



Title: **Haley unapologetic for 'shower' remark**
 Author: By Rudolph Bell Staff Writer dbell@greenvillenews.com
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Haley unapologetic for 'shower' remark

By Rudolph Bell

Staff Writer

dbell@greenvillenews.com

Gov. Nikki Haley was unapologetic during a visit to Greenville Friday for her controversial comment earlier in the week that visitors to the Statehouse should "take a good shower" when they leave.

The remark angered some lawmakers as they wrestle with how to fund road improvements in the face of Haley's insistence that they pass a "massive" tax decrease at the same time.

Haley made the comment during a talk to Realtors on Tuesday.

On Wednesday, House Speaker Jay Lucas – a Republican like Haley -- received a standing ovation after declaring

in a floor speech that people expect better of their public officials, "not name-calling, not middle school insults that serve no purpose," The Associated Press reported.

On Friday, however, Haley told reporters that she's spoken for years about politics being a "dirty sport" and the need to take a shower after visiting the Statehouse.

"If you can't take a joke, you don't need to be in the game," she said following a talk to Greenville Chamber members at the Embassy Suites hotel.

Haley was likewise unapologetic for calling out lawmakers who vote against her position on bills on her Facebook

page or during visits to their districts.

Haley said she's "gone around the state and educated people on what their Legislature is doing" for four years.

"I don't have a vote upstairs in the Statehouse," she said. "I have the power of my voice, and so I have always felt like I need to educate people. If that means

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"But at the end of the day, my job's not to sit on my hands and stay quiet."

GOV. NIKKI HALEY

HALEY

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calling people out, I do it. If that means praising people, I do it.

"But at the end of the day, my job's not to sit on my hands and stay quiet," Haley said. "My job is to educate people

and tell them what we need to do to get good policy going through South Carolina."

State Rep. Garry Smith, a Simpsonville Republican who was at the Chamber lunch, said he figures lawmakers will find a way to get along with the gover-

nor.

"We're all on the same side," Smith said. "We're all Republicans. I think that we can come together and come to some common ground on some things. I'm certainly hoping that's the case, and I think that it will be."



RUDOLPH BELL/STAFF

Gov. Nikki Haley talks to a constituent Friday following a talk to Greenville Chamber members at the Embassy Suites hotel.

Title: **onroadrepairjourney**
 Author: By CASSIE COPE ccope@thestate.com
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House tries middle lane on road repair journey

A third major proposal appears: Panel passes
a plan to raise gas tax and cut income tax

By CASSIE COPE
ccope@thestate.com

A committee of the S.C. House combined an income tax cut proposal Thursday with a plan to raise money to fix the state's crumbling roads, giving South Carolina three road repair plans.

The House plan could emerge as the "just right" porridge as lawmakers try to stir up a road deal.

Another plan – Gov. Nikki Haley's tax-swap proposal – is too hot, legislators say, adding the state can't afford the income tax cut the Republican governor wants. The third plan – the Senate's – is too cold, without enough support to survive a Haley veto.

That leaves the House proposal as possibly the middle ground.

The three proposals have been

offered as solutions to the \$1.5 billion-a-year shortfall in the money needed to maintain, repair and expand the state's road, bridge and mass transit system, according to the state Transportation Department. Just to pay for maintenance and preservation of the state's existing roads and bridges would require an extra \$1 billion a year.

The House plan, sponsored by Rep. Gary Simrill, R-York, would raise roughly \$427 million a year.

That plan would increase the state gas tax by the equivalent of 10

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HOW MUCH IS NEEDED FOR ROADS AND BRIDGES?

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cents a gallon and the state's maximum sales tax on vehicles to \$500 from \$300. After Thursday's action by the House Ways and Means Committee, the House proposal now also includes an income tax cut that would save the average taxpayer \$48 a year.

That's far less than the tax cut that Haley has said she wants in return for supporting a roads deal.

But legislators and others say Haley's proposed tax cut would wreck the state's general fund budget.

"(The House's proposed tax cut) keeps the health and viability of the general fund to be able to pay our bills for the state," said Rep. Brian White, R-Anderson, who crafted the House's tax cut proposal.

Haley unveiled her proposal during her State of the State address in Jan-

uary. She proposed swapping a 10-cent-a-gallon increase to the gas tax, to be phased in over three years, for a 2 percentage point reduction to the state's top-end 7 percent income tax, to be phased in over 10 years. Her plan would raise an average of \$353 million a year during the next 10 years.

But critics say Haley's proposed income tax cut would reduce state revenues by \$1.8 billion a year,

THE CHALLENGE

\$1.5 billion a year more to maintain, preserve and expand the state's road, bridge and mass-transit system, according to the S.C. Transportation Department

\$1 billion a year is needed just to maintain and preserve the existing road-and-bridge system

THE PROPOSALS

\$800 million: The amount the Senate's proposal would raise each year

\$427 million: The amount the House's proposal would raise each year

\$353 million: The average amount Gov. Nikki Haley's proposal would raise each year

when fully implemented in 2025, forcing cuts in state spending on education, health care and law enforcement.

