



Greenville Chamber  
Spartanburg Area Chamber  
Anderson Area Chamber  
Greater Greer Chamber  
Cherokee County Chamber  
Laurens County Chamber  
Greenwood Chamber  
Clemson Area Chamber  
Greater Easley Chamber  
Simpsonville Area Chamber  
Oconee County Chamber

# 2017

## **Legislative Report** *South Carolina General Assembly*



# Moving South Carolina Forward



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Executive Director



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Director,  
Legislative Affairs

**A**s 2017 began, the Upstate Chamber Coalition set out an ambitious policy agenda — one that could take several years to achieve. Instead, we found ourselves nearing the end of session pushing a dozen pieces of legislation and more than half teed up for first-year success.

Alas, political in-fighting, combined with a session three weeks shorter than normal, halted some of that progress. But that does not take away from the fact that 2017 was a truly remarkable year for Upstate business in Columbia.

**We will never achieve any of our policy successes without the activism of our individual investors.**

It was gratifying to see real road funding legislation, with real reform, become law. The Upstate Chamber Coalition was one of many groups that helped form the S.C. Alliance to Fix Our Roads five years ago, and we have been at the forefront of the debate since then. The constant, relentless pressure from real businesses — real neighbors and real constituents — overcame the onslaught of paid media and paid “activism” against the plan. The bill is not perfect. No legislation ever is. New, substantial, and sustainable road funding is coming to our DOT, and that will help us maintain our amazing geographic advantage.

Expanding our workforce by expanding expungement of records for non-violent felons was priority “1-B” for us this year. This legislation moved fast late in the session but was inexplicably stopped in the last days by one of the issue’s biggest champions. We’ll regroup and come back to fight for this in 2018 since a past mistake should not keep someone from finding a good, quality job.

The General Assembly passed “part one” of a plan to shore up the state pension system, with “part two” coming this summer. Like the roads bill, it is imperfect, but one we termed the “least worst” deal for business. Businesses will pay a disproportionate share of the billions in tax dollars needed to keep our promises to state employees, teachers, police, and firefighters. We will remain vigilant.

Numerous pieces of legislation will be ready to go when the General Assembly returns in January 2018, and we hope to make many of our 2017 achievements law next year. A wide variety of legislation — high-impact company tax credits, manufacturer nuisance lawsuit protections, workforce expansion — all passed either the House or the Senate and are ready for debate in 2018.

We hope you will continue your activism in 2018 and help get this vital business legislation over the line so we will continue to be the best place to start or locate a business. **Thank you for your continued support of your local chamber of commerce and our Upstate Chamber Coalition.**

