legislation aimed at expanding workers' compensation coverage to law enforcement and firefighters who suffer from mental illnesses. The legislation is a result of *Bentley v. Spartanburg County*, a case in which a Spartanburg sheriff's deputy shot and killed a suspect in the line of duty and claimed to suffer from post-traumatic stress disorder.

However, the House Judiciary Committee expanded the legislation to private sector emergency medical technicians (EMT). The South Carolina Chamber of Commerce, along with many other business allies, opposes the legislation and is working with Representative

Horne (Dorchester) and Eddie Tallon (Spartanburg) to have the bill recommitted to the House Judiciary Committee.

In the case, the Workers' Compensation Commission (appellate panel) unanimously denied the claimant benefits because "he has his burden of proof in establishing a compensable mental injury that arose out of an 'unusual or extraordinary condition' of employment in Spartanburg County deputy sheriff." As the subcommittee and full House Judiciary Committee considered the legislation, the enforcement community sought certain protections to ensure that officers and firefighters mentally injured in the line of duty in "extraordinary" circumstances are able to be compensated for those injuries.

On the Federal Front...

Today marks the sequestration deadline, when more than \$85 billion will be cut from the federal budget across both federal discretionary and nondefense spending. The cuts will take place between March and September of this year. The Pew Center on the States has an [interactive map](#) showing the direct impact on each state's budget of the scheduled across-the-board cuts.

Over the long term, the White House and Congress must reduce overall discretionary spending, reform entitlement programs and reform Social Security. Federal leaders must also focus on fixing the national debt and set the federal budget on a sustainable path that will resuscitate growth for the nation. Learn more at <http://www.fixthedebt.org/>.

In Other News...

A joint resolution to make the state **Superintendent of Education** an appointed position by the governor is set for Special Order on the Senate floor, and debate will begin next week. The South Carolina Chamber **supports** the legislation.

South Carolina Secretary of Commerce Bobby Hitt requested \$12 million in **Closing Fund** appropriations this week to provide economic development. The request was approved by the Joint Other Funds Oversight Committee.

S.234, legislation providing incentives for **revitalizing abandoned commercial buildings**, passed out of the Senate Finance Committee and is now on the Senate floor. The South Carolina Chamber **supports** the legislation.

The House is expected to begin debating the **FY 2013-14 state budget** on Monday, March 11.

Stay up-to-date on the latest business issues at the State House by following the S.C. Chamber on Twitter and liking us on Facebook.

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