Haley has said the cuts would be offset by natural growth. But state Treasurer Curtis Loftis diplomatically questioned that statement in a March 9 letter to White and House Speaker Jay Lucas, R-Darlington, urging them to give "careful consideration of the proposal in its

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current form.”

If Haley’s proposal passes, the state would need to develop a comprehensive, convincing plan to cut its spending – including for education and public safety, Loftis said, adding, “The state’s ability to make a compelling case would likely be ... difficult.”

Haley’s proposed tax cut also would affect the state’s ability to pay for other obligations, such as spending more on poor schools after a recent state Supreme Court decision, or responding to a natural disaster, Loftis warned.

Finally, the agencies that oversee South Carolina’s top-notch AAA credit rating would not like the tax cut, Loftis added. “It is likely that the rating agencies would view the reduction in the income tax and the resulting drawdown of general funds available for expenditure as a credit negative.”

Haley talked two weeks ago to two credit-rating agencies – Moody’s and Standard & Poor’s – about the impact of her proposed income tax cut. If the state cuts taxes, the credit-rat-

ing agencies will want to see state spending “shift” as well, she said last week.

Protecting the state’s credit rating, which determines the cost of future borrowing, is incredibly important, Haley spokeswoman Chaney Adams said Thursday.

That, she added, “is why Governor Haley got on the phone with credit-ratings agencies just days ago, and in doing so, came to understand that there will be no issue in South Carolina giving more money back to the taxpayers as long as we control our spending at the same time.”

House members, however, are skeptical.

While Haley’s proposal was introduced in the House by state Rep. Tommy Stringer, R-Greenville, it has not moved. Instead, the House has focused on Simrill’s plan, while Haley and legislators have exchanged barbs over hygiene and middle school theatrics.

Meanwhile, state Sen. Ray Cleary, R-Georgetown, has pushed a proposal to increase several user fees and taxes to raise

roughly \$800 million a year for roads. His plan includes a 12-cent-a-gallon hike to the gas tax over three years and increasing the cap on the state’s sales tax on vehicles to \$600.

White anticipates moving forward the House bill, including his income tax cut. But, he added, some proposals in Cleary’s Senate proposal could be added to the House plan.

On Tuesday, Haley sent letters to House and Senate leaders, vowing once again to veto both their road repair plans. White said Thursday the Legislature could override that veto. “If we’ve got a good enough bill, we will.”

HOW TO REPAIR THE STATE’S CRUMBLING ROADS?

GOV. NIKKI HALEY’S PLAN

Money raised: An average of \$353 million a year for the next 10 years for roads

Tax hikes: Increase the state gas tax by 10 cents a gallon

Tax cuts: Reduce the state income tax by 2 percentage points – from 7 percent to 5 percent over 10 years

Status: The plan has been

introduced in the S.C. House by Rep. Tommy Stringer, R-Greenville. But it is going nowhere; the House has moved forward with its own plan.

HOUSE PLAN

Money raised: Roughly \$427 million a year

Tax hikes: Increase the gas tax by the equivalent of 10 cents a gallon, increase the maximum state sales tax on vehicles to \$500 from \$300

Tax cuts: Adjust the state’s income tax brackets, saving the average taxpayer \$48 a year

Status: The full House will debate the bill when members return to Columbia in mid-April after a two-week break.

SENATE PLAN

Money raised: Roughly \$800 million a year

Tax hikes: Increase the gas tax by 12 cents a gallon over three years; increase fees for 10-year driver’s licenses to \$50 from \$25; levy a \$60 fee on hybrid vehicles every two years and a \$120 fee on electric vehicles; increase the cap on the state’s sales tax on vehicles to \$600 from \$300; increase vehicle registration fees, paid every two years, to \$40 from \$24 for residents under 65 years old.

Tax cuts: None

Status: A senator has placed an objection on the bill, holding it up; senators voted Thursday against making the bill a top priority for debate.

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TIM DOMINICK/TDOMINICK@THESTATE.COM

Title: **183,000 workers in S.C. would benefit from Obamacare, report says**
 Author: BY LAUREN SAUSSER lsausser@postandcourier.com
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183,000 workers in S.C. would benefit from Obamacare, report says

BY LAUREN SAUSSER
lsausser@postandcourier.com

Some 30,000 food service workers in this state would qualify for Medicaid if South Carolina expanded eligibility for the low-income health insurance program under Obamacare, a new report shows.