**2017**  
BUSINESS  
ADVOCACY  
PARTNERS





		H. 3516 Road Funding Second Reading	H. 3516 Road Funding Conference Report	H. 3516 Veto Override	H. 3209 Expurgement	H. 3653 Nuisance Lawsuits	H. 3726 Pension Reform	S. 114 Non-Profit Alcohol	H. 3146 Supt. of Education Const. Amend.	H. 3358 Real I.D. Concur w/ Senate	H. 3969 Education Standards
Allison, Rita	R-Lyman	YES	YES	NO	YES	YES	YES	NO	YES	YES	YES
Anthony, Mike	D-Union	YES	YES	YES	YES	A	YES	NO	YES	YES	YES
Bannister, Bruce	R-Greenville	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Bedingfield, Eric	R-Belton	NO	NO	NO	YES	NO	YES	X	YES	A	YES
Burns, Mike	R-Travelers Rest	NO	NO	NO	YES	YES	YES	NO	YES	X	YES
Chumley, Bill	R-Woodruff	NO	NO	NO	X	YES	X	NO	A	NO	YES
Clary, Gary	R-Clemson	YES	YES	YES	YES	NO	YES	YES	YES	YES	YES
Cole, Derham	R-Spartanburg	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Collins, Neal	R-Easley	NO	NO	NO	YES	YES	YES	YES	YES	YES	YES
Dillard, Chandra	D-Greenville	YES	YES	YES	YES	YES	YES	YES	NO	YES	YES
Elliott, Jason	R-Greenville	NO	NO	NO	YES	YES	YES	YES	YES	YES	YES
Forrester, Mike	R-Spartanburg	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Gagnon, Craig	R-Abbeville	YES	YES	YES	YES	YES	YES	YES	NO	YES	YES
Hamilton, Dan	R-Greenville	NO	NO	X	YES	YES	YES	NO	YES	YES	YES
Henderson, Phyllis	R-Greenville	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Hill, Jonathon	R-Townville	NO	NO	NO	YES	NO	NO	YES	YES	NO	NO
Hiott, David	R-Pickens	NO	NO	NO	YES	YES	YES	NO	YES	YES	A
Loftis, Dwight	R-Greenville	YES	NO	X	YES	YES	YES	NO	YES	YES	YES
Long, Steven	R-Boiling Springs	NO	NO	NO	YES	YES	YES	NO	YES	YES	YES
Magnuson, Josiah	R-Landrum	NO	NO	NO	YES	NO	NO	YES	YES	NO	NO
McCrary, John	R-Greenwood	YES	YES	YES	YES	NO	YES	NO	YES	YES	YES
Mitchell, Harold	D-Spartanburg	YES	YES	A	X	A	YES	X	YES	YES	YES
Moss, Dennis	R-Gaffney	YES	NO	NO	YES	YES	NO	NO	YES	YES	YES
Moss, Steve	R-Blacksburg	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Parks, Anne	D-Greenwood	YES	YES	YES	YES	X	YES	YES	NO	YES	YES
Pitts, Mike	R-Laurens	YES	YES	YES	YES	YES	YES	YES	YES	YES	X
Putnam, Joshua	R-Powdersville	NO	NO	NO	A	YES	YES	YES	YES	YES	YES
Robinson-Simpson, Leola	D-Greenville	YES	YES	YES	YES	NO	NO	YES	YES	YES	YES
Sandifer, Bill	R-Seneca	YES	YES	A	YES	YES	YES	X	YES	YES	YES
Smith, Garry	R-Simpsonville	NO	NO	NO	YES	YES	YES	X	YES	YES	X
Stringer, Tommy	R-Greer	A	YES	X	A	A	YES	X	A	X	A
Tallon, Eddie	R-Spartanburg	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Thayer, Anne	R-Anderson	NO	NO	NO	YES	YES	YES	YES	YES	YES	YES
West, Jay	R-Belton	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
White, Brian	R-Anderson	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Whitmire, Bill	R-Walhalla	YES	YES	YES	YES	YES	YES	NO	YES	YES	YES
Willis, Mark	R-Fountain Inn	A	NO	NO	A	A	YES	NO	YES	YES	YES

X Did not vote      A Excused Absence

## LEGISLATIVE VICTORIES

### H. 3516 — Road Funding Legislation

(House Votes #103, #620, #655; Senate Votes #347, #396, #417)

After many years of advocating for this bill, the first gas tax increase since 1987 became law this session after the General Assembly overrode the governor's veto. The bill will raise \$633 million in revenue by increasing the gas tax by two cents per year over the next six years (for a total of 12 cents). The legislation also increases the sales tax cap on vehicles, places new fees on electric and hybrid vehicles, and boosts fees on driver's licenses.

This legislation includes substantial DOT reform by giving the governor new power over Commission appointments and adding accountability requirements to the Commissioners.

The bill includes several tax cuts, including a reduction of the manufacturing property tax rate from 10.5% to 9%, an increase in the tuition tax credit to \$1,500 for both two- and four-year schools, and a bump in the two wage-earner credit. Many thanks to House Majority Leader Gary Simrill for spearheading this effort and to Rep. Tommy Stringer of Greer for championing this issue for many years.

	H. 3516 Road Funding Second Reading	H. 3516 Road Funding Conference Report	H. 3516 Veto Override	H. 3358 Real I.D.	H. 3726 Pension Reform	S. 105 Automatic Stay	S. 114 Non-Profit Alcohol	S. 118 Magistrate Jurisdiction	S. 28 Supt of Education Enacting Legislation	S. 404 High-Impact Co. Tax Credits	H. 3969 Education Standards
Alexander, Thomas	R-Walhalla	YES	YES	YES	YES	YES	A	YES	YES	YES	YES
Allen, Karl	D-Greenville	YES	YES	YES	YES	YES	NO	YES	YES	YES	YES
Cash, Richard <sup>1</sup>	R-Powdersville										P <sup>1</sup>
Corbin, Tom	R-Travelers Rest	NO	NO	NO	YES	YES	YES	NO	YES	YES	YES
Gambrell, Mike	R-Honea Path	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Martin, Shane	R-Pauline	NO	NO	NO	YES	YES	YES	YES	YES	YES	YES
Nicholson, Floyd	D-Greenwood	YES	YES	YES	YES	YES	YES	YES	X	YES	YES
Peeler, Harvey	R-Gaffney	NO	NO	NO	YES	YES	YES	YES	YES	YES	YES
Reese, Glenn	D-Spartanburg	YES	YES	YES	X	YES	X	YES	YES	YES	YES
Rice, Rex	R-Pickens	NO	NO	NO	YES	YES	YES	YES	YES	YES	YES
Talley, Scott	R-Spartanburg	YES	YES	YES	YES	YES	A	YES	YES	YES	YES
Timmons, William	R-Greenville	NO	NO	NO	YES	YES	YES	YES	YES	YES	YES
Turner, Ross	R-Greenville	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Verdin, Danny	R-Laurens	NO	NO	NO	YES	YES	A	YES	YES	YES	YES

