



LEGISLATIVE UPDATE 1/20/06

Governor Mark Sanford gave his fourth State of the State Address on Wednesday Night discussing various topics and being specific on a few. Topics the Governor discussed included: Restructuring, International Competition, South Carolina Growth, State Budget, School Equity Lawsuit, African American Judgeships. Sanford was fairly unspecific on the property tax debate indicating that the legislature should examine current sales tax exemptions and be cautious in the process of property tax reform. One new proposal the Governor touched on was the consideration of impact fees. Sanford believes the state should consider imposing impact fees on new development because long time S.C. residents should not have to pay higher taxes for newcomers.

S.1028, *McConnell*, this bill will enact the “South Carolina Property Tax Assessment Reform Act” to provide for a point of sale valuation of real property for purposes of property tax and provide alternate methods in counties for valuation of real property. The bill was committed to subcommittee for further discussion. The subcommittee will hold meetings next week to further discuss the bill. **S. 960, S.969, S.970** are bills that would allow changes in the State Constitution and allow this bill to pass.

S.961, *McConnell*, this bill would provide that an area seeking to incorporate could demonstrate that it meets a minimum level of law enforcement services by describing how the area will provide law enforcement services in equal or greater levels to the area's existing law enforcement coverage prior to seeking incorporation. The bill received a favorable report from a Senate Judiciary Subcommittee.

H.4404, *LCI Committee*, this bill would provide a safety net program for electric and natural gas customers 65 or older, disabled, or seriously ill with limited income. Natural gas utilities would either adopt the guidelines specified in the bill or design and submit their own for approval by the Office of Regulatory Staff. The bill received third reading; however the House may reconsider the vote on Tuesday, January 24, 2006. Representative James Smith is concerned that the legislation wasn't explained fully and wants the bill reconsidered. He is concerned about the provision in the bill that would limit lawsuits against utilities and cap damages at \$200,000.

H.4385, *Chalk*, this bill would allow the Hilton Head No. 1 PSD to extend the terms of the commissioners currently serving by one year in order to have their election in even-numbered years. Hilton Head No. 1 PSD is aware of this legislation and supports it. The bill received second reading and is scheduled to receive third reading Friday, January 20, 2006.

We appreciate the feedback concerning the proposed legislation to address devolution of appointment powers, referendums, and public hearings on rates. We also want to reiterate that this proposed legislation is in draft form only and we welcome your feedback. If you have additional questions please contact the Association Office at (800) 344-4518 or via e-mail at kellysmith@as-irmo.com or chrissmith@as-irmo.com.