Waitresses, bus boys and line cooks, who make too little money to pay for private policies, are employed by an industry that typically offers few benefits — no paid time off, no retirement plan, no subsidized insurance. “They can’t afford to miss work, and they can’t afford to go to the doctor if they don’t feel good,” said Frank Knapp, president of the S.C. Small Business Chamber of Commerce, which supports the Affordable Care Act. “They’re handling everybody’s food. We’re just crazy not to want to make sure these people are healthy — even if it’s for our own protection.”

Families USA, a nonprofit Washington group that also supports the Affordable Care Act, said this week that an additional 153,000 South Carolinians employed by other industries — in sales or construction jobs, for example — and 164,000 unemployed adults would also qualify for Medicaid coverage if the state expanded the program. Its report is based on information from the U.S. Census American Community Survey.

“Expanding coverage is a sound investment for South Carolina, creating a healthier workforce and strengthening

the state’s economy,” the group said in its report.

Gov. Nikki Haley disagrees. She has adamantly opposed expanding Medicaid coverage as prescribed by Obamacare. For three years, ever since the U.S. Supreme Court decided expansion was optional and that states could decide for themselves to opt out, she has repeated that South Carolina will not participate.

Haley spokeswoman Chaney Adams said Thursday that the governor’s position has not changed.

Even though the federal government would cover most of the bill for Medicaid expansion, Haley’s administration has argued before that South Carolina can’t afford to spend more on a program that already costs about \$7 billion a year to administer in this state. Today, Medicaid in South Carolina covers more than 1 million adults and children. With very few exceptions, adults without children in this state do not qualify, no matter how poor they are.

Meanwhile, most other states have decided to expand Medicaid coverage for their residents who fall below 138 percent of the federal poverty level — about \$16,000 a year for a single adult.

“Accepting these federal dollars would make all the difference in the world to these people,” Knapp said.

Title: **House panel OKs roads bill amid threat of veto**
 Author: BY THAD MOORE tmoore@postandcourier.com
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House panel OKs roads bill amid threat of veto

Gas tax hike linked to cut in income tax

BY THAD MOORE

tmoore@postandcourier.com

COLUMBIA — A roads bill marrying a gas tax hike to an income tax cut is headed to the floor of the House, approved despite a threatened veto by Gov. Nikki Haley.

The bill, passed Thursday by the House budget-writing Ways and Means Committee, would cut the

gasoline tax at the pump, shifting it to a new sales tax on gasoline at the wholesale level, generating an estimated \$400 million a year for South Carolina's roads and bridges. The

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Poll

Would you pay 10 cents a gallon more in gasoline tax if your state income tax was cut by \$48? Go to **postandcourier.com/polls** to vote.

S.C. panel OKs roads bill

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additional fuel costs borne by drivers would be offset by a \$48 income-tax break for the average taxpayer, under the bill Rep. Gary Simrill, a York Republican, helped craft.

Ways and Means Chairman Brian White, R-Anderson, cautioned that the proposal will almost certainly change. It faces amendments on the House floor, and it will have to clear the Senate, which is considering a roads plan of its own. Rep. Chip Limehouse, R-Charleston, said he expects the Senate to perform "radical surgery" on it.

The Senate Finance Committee passed a roads plan Wednesday to raise money through a gas-tax increase and higher fees for driver's licenses and car tags. It would generate \$800 million for roads, but doesn't cut income taxes, a deal breaker for Haley.

Haley unveiled her plan for roads in her State of the State speech, but so far the House and Senate have not taken it up. Haley's plan would also raise hundreds of millions for roads by phasing in a gas-tax hike while gradually reducing the state's income tax by 2 percent.

Lawmakers have balked at Haley's plan because of the \$1.5 billion the income tax cut eventually would cost the state.

With federal transportation drying up since 2008 and the Great Recession, states have been faced with raising gas taxes or finding some other source of revenue to maintain and improve its roads and bridges.

South Carolina officials have estimated \$400 million a year is needed just to keep the state's roads from deteriorating further, and improving them would require more than \$1 billion a year.

Haley has repeatedly vowed

to veto any bill that raises taxes on gasoline without offsetting it with a significant cut in other taxes. She warned lawmakers last week that the bills being

considered amounted to massive tax hikes and would never get her signature.

A Haley spokeswoman said Thursday the House bill was still unacceptable, even though it would cut income taxes.

White said Haley's threatened veto would not deter the House, saying it's the Legislature's job to pass bills and the governor's prerogative to veto them.

"There's a mechanism there for us to try to override them," White said. "I think if we've got a good enough bill, we will."

The House proposal, which was approved in committee by a 20-1 vote, also would give the governor the power to appoint members of the state Transportation Department's commission, try to entice counties to take over

maintenance of less-traveled roads by offering them more money and halt building new roads until 2020. The moratorium wouldn't apply to projects like the Interstate 526 extension that already is in the works.

The full House is expected to vote on the proposal in mid-April after the chamber's two-week spring break. White said

he hopes to have it passed by the end of the month.