<sup>1</sup> Senator Kevin Bryant became Lieutenant Governor in January. Richard Cash took over in June and voted "present" on H. 3969.

X Did not vote

A Excused Absence

## LEGISLATIVE VICTORIES (CONTINUED)

### H. 3358 — Real ID

(House Vote #108; Senate Vote #144)

In 2005, the federal government passed the Real ID Bill, updating authentication and issuance of state driver's licenses for national security purposes. The General Assembly passed compliance measures this session so that South Carolina citizens can continue to board airplanes and enter government and military facilities with their driver's licenses.

### H. 3726 — Pension Reform

(House Vote #97; Senate Vote #115)

South Carolina currently has a \$24 billion unfunded liability in our state retirement system. This bill takes the first step into solving this problem by increasing employer and employee contribution rates to make up for this shortfall. It is by no means a complete solution and much work remains to be done. A joint study committee will continue its work this summer to find a long-term solution for shoring up the state pension system.

### S. 114 — Non-Profit Alcohol Donations

(House Vote #625; Senate Vote #129)

Last year, the Department of Revenue decided to start enforcing a regulation that does not allow breweries and alcohol distributors to donate to non-profit organizations and events. S. 114 simply reverses this regulation. The bill was signed by the governor.

### H. 3969 — Education Accountability Act

(House Vote #474; Senate Vote #457)

H. 3969 is one of many in a long line of education reform bills. It continues to develop a system for competency-based education, a value-added system for measuring student progress, and a statewide assessment program for measuring student performance for students not necessarily pursuing college. This bill was signed by the governor.



These newspaper ads were taken out by the Greenville and Spartanburg Chambers. The billboard in the middle was placed in Downtown Greenville and Columbia's Vista thanks to our partner, Grace Outdoor.

H. 3516	Road Funding	VETO
H. 3358	Real I.D.	SIGNED
H. 3726	Pension Reform	SIGNED
S. 114	Non-Profit Alcohol Donations	SIGNED
H. 3969	Education Standards	SIGNED



**Governor Henry McMaster** took over on January 24, 2017 after former Governor Nikki Haley was confirmed by the U.S. Senate as Ambassador to the United Nations. In the first year of a typical legislative session, few significant bills make it to the governor's desk, but Governor McMaster had the opportunity to weigh-in on four of our priorities this year. Notably, he vetoed the road funding legislation (promptly overridden by the General Assembly) and signed the state pension reform legislation.

The governor is expected to stand for re-election next year.

## 2018 ITEMS TO WATCH

Chamber Advocacy is sometimes more about stopping anti-business legislation as it is supporting our agenda. No legislation is "killed" in the first year of a two-year session. Here are a few bills that we watched — or took direct action to stop — during 2017.

### H. 3029 — Right To Work Repeal (oppose)

This annual exercise called for the repeal of the Right to Work laws. This bill would have greatly impeded business across South Carolina by increasing the cost of labor.

### H. 3012 — Bathroom Bill (oppose)

We worked early on with legislative leadership to impede the progress of this bill. Former Gov. Haley said this is unnecessary, especially after witnessing the tremendous economic impact of HB2 on North Carolina's economy (\$3.76 billion by an AP study).

### S. 88 — Concealed Weapon Liability (watching)

This creates a cause of action against businesses if a concealed weapons permit holder is injured in a shooting and a business prohibited firearms on the premises. We are wary of any legislation that creates new causes of action against businesses.

## 2017 BY THE NUMBERS



5

Coalition Priorities Became Law



7

Coalition Priorities Approved by One Chamber



+21%

Increase in VoterVoice Users in Four Months.



