

## **2019 SC Senate Scorecard Key**

### **1. Judicial Election.** February 6, 2019. Court of Appeals, Seat 1.

South Carolina is one of two states where judicial appointments are made by the legislature. The South Carolina Club for Growth has long opposed this process, preferring gubernatorial appointment with the advice and consent of the State Senate. Notwithstanding our opposition to how South Carolina elects judges, the SC Club for Growth urged lawmakers to support Horry County attorney Blake Hewitt for a seat on the SC Court of Appeals. Mr. Hewitt is a strict constitutionalist and self-described minimalist; characteristics our judges desperately need. Fortunately, Mr. Hewitt was elected by the legislature by a vote of 87-73 with the Senate voting 21-21.

### **2. Taxpayer-Funded Venture Capital Firm.** February 13, 2019. S 309. Vote # S48.

S 309 made budgetary changes to the SC Research Authority, a state-owned venture capital firm, by increasing the cap on tax credits for the “Industry Partnership Trust Fund.” As noted by the SC Policy Council, “the state should not have a tax-funded venture capital firm at all, especially one as unaccountable and nontransparent as the SCRA, so doubling its budget through tax credits is a very concerning idea.”

The SC Club for Growth agrees. Venture capital is a complicated and risky business best left to the private sector.

The preferred vote was “nay” to passage. Unfortunately, the Senate voted to pass the bill by a vote of 30-10.

### **3. Special Order.** April 17, 2019. S 678. To Set for Special Order. Vote #310

For many reasons, the SC Club for Growth has long advocated for the sale of embattled, state-owned utility Santee Cooper. Primarily because government has no business in the power industry – this is a job for the private sector.

By way of background, Santee Cooper is a state-owned electric and water utility that came into existence during the New Deal of the 1930s. Over the past 85 years, Santee Cooper has morphed into a big-government, politicized behemoth that racks up failure after failure. In 2009, Santee Cooper lost \$250 million on an abandoned coal-fired plant in the Pee Dee. It also entered into a contract to supply gypsum with a wallboard manufacturing company. Santee Cooper has failed to meet the needs of the buyer and now purchases nearly \$10 million of gypsum a year, supplying it at a significant loss. More recently, Santee Cooper pulled the plug on the V.C. Summer nuclear debacle – leaving Santee Cooper customers to cover its \$4+ billion in nuclear debt for decades.

The State’s largest financial blunder in history has prompted lawmakers into action to consider the future of Santee Cooper – sell or don’t. Lawmakers first had to decide if the Santee Cooper issue should be set for “Special Order,” essentially giving the issue priority.

The SC Club for Growth supported setting the issue for Special Order. The preferred vote was “aye.” Fortunately, Special Order passed 39-5.

**4. Kicking the Can Down the Road.** May 2, 2019. S 678. Vote #350.

Amendment 9 was a way for Senators to take action – without actually taking action. Instead of authorizing a sale of debt-ridden Santee Cooper, some lawmakers tried to insert Amendment 9 which would have directed the Department of Administration to conduct an evaluation of the Public Service Authority ("Santee Cooper"), including, but not limited to, Santee Cooper's executive management, rate structure, operations, bonded indebtedness, board structure, and a performance audit. The evaluation would have also analyzed the privatization of Santee Cooper along with other time delaying “studies.”

The preferred vote was “aye” to tabling amendment 9. Fortunately, the amendment was tabled by a vote of 33-10. However, the House added similar language to its companion bill (H. 4287).

**5. Billionaire Handout.** May 20, 2019. H 4243. Adopt Conference Report. Vote #S436.

After a meeting between Governor Henry McMaster and the billionaire owner of the Carolina Panthers, lawmakers progressed quickly on a deal to move the professional football team’s headquarters and training facilities out of Charlotte and across the border into South Carolina. Ultimately, this “deal” included \$115 million in tax breaks for the team which sold in 2018 for over \$2 billion.

Regrettably, the process was shrouded in secrecy, is constitutionally questionable, and provided few, if any, safeguards for taxpayers.

For example, during the debate, the Senate skipped a legally required roll call vote by agreeing to “unanimous consent.” Furthermore, the bill’s language relies on semantics to circumvent the South Carolina Constitution’s prohibition on laws that benefit specific companies. As noted by *The Nerve*:

“How much lawmakers will ultimately give the team for building a facility in South Carolina is unclear. As usual, this has not been disclosed to taxpayers. These deals are always negotiated behind closed doors, and even after the fact state officials are reluctant to reveal the details of the amounts spent and what those dollars paid for...