The committee's lone dissenter, Rep. Leon Stavrinakis, D-Charleston, said he opposed the bill because it reduced legislative oversight of the Transportation Department, and he's not convinced the state needs a tax hike.

Limehouse said the House bill probably isn't what the Senate or governor wants, but for now, he said, it's the best plan he's seen.

The **Associated Press** contributed to this report.

Title: **Weneedgoodroads, notataxcut**

Author:

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**Our view**

We need good roads, not a tax cut

Gov. Nikki Haley's stubborn refusal to consider raising revenues to fix state roads is a disservice to the state and its residents on many levels.

Lawmakers in both the S.C. House and Senate are working to put together plans that would raise money for desperately needed road repairs. While both chambers would temper any tax or fee increase with cuts elsewhere, neither plan would be revenue neutral nor would it include the enormous income tax cuts that Haley demands.

In a letter she sent to the House and Senate Tuesday, Haley told members she would veto any plan "that increases gas taxes without a significant cut to income taxes," with the threat in bold print and underlined.

While Haley's plan would raise the state gasoline tax by 10 cents, it would lower income tax rates by 2 percentage points. At the end of 10 years, when the tax cut would be fully phased in, it would cost the state \$1.8 billion a year, which would come directly out of the general fund.

The state has a mandate from the S.C. Supreme Court to address inequities in the quality of education in poor, rural school districts. It under-funds higher education. It has too few state troopers. It has too few caseworkers at the Department of Social Services. And those are only a few items on a long list of unmet needs.

Draining hundreds of millions of dollars from the general fund so that wealthier

South Carolinians can get a windfall on their income taxes makes no sense on its own merits and certainly has no place in a plan to fix state roads.

Haley's natural constituency for tax cuts – the state's business community – has abandoned her on this proposal. Executives are savvy enough to know that good roads are an essential component to good business.

A group of several dozen state businesses called the South Carolina Alliance to Fix Our Roads wants the House to find even more money for highways than it is considering now. The alliance fears that revenues produced by plans now being considered in the Legislature would do little more than allow the state to manage the further decline of its highway system.

And that could have a chilling effect on economic development. Pete Selleck, chairman of Michelin North America, has called state roads a disgrace and said the company might look elsewhere to expand if nothing is done to fix them.

The state's gas tax hasn't been increased since 1987 and now is the third-lowest in the nation. Raising that tax alone would not come close to raising the \$1.5 billion a year the state Department of Transportation estimates it would need to reduce the backlog on road repairs.

But an increase in the gas tax – or, as the House plan proposes, lowering the tax by 10 cents a gallon while raising the sales tax on fuel by 6 percent – could be a sen-

sible part of any road plan. And more money could be raised by increasing fees on driver's licenses, car tags and other items, while raising or eliminating the senseless cap on sales taxes for auto purchases.

And it's not only business owners who are calling for road repairs. A recent Winthrop University Poll indicated that more than half of the state's residents would support raising the gas tax by 10 cents a gallon if the proceeds were dedicated to road repairs.

A number of lawmakers say that, faced with a certain veto by Haley, they are tempted to pass their plans anyway and let her suffer the fallout. That's not exactly a valiant show of statesmanship, but, under the circumstances, it might be the only option for those not willing to knuckle under to Haley's demands for a huge income tax cut.

Unfortunately, it wouldn't simply be Haley who suffers the consequences. It would be the entire state and all the drivers forced to navigate its crumbling roads.

» Online**Your view**

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heraldonline.com/submit-letter

In summary

S.C. residents are willing to pay more at the gas pump if the money is dedicated to fixing the state's road system.

Title: **S.C. House takes middle lane on roads plan**
 Author: By Cassie Cope ccope@thestate.com
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S.C. House takes middle lane on roads plan

3rd major proposal raises gas tax, cuts income tax

By CASSIE COPE
ccope@thestate.com

An S.C. House committee combined an income-tax cut proposal Thursday with a plan to raise money to fix the state's crumbling roads, giving South Carolina three road-repair plans. The House plan could emerge as the "just right" porridge as lawmakers try to stir up a road deal.

Another plan – Gov. Nikki Haley's tax-swap proposal – is too hot, legislators say,

adding the state can't afford the income-tax cut that the Republican governor wants. The third plan – the Senate's – is too cold, without enough support to survive a Haley veto.

That leaves the House proposal as possibly the middle ground.

The three proposals have been offered as solutions to the \$1.5 billion-a-year shortfall in the money needed to maintain, repair and expand the state's road, bridge and mass

transit system, according to the state Transportation Department. Just to pay for maintenance and preservation of the state's existing roads and bridges would require an extra \$1 billion a year.

The House plan, sponsored by state Rep. Gary Simrill, R-Rock Hill, would raise roughly \$427 million a year.