>1600

Direct Advocacy Hours by Coalition Staff

# 2018 UNFINISHED BUSINESS

## H. 3209 — Workforce Expansion (Expungement)

(House Vote #493; No Senate Vote)

In any given month, the Upstate can have twice as many job openings as unemployed workers. There are thousands of workers unable to enter the workforce because of a minor mistake committed years ago. This legislation allows for expungement of several minor, non-violent drug crimes, which would expand our state's workforce. As of the end of session, this bill was passed by the House and up for debate on the Senate floor when it hit a roadblock from an Upstate senator. This will be a top priority in 2018.

## S. 404/H. 3725 – High Impact Tax Credits

(No House Vote; Senate Vote #133)

This legislation would help economic developers use the lucrative job development tax credits to entice headquarters and "back office" jobs to the state. Currently, our incentive packages are geared toward manufacturing, but we need to change the requirements so long-term lease agreements — and not just major capital investments — can qualify for tax credits.

## H. 3650 — Business License Reform

(No 2017 Votes)

Streamlining and standardizing the business license fee process is imperative for businesses operating in more than one municipality. This legislation stalled after political in-fighting by statewide groups halted negotiations. We believe the UCC, local chambers, and our local municipalities are in prime position to negotiate and solve this pressing issue this fall and craft a compromise in 2018.

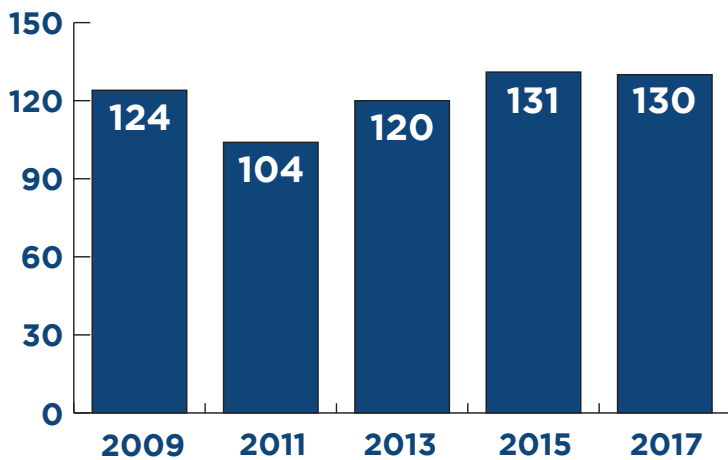
## H. 3565/S. 105 — Automatic Stay

(No House Vote; Senate Vote #108)

Under current law there is no timeline for when the Administrative Law Court must hold a hearing in a suit to stop development projects. These bills would limit automatic stays, thus providing a timeline for these cases to be heard by the court. Despite major opposition by environmental groups, S. 105 passed out of the Senate and awaits House Judiciary Committee review in 2018.

## The Impact of a Shorter Session?

The General Assembly shortened the legislative session by three weeks last year. The number of ratified acts in 2017 (bills that made it through both the House and the Senate) was ahead of the 5-session average.



Source: [www.sctatehouse.gov](http://www.sctatehouse.gov)

## 2017 UCC IN ACTION



*Our new VoterVoice platform made a huge impact on the roads debate this year. VoterVoice gives UCC chambers and investors an easy way to directly call, email, or connect on social media with our elected officials. More than 120 people used the system and sent messages to 32 of our 50 Upstate elected officials.*

*We've only scratched the surface in 2017, and we're looking forward to dramatically expanding our footprint next year.*

Make an impact at: [www.upstatechamber.org](http://www.upstatechamber.org)

## H. 3653/S. 323 — Nuisance Lawsuits

(House Vote #388; No Senate Vote)

As the Upstate economy transitioned from textiles to advanced manufacturing, many industrial facilities were built miles from cities and towns. Our expanding economy means many industrial facilities now have homes as neighbors. These bills would restrict frivolous litigation, minimize legal expenses, and create more certainty for both homeowners and businesses. As of the end of session, H. 3653 was passed out of the House and was on the floor of the Senate.

## H. 4035/S. 588 — Angel Investor Tax Credit

(No 2017 Votes)

The Angel Investor Tax Credit provides tax breaks to individuals who invest in growing businesses. This legislation was spearheaded by the UCC a decade ago, and the program will sunset in 2019. These bills would reauthorize the Angel Investor program for six years and expand the state's credit threshold from \$5 million to \$10 million. Because they were filed late in the session, both bills are still awaiting review.