If taxpayers are going to judge the success of their investment, they need the facts on the front-end of the deal, and detailed reporting on the subsequent returns.”

For these reasons and more, the SC Club for Growth opposed this handout. The preferred vote was “nay” to adopting the conference report. Unfortunately, the conference report was adopted by a vote of 23-17.

6. **Largest Budget in State History.** May 21, 2019. H 4000. Adopt the Conference report. Vote #S442.

Full of pork, earmarks, and pet projects, the South Carolina General Assembly passed another “largest state budget in history.” The total spending package is \$29.8 billion – not including federal Supplemental Nutrition Assistance Program dollars.

A \$642,500 “tricked out trailer” for the “Be Pro Be Proud” program was among the allocations. While many of these programs are worthy causes, they are simply not core functions of government.

For these reasons and more, the SC Club for Growth opposed this budget. The preferred vote was “nay” to adopting the conference report. Unfortunately, the conference report was adopted by a vote of 32-8.

7. **Selling Santee Cooper.** May 21, 2019. H 4287. Adopt Free Conference Report. Vote #S447.

South Carolinians already pay the highest electricity bills in the South, and some of the highest in the nation. The V.C. Summer nuclear debacle has only made things worse.

Santee Cooper customers are the sole source for repaying more than \$4 billion in debt from the failed V.C. Summer nuclear project and \$4 billion more in operational debt. That means the average Santee Cooper customer could pay thousands for the failed project over the next several decades, if things remain the same at Santee Cooper.

The SC Club for Growth has long advocated for the privatization of Santee Cooper. Unfortunately, the legislature only started paying attention after billions of dollars were spent on two holes in the ground and billions more in debt.

Santee Cooper is broken. Its successor should be subject to the same market forces, oversight, and reforms that other energy companies face. For these reasons and more, the SC Club for Growth has urged its leaders to pursue a timely, market-based sale of Santee Cooper that protects customers and taxpayers from further pain.

The preferred vote was “aye” to adopting the conference report. Fortunately, the report was adopted by the Senate by a vote of 39-2.

8. **Community Development Grants.** June 25, 2019. H 4000. To Override Veto #20. Vote #S467

Governor McMaster issued 28 vetoes totaling \$40.7 million. Among the group was veto #20 which addressed part of proviso 118.16. Specifically, McMaster vetoed \$2,000,000 to the state budget for “community development grants.”

In his veto message, McMaster stated that “this line represents a pass-thru earmark void of necessary transparency. The appropriation lacks disclosure or explanation, justification, description, purpose, location or amount. These earmarks should be publicly disclosed and debated through the normal appropriations process and allowed to stand on their own merits, not rolled up into one line thereby sheltered from scrutiny.”

The SC Club for Growth agrees. All appropriations should be debated and disclosed.

The preferred vote was “nay” to overriding. Unfortunately, the Senate voted to override the veto by a vote of 86-15.

**9. Taxpayer Funded Consultants.** June 25, 2019. H 4000. To Override Veto #14. Vote #S475

Members of county election commissions are appointed by the county’s legislative delegation. It is the delegation’s responsibility to appoint competent and knowledgeable individuals to these posts. In turn, it is the commissioners’ responsibility to hire competent and knowledgeable individuals to run the office.

Unfortunately, the members of the Richland County delegation didn’t get this memo and the situation at the Richland County Election Commission is dire. There have been at least four major blunders in the last eight years, including failing to count 1,040 votes last fall. Governor McMaster removed the entire board in February saying in part that in order “to regain and maintain Richland County voters’ confidence at the ballot box, the entire board must be replaced with new leadership.”

During the appropriations process legislators slipped in a \$50,000 line item to hire a third party consultant to educate and train Richland County election commissioners on how elections are conducted. The State newspaper noted that “S.C. elections officials believe this is the first time the General Assembly has required such an intervention at a county elections office.”

Governor McMaster vetoed this line item saying at the time, “the Richland County legislative delegation is accountable for appointing competent individuals to the county election commission who are tasked with hiring competent employees to run the office and county election activities.”

The SC Club for Growth agrees. Taxpayers should not foot the bill for the Richland County delegation’s failure to properly appoint commissioners.

The Senate originally sustained the veto but 45 minutes later they voted to reconsider and override the Governor’s veto. The preferred vote was “nay” to overriding. Unfortunately, the Senate voted to override the Governor’s veto by a vote of 32-7.