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That plan would increase the state gas tax by the equivalent of 10 cents a gallon and the state's maximum sales tax on vehicles to \$500 from \$300. After Thursday's action by the House Ways and Means Committee, the House proposal now also includes an income-tax cut that would save the average taxpayer \$48 a year.

That's far less than the tax cut that Haley has said she wants in return for supporting a roads deal. But legislators and others say Haley's proposed tax cut would wreck the state's general fund budget.

Haley unveiled her proposal during her State of the State address in January. She proposed swapping a 10-cent-a-gallon increase to the gas tax, to be phased in over three years, for a 2 percentage point reduction to the state's top-end 7 percent income tax, to be phased in over 10 years. Her plan would raise an average of \$353 million a year during the next 10 years.

But critics say Haley's proposed income-tax cut would reduce state revenues by \$1.8 billion a year, when fully implemented in 2025, forcing cuts in state spending on education, health care and law enforcement.

Haley has said the cuts would be offset by natural growth.

But state Treasurer Curtis Loftis diplomatically questioned that statement in a March 9 letter to White and House Speaker Jay Lucas, R-Hartsville, urging them to give "careful consideration of the proposal in its current form."

If Haley's proposal passes, the state would need to develop a comprehensive, convincing plan to cut its spending – including for education and public safety, Loftis said.

Haley's proposed tax cut also would affect the state's ability to pay for other obligations, such as spending more on poor schools after a recent state Supreme Court decision, or responding to a natural disaster, Loftis warned.

Finally, the agencies that oversee South Carolina's top-notch AAA credit rating

+

would not like the tax cut, Loftis added. "It is likely that the rating agencies would view the reduction in the income tax and the resulting drawdown of general funds available for expenditure as a credit negative."

Haley talked two weeks ago to two credit-rating agencies – Moody's and Standard & Poor's – about the impact of her proposed income-tax cut. If the state cuts taxes, the credit-rating agencies will want to see state spending "shift" as well, she said last week.

Protecting the state's credit rating, which determines the cost of future borrowing, is incredibly important, Haley spokeswoman Chaney Adams said Thursday.

That, she added, "is why Governor Haley got on the phone with credit-ratings agencies just days ago, and in doing so, came to understand that there will be no issue in South Carolina giving more money back to the taxpayers as long as we control our spending at the same time."

Title: **Haley signals objection to schools waiving snow days**
 Author: By Ron Barnett Staff writer rbarnett@greenvillenews.com
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Haley signals objection to schools waiving snow days

Counties await legislative decision on forgiveness plan

By Ron Barnett

Staff writer

rbarnett@greenvillenews.com

Upstate legislators are meeting with resistance from Gov. Nikki Haley in their attempts to waive the requirement that school districts make up all the days they missed during last month's snowstorms.

A House bill initiated by Greenville County's delegation was amended this week to cover any district in the state, according to Rep. Neal Collins, a member of the House subcommittee on K-12 education.



Gov. Nikki Haley

But, the Easley Republican added, "We received word that the Governor's Office has issue with our and other counties' resolutions to waive school days."

Four bills have been introduced requesting 1-5 makeup days be forgiven.

The Greenville County bill asks for a waiver "of five or fewer days," but

Greenville School District spokesman Oby Lyles said the district at this point hopes to be forgiven just one day.

School districts are required to put three makeup days into their calendars, which are holidays if no days are missed because of weather.

Greenville and Pickens county students missed four days and intend to make up the three they already had scheduled.

They're counting on being forgiven the fourth.

"Every day of school attendance is important, and that is why we believe the three scheduled makeup days should be used," Lyles said. "However, when you add a day or days not previously scheduled, whether a Saturday, beyond graduation and/or additional hours, student attendance is dramatically impacted because of conflicts with family schedules and plans.

"We are awaiting legislative action on

any days missed beyond the three," he said. "If that is provided, the administration will recommend to the School Board to waive the fourth missed day."

Rep. David Hiott of Pickens introduced legislation asking for one day forgiven for Pickens County Schools, which is what that district is hoping for, district spokesman John Eby said.

"If the governor vetoes the legislation, we will need to revise our calendar again, causing confusion and inconvenience to students, teachers and parents," Eby said.

Asked about the governor's position on the issue, her spokesman Chaney Adams referred to Gov. Haley signing a statement on a similar bill last year.

In it, she said she was signing the bill, "With some reservations, because requiring attendance from students who ultimately receive little instructional

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SNOW DAYS

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value from these make-up days is not a productive use of student or teacher time."

She said her signature on the resolution "should not be construed as sup-

porting the irresponsible practices of school districts, practices that choose expedient technical compliance with state law over preserving instructional time to the benefit of their students."

She said she signed the bill last year after legisla-

tive leaders assured her they "would require districts to meaningfully schedule these days throughout the year."

Adams shared another comment late Thursday: "Governor Haley believes that school districts should follow the law as

written, and we are working with members of the legislature to develop a statewide bill that gives school districts some flexibility to address this issue without losing time in the classroom when bad weather hits."

