



COMPETITIVENESS UPDATE

April 1, 2011

No. 12

Secret Ballot Heads to Governor's Desk

This week, the Save Our Secret Ballot constitutional amendment was passed by the House and enrolled for ratification. Last November, more than 86 percent of South Carolina voters cast their ballots in favor of secret ballots in union elections. The South Carolina Chamber of Commerce was a key partner in the amendment's passage and public campaign.

Save Our Secret Ballot is in response to the dangerous and misnamed federal Employee Free Choice Act, or "card check," legislation drafted by

union supporters that would remove the right to vote by secret ballot in union elections and force businesses into unfair binding arbitration. As union membership numbers continue to decline at rapid rates across the nation, this type of "card check" style legislation is designed to make it easier for unions to organize.


Once ratified, the bill will be signed by Governor Nikki Haley, who has been a vocal supporter of the constitutional amendment.


Tort Reform to be Debated Tuesday

The Senate is set to debate tort reform legislation (H.3375) when it returns to Columbia Tuesday. The South Carolina Chamber opposes the subcommittee and full committee amendments to the legislation made by the Senate Judiciary Committee. The business community urges the Senate to restore the legislation to versions introduced by Senate Majority Leader Harvey Peeler (Cherokee), Senate Rules Committee

Chairman Larry Martin (Pickens) and House Speaker Bobby Harrell (Charleston).

Specifically, the business community opposes an amendment to the cap on punitive damages, which renders the cap essentially meaningless. South Carolina is the only southeastern state without a cap on punitive damages. Additionally, the Senate Judiciary Committee's version of the legislation renders the admissibility of the non-

THUMBS UP 

THUMBS DOWN 

Thumbs Up: To House Education and Public Works Committee Chairman Phil Owens (Pickens), who this week guided legislation through the House unanimously extending the EEDA Coordinating Council.

Thumbs Up: To Senator Kent Williams (Marion), who stood strong this week in a Senate LCI subcommittee on denying benefits to job applicants who test positive for drugs.

use of seat belts complicated and ineffective in most cases. The legislative repeal of the *Branham v. Ford Motor Company* decision is also strongly opposed and would place South Carolina in a small minority of states that employs the consumer expectations test. The business community supports requiring circuit court solicitors to seek the approval of the attorney general before bringing civil actions.

Votes on H.3375, tort reform legislation, will be scored in the South Carolina Chamber's 2011 *Legislative Scorecard*.

COMPETITIVENESS AGENDA

Description	Bill No.	Position	Status
Angel Investment Act	H.3044/ 3270	Support	Passed Ways and Means Subcommittee
Business License Fees	H.3472	Support	In House Ways and Means Committee
Charter Schools	H.3241	Support	Passed House; On Senate Floor
Department of Administration	H.3066	Support	Passed House; In Senate Judiciary Committee
Gov. Restructuring – Jointly Electing Gov./Lieut. Gov.	H.3152	Support	Passed House; In Senate Judiciary Committee
Gov. Restructuring – Superintendent of Education	H.3070	Support	Passed House; In Senate Judiciary Committee
Highway Funding	S.37/S.101	Support	In Senate Finance Committee
Regulatory Relief	S.420	Support	In Senate Judiciary Subcommittee
Spending Limits	H.3368	Support	Passed House; In Senate Finance Committee
Tort Reform	H.3375	Oppose as amended	Passed House; On Senate Floor
WorkKeys Certificate	H.3043	Support	In House Education and Public Works Committee

Peeler Tax Credit Bill to Senate Floor

The Senate Finance Committee passed legislation that will provide tax credits to South Carolina businesses that hire previously out-of-work South Carolinians. The bill gives businesses a \$100 tax credit per month per formerly unemployed South Carolina resident, for a maximum of \$2,400 over a 24-month period. The tax credit cannot exceed the amount of taxes the business pays in a year, but any excess can be carried forward to the next year.

"Government can't create new jobs, only private businesses can. This bill goes a long way towards giving those businesses the opportunity to hire new employees, expand and get our state's economy going again," Senate Majority Leader

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Harvey Peeler (Cherokee) said.

Senators Kevin Bryant (Anderson), Greg Ryberg (Aiken), Shane Massey (Edgefield), Mike Rose (Dorchester) and Nikki Setzler (Lexington) are cosponsoring the legislation.

Senate Finance Committee Passes Distribution Incentives

This week, the Senate Finance Committee passed S.690, legislation sponsored by Senate Finance Committee Chairman Hugh Leatherman (Florence) that would exempt corporate income taxes and corporate license fees for distribution centers that do not have retail stores in the Palmetto State. The legislation, often referred to as the "Amazon bill," has received a great deal of attention in recent weeks.

As passed by the Finance Committee, the bill does not exempt distribution centers from collecting and remitting sales taxes on goods purchased by South Carolina residents. Retailers across the state have objected to a sales tax safe harbor for Amazon because such a move would put the retailer at a 6 percent competitive advantage over other distribution facilities. The Chamber supports the legislation and opposes any efforts to provide a sales tax safe harbor.

This week, Senator Jake Knotts (Lexington) objected to further consideration of the bill, slowing its progress through the Senate. Also, Governor Nikki Haley came out in opposition to a sales tax safe harbor, but she does not plan to veto legislation including that provision if it makes it to her desk.

In Other News...

H.3748, legislation to extend the **Education and Economic Development Act (EEDA) Coordinating Council** for five years, passed the House. The Chamber strongly **supports** the legislation.

This week, a House Agriculture subcommittee met to receive testimony on H.3740, legislation offered by Representative Kit Spires (Lexington) that would **automatically deny permits** after a six-month period if the permit has not been renewed or denied by the South Carolina Department of Health and Environmental Control (DHEC). A member of the South Carolina Chamber's Environmental Technical Committee testified in opposition to the bill. The subcommittee adjourned debate on the legislation, and it likely will not move forward.

This week, the House passed S.434, legislation by Senate Majority Leader Harvey Peeler (Cherokee) that would allow the South Carolina Department of Health and Human Services to **cut provider rates to hospitals and doctors** to help manage current deficits in the Medicaid program. The bill now heads to the governor's desk for her signature.

Governor Nikki Haley, the South Carolina Department of Commerce and the South Carolina State Ports Authority announced the state's **2010 exports totaled more than \$20 billion** in goods sold to 192 countries around the world, representing a 23 percent increase over 2009. In 2010, South Carolina's export growth ranked it 17th in the U.S.

The **Port Oversight Commission** met this week to discuss dual rail access solutions for the Port of Charleston. South Carolina Public Railways and Norfolk Southern gave a presentation on their plan to provide dual rail access. North Charleston Mayor Keith Summey, CSX and Shipyard Creek then presented their plan for dual rail access at the port. South Carolina Secretary of Commerce Bobby Hitt closed the meeting by expressing the importance of the state moving forward with a dual rail access solution. The Chamber has not taken a position on any specific plan at this time but continues to call for a solution so businesses across the state and region can be better served, and the port can continue to grow.