## S. 118 — Magistrate Jurisdiction

(No House Vote; Senate Vote #57)

In the past, the Coalition has opposed large increases to the jurisdiction of Civil Magistrates Court because a dramatic increase will increase legal costs for small business. This is legislation that we successfully killed in 2016. This year, we worked on a smaller increase in the jurisdictional limits — in line with the fact that it has not been increased in almost two decades. This legislation increases the magistrate jurisdiction from \$7,500 to \$10,000. The Senate approved it, and the bill awaits review by the House Judiciary Committee.

## H. 3146/S. 27 — Superintendent of Education as Cabinet Position

(House Vote #91; Senate Vote #22)

These bills would make the superintendent appointed by the governor. This has been a Coalition agenda item for years because education is an issue over which the governor should have control. Both bills have been passed out of their original chambers and are awaiting review by the respective Judiciary Committees in 2018. If passed, voters will get the final say in November 2018.





## 2017 STATE LEGISLATIVE AGENDA

(ADOPTED NOVEMBER 1, 2016)

The Upstate Chamber Coalition will make it easier to do business in the Upstate. The small businesses we represent face clear and present economic challenges that we must tackle to ensure our business community will continue to drive growth and create jobs.

### EDUCATION AND WORKFORCE DEVELOPMENT

With the local unemployment rate under 5 percent, tens of thousands of jobs are going unfilled – and half of those jobs do not require college degrees. We need a fully funded education system from pre-kindergarten to post-college job training so we can train workers for 21st century jobs. We also need to challenge the status quo and look at innovative ways to expand the workforce from within.

**a. EFA Funding:** The Upstate Chamber Coalition urges the General Assembly to fully fund the Education Finance Act and will support efforts to reduce the gap between the amount required by state law and what is actually funded.

**b. Expungement:** We support the expansion of expungement for one-time, non-violent offenders to expand our workforce.

### INFRASTRUCTURE

The Upstate is the best place to locate a business, with access to an expanding port and 95 million consumers within a day's drive. That geographic advantage is slipping because we are neglecting basic government services. Our state must invest in our infrastructure if we're to expand our locational advantage.

**a. Gas Tax:** The Upstate Chamber Coalition supports increasing the gas tax by 10 to 12 cents to provide a substantial, sustainable, and recurring funding source so DOT can work on the more than 85 percent of state roads rated "fair" or "poor." The Coalition also calls for the gas tax to be indexed for inflation, to ensure the buying power of the tax revenue keeps up with road building costs.

**b. Capital Projects:** If the state will not act, the General Assembly must give municipalities the ability to enact capital projects sales taxes by referendum – the same power currently given to counties.

### TAXES AND REGULATION

The UCC will work at the state and local levels to cut red tape for small business, make our region more economically competitive, and lower the barriers to entry for local entrepreneurs.

**a. Headquarters tax credits:** Only one Fortune 500 headquarters is located in our state. We need to re-assess and expand our efforts to attract corporate headquarters to the Upstate.

**b. High-impact company incentives:** South Carolina is aggressive in attracting manufacturing jobs – and we must continue to do so; however, we need to re-vamp our corporate incentive programs to focus on the high-impact companies which do not qualify for traditional incentive packages that focus on costly infrastructure.

**c. Business license fees:** The Upstate Chamber Coalition supports

### 2017 UCC IN ACTION



*Our UCC Advocacy Day at the Statehouse on May 3 was attended by more than 40 Upstate business leaders. We thank Attorney General Alan Wilson and State Treasurer Curtis Loftis for speaking to our group, as well as the nearly 30 legislators who attended our evening reception.*

streamlining and standardizing the business license fee process. We oppose intentional efforts to negatively impact municipal revenue since cities do not have full taxing authority. We will also aggressively seek compromise on which entity manages an online payment portal.

**d. Angel Investor Tax Credit Expansion:** The General Assembly needs to reauthorize the successful Angel Investor Tax Credit program that encourages South Carolinians to fund our own high-impact start-up companies.

### PENSION CRISIS

Our state's unfunded public pension liability is a fiscal crisis that could dramatically increase costs for the business community. The General Assembly needs to tackle the issue in 2017 with realistic assumptions that will minimize the impact on the private sector. Failure to address this crisis will mean fewer resources to apply to education, infrastructure, and public safety.



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2016-17 Advocacy Interns



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