Title: **Drivers will foot repair bill for roads**
 Author: By Tim Smith Staff Writer tcsmith@greenvillenews.com
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Drivers will foot repair bill for roads

Plans in both Senate, House would increase gas tax

By Tim Smith

Staff Writer

tcsmith@greenvillenews.com

COLUMBIA — Bills that would raise hundreds of millions of dollars for road repairs and cost motorists more at the pump are on their way to the House and Senate floors but apparently without Gov. Nikki Haley's blessing.

The House budget committee Thursday passed a bill that would effectively raise the fuel cost for motorists by 10 cents per gallon, joining a Senate plan that passed its budget panel Wednesday night that would increase the gas tax by 12 cents.

The 20-1 vote by the House Ways and Means Committee came after about an

hour of debate and questions. The bill would raise more than \$400 million for infrastructure needs.

The Senate Finance Committee Wednesday evening voted 16-7 for its road-funding plan, which would raise about \$800 million more per year for roads and bridges.

Senate Finance Committee Chairman Hugh Leatherman attempted Thursday to get the road bill set for debate but the Senate declined after Senate Judiciary Chairman Larry Martin argued that the Senate has to wait on the House to pass a plan because the state's constitution re-

quires all revenue-raising bills originate in the House.

Martin told *The Greenville News* he is asking for a formal opinion about the issue from State Attorney General Alan Wilson.

Democrats, who had pushed to get the bill set for debate, reacted with displeasure.

"It is a sad day in South Carolina", said Senator Darrell Jackson, a Columbia Democrat. "It was a very clear vote

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taken today in the Senate to make roads a priority in South Carolina and, sadly, the Senate refused to vote to put the only roads bill we have in the Senate on the calendar for debate.

"For me the vote was simple, if you are pleased with the roads in our state, vote no. If you want better roads, vote yes. The results indicated to me that roads are not an important issue for some colleagues."

Both plans passed budget committees despite threats of a veto by Haley, who told lawmakers this week in letters that she

wants less of tax increases and more in tax cuts. Haley has described both plans as "massive" tax hikes, though the Senate plan she referred to in her letter was an underlying bill, not the plan voted on by the Senate Finance Committee.

"I will veto this and any other proposal that increases gas taxes without a significant cut in income taxes," she wrote to House Speaker Jay Lucas on Tuesday.

The governor offered no comment Thursday on the plans passed by the budget committees.

Haley has proposed a 10-cent increase in the gas

tax if lawmakers also cut the top rate for the state income tax from 7 percent to 5 percent and scrap the current system of selecting highway commissioners by legislators.

The House plan includes a cut in the state income tax that would save the average taxpayer about \$48 a year. That bill, which was attached to the roads bill and was authored by Ways and Means Chairman Brian White, drew no debate or opposition.

The tax cut would cost \$25 million the first year and \$50 million the second and thereafter. The gover-

nor's plan would eventually cost \$1.7 billion in the 10th year of its phase-in.

Rep. Gary Simrill, a Rock Hill Republican who championed the House roads plan, said the tax cut would effectively match the cost of the fuel tax increase for the average driver, making the overall plan revenue neutral.

There was no discussion of the governor's veto threats, though Rep. Leon Stavrinakis, a Charleston Democrat, noted the "lack of leadership on the issue from another branch of government."

The bill passed by the Ways and Means Committee would actually cut the

Title: **Drivers will foot repair bill for roads**

Author: By Tim Smith Staff Writer tcsmith@greenvillenews.com

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gas tax by 6 cents per gallon, then impose an excise tax of 6 percent at the wholesale level on fuel. While that would allow the overall tax to fluctuate, it would be capped so the effective cost would not increase by more than 10 cents per gallon.

The bill also raises the cap on the sales tax for vehicles from \$300 to \$500, offers a funding carrot for counties wishing to take over local roads in the state inventory, allows the governor to appoint all highway commissioners and expands the board of the State Transportation Infrastructure Bank. The project threshold for financing by the Infrastructure Bank also would be lowered to allow smaller and more rural communities to participate.

A moratorium on new construction would be created by the bill for five years, though the legislation offers exceptions, in-

cluding widening projects, interstate projects with matching funds, toll roads or projects already underway. Design and planning on projects would not be halted by the bill, Simrill said.

Stavrinakis told the committee he is concerned that the bill will lessen accountability for an agency that his constituents are not pleased with.

"This is the only agency we have no budget authority over and now we are going to give completely the commission over to one branch of government and have zero legislative oversight over how they spend money," he said.

He said he thinks the correct model should be that the executive branch runs an agency while the legislative branch funds it and sets general policy.

