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A legislative update from the Municipal Association of SC

2020 session  
123rd General Assembly

# Legislative Report

## 2020 session of the 123<sup>rd</sup> General Assembly

The legislative session of the past year was one unlike any other that South Carolina has ever experienced. The arrival of the COVID-19 pandemic in the spring brought all legislative activity to a halt, but lawmakers returned to Columbia several times during the summer and fall to finish pending business. The second half of the 123<sup>rd</sup> General Assembly came to a close on September 24. Bills that did not pass during the 2020 session are dead and will have to be reintroduced in the 2021 legislative session.

### Bills Passed by the General Assembly in 2020

#### South Carolina Business License Tax Standardization Act

H4431 standardizes the business license tax process with a uniform due date, application, class schedule and online renewal portal. The effective date of the bill is January 1, 2022.

The Municipal Association is developing guidance to assist cities and towns with implementing the provisions of the bill. The guidance will include instructions on adjustments to local business license ordinances, rate schedules and more.

#### Flexibility with Hospitality Revenue

S217 allows cities and towns to use hospitality tax revenue for flooding and drainage mitigation in tourist-related areas. The bill also extends the due date for local governments to submit comprehensive plans to December 31, 2021, because of the interruptions related to COVID-19.

#### Firefighter Cancer Health Care Benefit Plan

S1071 creates a plan to provide a supplemental insurance policy for paid and unpaid firefighters who are South Carolina residents if they are diagnosed with cancer. The firefighter is entitled to a one-time benefit of \$20,000, an annual out-of-

pocket expenses reimbursement of up to \$12,000 and a \$75,000 death benefit. There was no funding attached to the bill. Legislators plan to include money for this benefit in the fiscal year 2021-2022.

#### Broadband Accessibility Act

H3780 allows the state's electric cooperatives to provide broadband internet service within their territories and up to two miles outside of their territories. The electric cooperatives may provide broadband service in partnership with their own broadband affiliates or with existing communications service providers.

#### SC Small Cell Facilities Deployment Act

H4262 provides rules under which small cell facilities may be deployed within public rights-of-way across the state. The bill specifically allows cities and towns to regulate the appearance of small cell facilities and it provides municipalities the authority to designate design districts where more stringent appearance standards may be required. The bill also allows municipalities to charge fees for the deployment of small cells, but those fees are capped.

*For more information, visit [www.masc.sc](http://www.masc.sc) (keyword: advocacy) for resources related to legislative action.*

# 2020 Legislative Session Timeline

The legislative session that would prove to be dominated by pandemic disruptions began normally in January. The Senate and House of Representatives began debating education reform, business licensing, an unprecedented state budget surplus and telecommunications. Soon, however, COVID-19 brought the session's original schedule to a halt.

March 17 – 19

The Senate met to approve the release \$45 million to the SC Department of Health and Environmental Control to combat the spread of the coronavirus in South Carolina. The House met to concur with the Senate bill. The House and Senate then adjourned until Jay Lucas, speaker of the House, and Harvey Peeler, the president of the Senate, deemed it necessary to call them back into session.

April 8

House and Senate members returned to debate a budget bill to continue funding state government and a sine die resolution governing future legislative action. The Senate introduced and adopted a sine die resolution that governed when each chamber could return to session in Columbia and what bills could be debated. The House did not take action on the resolution. The House and Senate each passed their own, different versions of a continuing budget bill, both of which funded state government at current levels. However, since both chambers failed to pass the same budget bill, their return to Columbia for another session would be required in order to fund state government operations past June 30.

May 12

Both chambers returned to complete work on a continuing budget bill and the sine die resolution. House and Senate members adopted a sine die resolution that returned legislators back to Columbia in September. Legislators also adopted H3411, a continuing budget bill that included language that appropriated recurring funding for fiscal year 2020-2021. Items funded with nonrecurring funds in the fiscal year 2020 budget were not included in the continuing budget bill.

June 23 – 24

Legislators returned to Columbia again to pass legislation that distributed federal CARES Act funding in response to the COVID-19 pandemic.

September  
15 – 16, 22 – 24

General Assembly members returned to debate pending legislation, including the business license bill, the state budget, the hospitality flexibility bill and remaining CARES Act funding.

The General Assembly adjourned on September 24 at the call of chair as outlined in the sine die resolution.

# The State Budget

The General Assembly did not adopt a state budget for the fiscal year beginning July 1, 2020.

In the final action on the budget in September, the Senate adopted and sent to the House the Senate version of the budget. The House of Representatives adopted its version of the budget prior to the pandemic. When the House received the Senate amendments, members sent the budget bill to the House Ways and Means Committee. This action stopped any forward motion on a budget being adopted. Because no budget has been adopted, the continuing budget bill, which was adopted in May, still governs state spending for the fiscal year ending June 30, 2021.

The continuing budget bill passed in May includes the following related to cities and towns:

- No increase in employer contributions for the SC Retirement System or the SC Police Officers Retirement System.
- No change in health insurance costs.
- No increase in the Local Government Fund. Cities and towns will receive the same payments in fiscal year 2021 as fiscal year 2020.
- No additional post-traumatic stress disorder funding for first responders.
- No change to the one percent retirement contribution credit.

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## Stay in the loop with the Association

The Municipal Association of SC has several ways for local elected officials to stay in the loop with action in the General Assembly.

- Read general background information on legislative topics in the monthly *Uptown* publication and get more detailed information in the *City Connect* blog.
- The Association's legislative tracking system allows for detailed searching of specific bills and legislative activity. *From the Dome to Your Home* is emailed out every Friday during the session to recap the week's legislative action.
- Every Monday in the *Uptown Update* during the legislative session, the *City Quick Connect* podcast brings listeners the prior week's legislative action coupled with interviews and discussions with the legislative team.
- Follow the Association and the Association's legislative team on Twitter for real-time notification of legislative happenings and Association news and resources.