

Monday, April 4, 2011

POINT-OF-SALE BILLS ADVANCE

Controversial legislation to eliminate the provision under the 2006 Property Tax Relief Act (Act 388) requiring property to be reassessed to its real market value for tax purposes each time there is an assessable transfer of interest (ATI) or when the property changes hands in ownership – known as “point-of-sale” - is advancing in the General Assembly.

The Senate Finance Committee approved the Senate point-of-sale legislation ([S.647](#)) by a 12-6 vote on March 29. A finance subcommittee had previously amended the bill to remove language making the provisions retro-active to the 2007 tax year. As approved, the bill will have an estimated annual loss of about \$52 million to local governments with the loss to school districts being about 45 percent of the total, according to the Board of Economic Advisors. A minority report was placed on the bill by Sen. Leventis, sending the bill directly to the Senate contested calendar. During debate in the committee, Senator Hayes said that even if the point-of-sale bill makes it to the Senate floor, it will be behind the budget as well as redistricting and noted further that it is unlikely anything will happen with the bill this year unless a compromise is secured. He stated that without a compromise the bill would have to be set for Special Order to be considered in the Senate.

The House point-of-sale bill ([H.3713](#)) is on the April 5 meeting agenda of the full Ways and Means Committee. As currently drafted, the bill contains language making deletion of the point-of-sale provision retroactive to the 2007 tax year. The retroactive provision could mean a first-year fiscal impact to local governments of some \$260 million.

SENATE/HOUSE VOUCHER BILLS TO SEE ACTION

Subcommittee action on two companion voucher/tuition tax credit bills is anticipated during the week of April 4. The Senate Education K-12 Subcommittee is set to meet April 6 at 10 a.m. to debate the Senate version of the bill ([S.414](#)). The House companion voucher/tax credit bill ([H.3407](#)) is set to be heard that same day by the House Ways and Means General Government, Personnel and Benefits Subcommittee one hour after the House adjourns.

During testimony against the bill at the March 31 Senate K-12 subcommittee hearing, several points of interest centered on testing requirements were raised by subcommittee members. Members questions whether all students, public and private, should be required to take the same tests so that an “apples-to-apples” comparison can be made regarding student achievement. The other point of interest was on accreditation. The bill currently does not require private schools to be accredited, only that they be a member of an accrediting organization.

SCSBA has sent out two legislative alerts in recent days concerning pending action on these two bills at the subcommittee level. SCSBA strongly urges its membership to contact Senate Education K-12 Subcommittee members Sens. [Wes Hayes](#), [John Matthews](#), [Luke Rankin](#), [Michael Fair](#), [Harvey Peeler](#), [Phil Leventis](#), [Larry Grooms](#), [Gerald Malloy](#), [Joel Lourie](#), and [Tom Davis](#) and urge them to vote against the bill. Also, please contact members of the Ways and Means subcommittee Reps. [Bill Herbkersman](#), [Brian White](#), [Joe Neal](#), [Mike Pitts](#), [David Umphlett](#) and urge them to vote against the voucher/tuition tax credit legislation.

KEY FLEXIBILITY LEGISLATION MOVES

Senate joint resolution to extend the deadline for offering teacher contracts from April 15 to May 15 ([S.629](#)) received third reading in the House April 1. The next step will be ratification and then to the governor for her signature. The

Bills of Note

[H.3748](#), legislation to extend the Education and Economic Development Act (EEDA) Coordinating Council for five years, passed the House April 1. The Senate Education K-12 Subcommittee on March 31 discussed and reported out favorably [S.528](#) dealing with dating violence and [S.566](#) which amends the definition of harassment in the Safe Schools Act. [H.3013](#), a bill to establish a process for schools and districts to apply to the State Board of Education for exemptions from state statutes and State Board regulations relating to public education was reported out favorably by the House Education Committee on March 30.

House companion bill, [H.3643](#), received third reading in the House April 1 and was sent to the Senate. House joint resolution to authorize school districts to freeze teacher salary step increases at the current year level for fiscal year 2011-12 ([H.3642](#)) received third reading in the House March 31 and was sent to the Senate where it was referred to the Finance Committee. The joint resolution includes a provision requiring districts that elect to freeze step increases for teachers to freeze increases in salaries for district and school administrators unless the administrator was subject to a furlough or changed positions within the district in the prior academic year.

IMPORTANT DATES

The Senate Finance Committee is scheduled to begin work on its version of the budget ([H.3700](#)) the week of April 11, with the Senate floor debate scheduled for the week of April 25. The House is scheduled to take its next furlough the week of April 19, with the Senate tentatively furloughing the same week. May 1 is the legislation “cross-over” deadline for bills to be considered this legislative year. The final day of the regular 2011 session is June 2, although the General Assembly has said it will likely be working in August on redistricting.

And finally, don't forget April 27 is the next SCSBA 2DAC!

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