The Senate plan would raise the gas tax by 12

cents per gallon over three years and raise fees for driver's licenses and vehicle registrations. The cap on the sales tax on cars also would be raised from \$300 to \$600. The gas tax would be indexed for inflation, with a cap on any annual increase.

The plan also would impose a new fee of \$120 each two years on alternative fuel vehicles and \$60 for hybrids. The vehicle sales tax revenue increase would be sent to the State Transportation Infrastructure Bank to be used to borrow money through bonds.

The Senate bill includes no tax cut provision nor any measure for restructuring DOT.

A separate Senate bill that would hand the governor the appointment of highway commissioners is before a Senate Transportation Committee, which voted this week to delay action on the plan

after it could not reach a consensus.

"For me the vote was simple, if you are pleased with the roads in our state, vote no. If you want better roads, vote yes."

SEN. DARRELL JACKSON,
D-Columbia



TOBY TALBOT/ASSOCIATED PRESS

A House bill would effectively raise the fuel cost for motorists by 10 cents per gallon.

Title: **Senate panel passes plan to raise money for roads**

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S.C. POLITICS

Senate panel passes plan to raise money for roads

A state Senate panel Wednesday passed a plan to raise money to repair the state's roads, including a 12-cent-a-gallon increase over three years to the state's current 16.75-cent gas tax.

The plan would raise roughly \$800 million a year, said Sen. **Ray Cleary**, R-Georgetown.

The state Transportation Department, has estimated the state needs an added \$1.5 billion a year to repair, maintain and expand the state's roads.

Cleary's proposal also would:

- Increase fees for 10-year driver's licenses to \$50 from \$25
- Levy a \$60 fee on hybrid vehicles every two years and a \$120 fee on electric vehicles
- Increase the cap on the state's sales tax on vehicles to \$600 from \$300

Cleary said the fee on hybrid and electric vehicles addresses a fairness issue. Those vehicles use the state's roads but do not pay as much in gas taxes, he said.

Gov. **Nikki Haley** said Tuesday she would veto the Senate roads proposal, saying it would raise taxes too much and does not include a tax cut she wants. Haley also wants complete control over the state Transportation Department. That agency's commission now is dominated by legislative appointees.

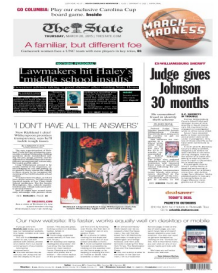
"If all we hear from her is, 'It's my way or no highway,' how do you compromise?" Cleary asked Wednesday.

Sen. **Kevin Bryant**, R-Anderson, placed an objection on the bill, which could hold it up. Cleary said the bill will have to be given priority status to be debated on the Senate floor.

Meanwhile, the S.C. House Ways and Means Committee will consider Thursday its roads repair proposal. That proposal, which could be married with a small income tax cut, includes increasing gas taxes by the equivalent of 10 cents a gallon and hiking the cap on vehicle sales taxes to \$500.

Cassie Cope

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'NOTHING PERSONAL?'

Lawmakers hit Haley's 'middle school insults'

Governor advises taking 'a good shower' after visiting State House

By ANDREW SHAIN
 ashain@thestate.com

Gov. Nikki Haley, who promised to work with the General Assembly this year, has angered some powerful S.C. lawmakers by suggesting members of an industry trade group would need a "good shower" after visiting the State House.

"Because I know many of you are going to the State House, which I love, just make sure you take a good shower when you

leave," Haley said Tuesday to group of S.C. Realtors, according to a recording posted on her YouTube page.

Haley, a Republican, followed that suggestion with comments about the GOP-dominated General Assembly being out of touch with the public.

"(L)egislators don't feel

the burn like we do," she told

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the real estate group. "Legislators don't remember what it was like when you go through days without a sale. ... Legislators don't remember what it means to truly live day to day."

Legislators bridled Wednesday at Haley's remarks. The Republican speaker of the House took to the House floor to say "middle school comments" threaten to "poison the well."

Haley's office said the governor, a state representative from Lexington before she was elected in 2010, has made comments similar to her "shower" remark over the past decade and was not referring to lawmakers.

"She herself works in the State House, as do her staff, and hundreds of politicians and lobbyists," Haley press secretary Chaney Adams said. "It's nothing personal, and there's no need for crocodile tears."

However, some legislators said Haley's comments were yet another jab at them, saying they could hurt her efforts to win support for her roads funding proposal.

Haley's remarks also elicited comparisons with her predecessor, Republican Gov. Mark Sanford, who fought openly with legislators, once bringing two pigs to the State House to criticize what he said was pork-barrel spending in the state budget.

"The relationship with Gov. Sanford was never really good," said House Speaker Jay Lucas, R-Darlington. "I thought that we were setting a new tone, and I thought we were building a good relationship with Gov. Haley."

Haley had a fiery relationship with lawmakers in 2011, her first year in office, including issuing report cards on how legislators voted on issues important to her. But she subsequent-

ly had mellowed, working on more compromises leading up to her re-election last year.

