2017-2018 S.C. Senate Scorecard Key

- Election for President Pro Tem #1 December 6, 2016. Former Governor Haley's nomination as US Ambassador to the United Nations set off a chain reaction in the State House. Lieutenant Governor Henry McMaster ascended to the Governor's mansion but who would fill McMaster's former office remained a mystery because of Hugh Leatherman's defiance of the constitution. At the time, we made the following statement: "Leatherman is putting his own political agenda ahead of his Constitutional duties. His decision to resign as Senate President in order to sidestep one of the main obligations of that office is proof enough that his only concern is his grip on power. He cares little about the Constitution and his actions personify the worst of politics as usual. The South Carolina Club for Growth Foundation will score the vote for Senate President and we urge all Senators to vote NO to Leatherman." In short, Leatherman told his fellow Senators and the public that he would never fulfill the obligations of Senate Pro Temp and would resign to avoid becoming Lieutenant Governor. Any Senator who voted for Leatherman as President Pro Temp was complicated in circumnavigating the Constitution. The preferred vote was NO. Unfortunately, Leatherman was elected 36-9.
- Election for President Pro Tem #2 January 25, 2017. After a constitutionally questionable round of musical chairs which saw Leatherman elected President Pro Temp, then resign, Kevin Bryant elected President Pro Temp, and Bryant becoming Lt. Governor, Senator Harvey Peeler challenged liberal Republican Hugh Leatherman for Senate President Pro Temp. The preferred vote was for PEELER. Unfortunately, Leatherman was elected 28-16.
- 3. Internet Sales Tax January 31, 2017. 2nd Reading. S. 214 is typical South Carolina tax policy overly complicated, perplexing, and burdensome to consumers and businesses. A Bloomberg BNA article on the proposal noted that "most large internet retailers terminated their affiliate referral programs" in states where similar legislation passed. Furthermore, the state Revenue and Fiscal Affairs office said additional revenue would be modest, at best. While questions on additional revenue exists, it is certain this bill would increase the tax and regulatory burden for online businesses and consumers. The preferred vote was NO. Unfortunately, the bill passes 38-5.
- 4. Defined Contribution Plan <u>March 1, 2017</u>. To Adopt Amendment Number 18. This amendment would require all new government employees to switch from a defined benefit plan to a defined contribution plan. Time Money Magazine explains it like this: "A defined benefit plan, most often known as a pension, is a retirement account for which your employer ponies up all the money and promises you a set payout when you retire. A defined contribution plan, like a 401(k) or 403(b), requires you to put in your own money" except in this case the "employer" is the taxpayer. Defined benefit plans are more costly for taxpayers. Fortunately, this amendment passed the Senate 28-18 but was ultimately excluded from the final pension "reform" deal.
- 5. Pension Reform <u>April 5, 2017</u>. To Adopt the Conference Report on H. 3726. S. 394 and H. 3726 did nothing to fix South Carolina's broken pension system. Instead, S. 394 threw good money after bad by authorizing a YEARLY \$826 million tax increase on taxpayers. This is addition to the BILLION-dollar annual contribution taxpayers make to support the fledgling fund. The preferred vote was NO. Unfortunately, the Senate adopted the conference report 33-7.
- 6. Gas Tax Amendment <u>April 25, 2017</u>. To Lay on the Table Amendment Number 9D. Senator Larry Grooms introduced an amendment that would allow South Carolina drivers to receive a tax rebate on the gas tax increase that they paid during the year. This sounds good but in reality, the amendment was a smoke and mirrors tactic intended to help the massive gas tax pass. Grooms amendment would require drivers to submit receipts, file additional forms, and adhere to burdensome regulations to receive

the rebate. This amendment was intended to give the allusion of a tax rebate without providing any relief. The preferred vote was YES to tabling. Unfortunately, the effort failed 16-26.

7. Gas Tax – May 8, 2017. To Adopt the Free Conference Report. Among other taxes and fee, this bill increased the gas tax by 12 cents, increased the vehicle sales tax, nearly doubled the vehicle registration fee, increased the tax cap on recreational vehicles, and created a new fee on fuel-efficient cars. Simply put, this bill amounted to one of the largest tax increases in South Carolina history. But perhaps the most disappointing thing about this bill is that it will do little to fix our roads because the monies collected can be used on bond debt. The preferred vote was NO. Unfortunately, the Senate adopted the conference report 32-12.

8. Government Meddling – January 16, 2018. H. 3720. To Override Veto 12. Vote #S480

In his veto message, Governor McMaster stated Proviso 84.16 "places government in the middle of relationships between private employers and employees." Specifically, the proviso called for the Department of Transportation to "insert itself into its vendor payroll practices and impose arbitrary schedules on private businesses." The SC Club for Growth believes less regulation, not more, is essential to economic growth. While this proviso may be well intentioned, it sets a bad precedent that could lead to more government interface in the private sector.

The preferred vote was to sustain the veto by voting "nay" to overriding. Fortunately, the Senate voted to sustain the Governor's veto by a vote of 23-21.

9. Private Museum Pork – January 23, 2018. H. 3720. To Override Veto 29. Vote #S497.

Proviso 49.18 sought to revise the terms of earmarked pork from 2015. The original proviso called for a 3:1 match requirement associated with the appropriation of \$250,000 in non-recurring funds to renovate the Horry County Museum for multipurpose space. Local Horry County governments could not raise enough private funds to meet the required match and the General Assembly inserted proviso 49.18 to redefine the terms.

Additionally, the Horry County Museum is a private organization that should be exclusively supported by private funds. While the museum might be a worthy cause, it is not a core function of government. Governor McMaster vetoed Proviso 49.18 and called for the money to be returned to the state and used for critical needs. The SC Club for Growth concurred with the Governor and supported his veto.

The preferred vote was to sustain the veto by voting "nay" to overriding. Unfortunately, the Senate voted to override the Governor's veto by a vote of 29-9.

10. **Transparency in Appropriations** – April 11, 2018. H. 4950. To Lay on the Table Amendment #68. Vote #S697

Senator Wes Climer offered amendment #68 to H4950. The amendment sought to bring greater transparency to the appropriations process. Funds are often appropriated to agencies without a specific purpose. Amendment #68 would have required an agency to report to the Governor, Senate, and House if any legislator, or General Assembly staffer, requested non-specified funds to be used for a specific purpose.

The SC Club for Growth supports greater transparency in government and holding public officials accountable. The preferred vote was against tabling. Unfortunately, the amendment was tabled by a vote of 22-20.

Expanding School Choice – April 12, 2018. H. 4950. To Lay on the Table Amendment #53. Vote #S705

Senator Tom Davis (R-Beaufort) offered Amendment #53 to H. 4950. The amendment sought to expand school choice in South Carolina. The SC Club for Growth has long supported the expansion of school choice and favors the adoption of universal school choice and the backpacking of funds. By introducing market forces into K12 education, the Palmetto State stands to benefit from educational competition, a better trained workforce, and higher academic scores. Specifically, Amendment #53 increased the school choice scholarship amount for children with special needs from \$12M to \$15M and created a \$5M school choice scholarship fund for disadvantaged children.

The preferred vote was "nay" to tabling. Unfortunately, the Senate voted to table Senator Davis' bill by a vote of 29-16.

12. Superintendent of Education – May 10, 2018. H. 3146. 3rd Reading. Vote #S999.

H. 3146 was a constitutional amendment that would have changed the Superintendent of Education from an elected position to a cabinet position with the advice and consent of the Senate

Under such a scenario, the Superintendent of Education would have been directly accountable to the governor and would, presumably, share a common vision with respect to education in South Carolina. The SC Club for Growth has long advocated for the appointment of constitutional officers by the governor and supported the passage of H. 3146.

The preferred vote was "aye" to passage. Fortunately, the Senate voted to pass the bill by a vote of 38-6.

13. Unconstitutional Grab Bag – October 2, 2018. S. 1043. To Override the Veto. Vote #S1043.

The South Carolina constitution states that "every act or resolution having the force of law shall relate to but one subject, and that shall be expressed in the title." By requiring each bill to address only one subject, members of the public and general assembly are able to reasonably infer the bill's contents. The official name of S. 1043 is the "SC Abandoned Buildings and Revitalization Act." Had S. 1043 only addressed unoccupied structures and their revival, we may have supported it. However, S. 1043 includes sections that created new tax credits for certain businesses, tax credit extensions for others, and addressed a number of other topics.

As Governor Henry McMaster rightly wrote in his veto message, "the myriad of provisions housed in the Act do not meet the one subject rule, and thus the Act is unconstitutional." The SC Club for Growth concurs with the Governor. The preferred vote was to sustain the veto by voting "nay" to overriding. Unfortunately, the Senate voted to override the Governor's veto by a vote of 31-8.

14. Private Theater Pork – October 3, 2018. H. 4950. To Override Veto 14. Vote #S1026

Veto 14 sought to eliminate \$500,000 of taxpayer funded pork to the SC Children's Theater, a nonprofit private entity. While the theater might be a worthy cause, it is not a core function of government and should fund its own mission.

The SC Club for Growth opposes taxpayer funding for private entities and supported the Governor's veto.

The preferred vote was to sustain the veto by voting "nay" to overriding. Unfortunately, the Senate voted to override the Governor's veto by a vote of 36-5.

15. Sheltered from Scrutiny – October 3, 2018. H. 4950. To Override Veto 26. Vote #S1035

The budget submitted to Governor McMaster included \$4.5M for a "Tourism, Sales & Marketing, [and] Sports Marketing Grant Program." These funds, as the Governor stated in his veto message, lacked "disclosure of explanation, justification, description, purpose, location or amount." The Governor further explained that members of his cabinet had not asked for these funds, didn't know who submitted them to the budget, or how the funds are supposed to be used.

The SC Club for Growth believes all funding should be debated through the normal appropriations process, be capable of standing on its own merit, and open to public inspection. Instead, this bucket of cash was "void of necessary transparency."

The preferred vote was to sustain the veto by voting "nay" to overriding. Unfortunately, the Senate voted to override the Governor's veto by a vote of 35-5.

16. Overfunding Government – October 3, 2018. H. 4950. To Override Veto 27. Vote #S1039.

Veto 27 would have eliminated \$4 million in funding to "Locate SC," a division of the Department of Commerce that advertises private commercial real estate in the state, but whose duties are already met by the private sector. In its original funding request, Locate SC asked for "only" \$4M from the legislature. However, the General Assembly – in addition to the money vetoed by Governor McMaster, provided Locate SC with \$7M in funding.

The SC Club for Growth opposes government programs such as Locate SC that duplicate private sector products and would prefer the program be defunded completely. When redundant programs like Locate SC, remain we are doubly opposed to overfunding them.

The preferred vote was to sustain the veto by voting "nay" to overriding. Unfortunately, the Senate voted to override the Governor's veto by a vote of 29-12.