The governor had said she looked forward to working with Lucas, who succeeded Haley nemesis Bobby Harrell as the House leader before this year's session.

But any new era of good feelings has crumbled as two of Haley's main proposals – ethics reform and a tax-swap proposal including roads funding – have met resistance in the General Assembly. Haley also fought the House on a \$500 million bond bill, which was rejected after the governor rallied supporters on Facebook.

Recently, Haley has taken to criticizing lawmakers during speeches and news conferences. Her verbal bombs have led some lawmakers and political experts to suggest the term-limited Haley is angling for an administrative position

if Republicans win the White House in 2016, which she has denied.

Her "good shower" comment to the Realtors this week crossed a line for some top legislators.

Speaker Lucas took to the House floor Wednesday – flanked by House Majority Leader Bruce Bannister, R-Greenville, and House Minority Leader Todd Rutherford, D-Richland – and called the governor's remarks unwarranted and unprovoked.

The speaker said the governor's comments were inappropriate when speaking of lawmakers who include military veterans and working mothers.

"I believe the comments of the governor were below (her) office," Lucas said. "I believe these are serious times with serious issues, and they demand serious people with serious answers – not name-calling, not middle school insults

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that serve no purpose but to poison the well.”

Other Republican legislators also criticized Haley.

Rep. Jim Merrill, a Berkeley Republican and former House majority leader, said Haley is contradicting herself after criticizing recent comments by Rutherford, who called the governor a “selfish, vindictive narcissist” during the bond debate.

House Ways and Means Committee Chairman Brian White, R-Anderson, said the governor’s com-

ments were insulting.

“I didn’t pick a fight,” said White, who played a key role in developing the failed bond proposal. “I hope she’s not trying to pick fights. ... That’s not healthy for the state in general.”

State senators were not pleased with Haley’s comments either.

“That doesn’t even warrant a response,” said Senate President Pro Tempore Hugh Leatherman, R-Florence. “It’s so far out there.”

Two weeks ago, Haley

criticized Leatherman during a stop in Florence, saying he had stalled ethics reform. Asked if he could work with Haley after her comments, Leatherman said, “I can’t control what people say.”

During her speech to the real estate groups, Haley’s shower remark came just before she started talking about her fight to win over lawmakers on her tax-swap plan to repair roads. Her proposal includes an income tax cut that some consider too costly to the state. She has promised to

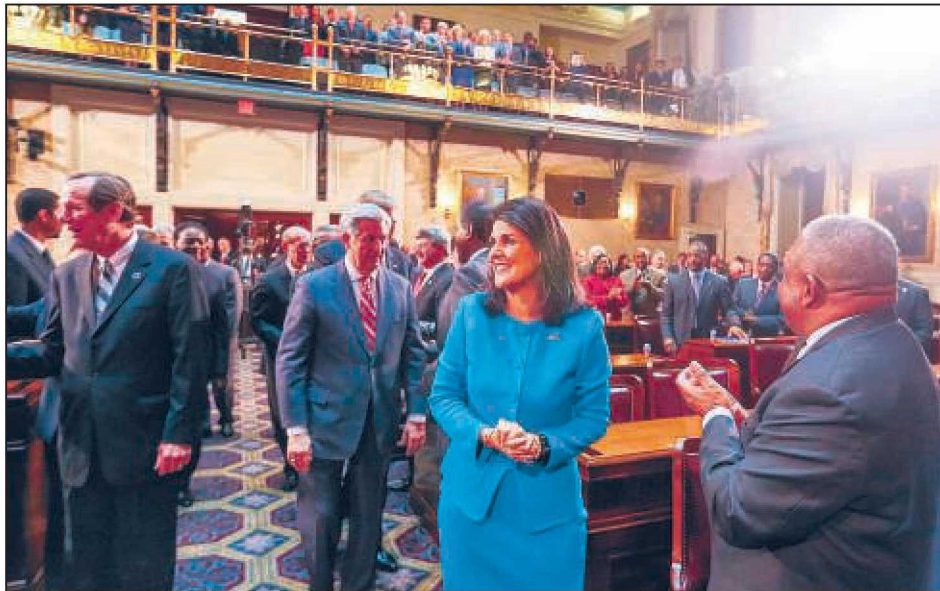
veto any roads bill that includes a gas tax increase but not a large tax cut.

Sen. Larry Grooms, a Berkeley Republican who has helped spearhead roads funding proposals, said Haley’s remarks to the Realtors could hurt negotiations: “Good manners make good sense.”

“Talk like this will not get the potholes filled,” Grooms said. “We have to come together and understand what we have in common, and we have to do it in a way without insulting one another.”



Haley



FILE PHOTOGRAPH/THE STATE

Gov. Nikki Haley greets legislators in January as she prepares to deliver her State of the State speech.