COMMITTEE REPORT

May 15, 2014

**S. 825**

Introduced by Senators Alexander and Davis

S. Printed 5/15/14--H.

Read the first time February 26, 2014.

**THE COMMITTEE ON WAYS AND MEANS**

To whom was referred a Bill (S. 825) to amend the Code of Laws of South Carolina, 1976, by adding Section 3‑1‑40 so as to exempt from ad valorem taxation any real property located within, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass with amendment:

Amend the bill, as and if amended, by striking all after the title and inserting:

/ Whereas, the General Assembly finds that the sacrifices of those who serve in the armed services of this great nation deserve our greatest respect, and that we have an obligation to demonstrate our appreciation to these service members and their families in tangible ways; and

Whereas, the General Assembly takes great pride in being home to many military installations, and is greatly appreciative of the tremendously positive impact of these installations and the service members and their families on the economy of the Palmetto State; and

Whereas, the South Carolina General Assembly finds that comprehensive legislation to enhance many quality of life issues for members of the armed forces and their families is very appropriate to demonstrate its appreciation for the sacrifices of members of the armed forces and their families and to demonstrate its appreciation for the enormously positive impact of military installations on the Palmetto State. Now, therefore,

Be it enacted by the General Assembly of the State of South Carolina:

PART I

Military Family Quality of Life Enhancement Act of 2014

SECTION 1. This act may be known and must be cited as the “Military Family Quality of Life Enhancement Act of 2014”.

PART II

Property Taxes

SECTION 2. A . Article 1, Chapter 1, Title 3 of the 1976 Code is amended by adding:

“Section 3‑1‑40. There is exempt from ad valorem taxation any real property, and improvements thereon, located within a military base or installation that is used or owned by the United States Armed Forces and is used as military housing for military affiliated personnel and their families. Military housing includes ancillary facilities that support the military housing. This exemption continues to apply if the real property is improved, maintained, or leased to a party that would otherwise subject the real property to tax, so long as there is a contractual agreement by and between a branch of the United States Armed Forces and the lessee which requires the lessee to use the property for military housing.”

B. This SECTION takes effect upon approval by the Governor and applies for property tax years beginning after 2013.

SECTION 3. SECTION 2 of Act 133 of 2014 is amended to read:

“SECTION 2. This act takes effect upon approval by the Governor and applies for property tax years beginning after ~~2013~~ 2012.”

PART III

Employment

SECTION 4. Section 1‑13‑80(I) of the 1976 Code is amended by adding an appropriately numbered item at the end to read:

“( ) It is not an unlawful employment practice for a private employer to give preference in employment to a veteran. This preference is also extended to the veteran’s spouse if the veteran has a service‑connected permanent and total disability. A private employer who gives a preference in employment provided by this item does not violate any other provision of this chapter by virtue of giving the preference. For purposes of this item, ‘veteran’ has the same meaning as provided in Section 25‑11‑40.”

PART IV

Medicaid Waiver Protections

SECTION 5. Article 1, Chapter 6, Title 44 of the 1976 Code is amended by adding:

“Section 44‑6‑35. In administering home and community‑based waiver programs, the department shall, to the extent possible, maintain the waiver status of an eligible family member of a member of the armed services who maintains his South Carolina state residence, regardless of where the service member is stationed. Consequently, a person on a waiver waiting list would return to the same place on the waiting list when the family returns to South Carolina. Furthermore, the eligible family member previously enrolled in a waiver program and who received active services would be reinstated into the waiver program once Medicaid eligibility is established, upon their return to South Carolina. It is not the intent of this section to authorize services provided outside the South Carolina Medicaid Service Area. These provisions are contingent upon the department receiving federal approval.”

PART V

Military‑Connected Children’s Welfare Task Force

SECTION 6. Chapter 11, Title 63 of the 1976 Code is amended by adding:

“Article 21

Military‑Connected Children’s Welfare Task Force

Section 63‑11‑2110. (A) There is created the ‘Military‑Connected Children’s Welfare Task Force’ for the purpose of identifying issues related to military‑connected children and opening communication between child welfare agencies of this State and local military installations. The task force shall study issues relating to military‑connected children as the task force may undertake or as may be requested by the General Assembly.

(B) The task force is to be comprised of the following members:

(1) the Director of the Department of Health and Human Services, or his designee;

(2) the Governor, or his designee;

(3) the Speaker of the House of Representatives, or his designee;

(4) the President Pro Tempore of the Senate, or his designee; and

(5) a representative of the Children’s Trust Fund.

(C) The task force shall meet as soon as practicable after the effective date of this act for organizational purposes.

(D) The task force shall submit an annual written report to the General Assembly including recommendations to facilitate and open communication between child welfare agencies of this State and local military installations. The findings and recommendations of the task force shall be posted on the Department of Health and Human Services’ website.

(E) The members of the task force shall serve without compensation and may not receive mileage or per diem.”

PART VI

Veterans Treatment Court Program

SECTION 7. Title 14 of the 1976 Code is amended by adding:

“CHAPTER 29

Veterans Treatment Court Program

Section 14‑29‑10. This Chapter may be cited as the ‘Veterans Treatment Court Program Act’.

Section 14‑29‑20. The General Assembly recognizes the success of various other states’ veterans court initiatives in rehabilitating certain nonviolent offenders who are veterans of a military conflict in which the United States military is or has been involved. The purpose of this chapter is to divert qualifying nonviolent military veteran offenders away from the criminal justice system and into appropriate treatment programs, thereby reserving prison space for violent criminals and others for whom incarceration is the only reasonable alternative. This chapter intends to set standards and procedures to facilitate the creation and continuation of these programs across the State, while leaving local jurisdictions the flexibility to tailor individual programs to local needs.

Section 14‑29‑30. Each circuit solicitor may establish a veterans treatment court program subject to the availability of funds. Each circuit solicitor that accepts state funding for the implementation of a veterans treatment court program must establish and administer at least one veterans treatment court program for the circuit within one hundred eighty days of receipt of funding. The circuit solicitor must administer the program and ensure that all eligible persons are permitted to apply for admission to the program.

Section 14‑29‑40. (A) The Chief Justice shall appoint judges of the veterans treatment court upon the recommendation of the circuit solicitor for that judicial circuit.

(B) A veterans treatment court judge must:

(1) be a member in good standing with the South Carolina Bar or a member, active or retired, of the Unified Judicial System;

(2) serve at the pleasure of the Chief Justice for a term of two years and may be reappointed;

(3) receive no salary for his service as a veterans treatment court judge and must serve as a veterans treatment court judge on a voluntary basis;

(4) receive an allowance for mileage, subsistence, and per diem paid by the solicitor’s office when engaged in the exercise of duties as a veterans treatment court judge;

(5) be exempt during his term from Rule 608, South Carolina Appellate Court Rules, relating to the appointment of lawyers for indigents;

(6) enjoy in a veterans treatment court proceeding or action the same privileges, immunities, and protections from civil liability as a circuit court judge;

(7) receive training provided for this service through organizations which offer this type of training as determined by the solicitor’s office; and

(8) reside in the judicial circuit where he serves.

(C) A veterans treatment court judge shall preside subject to the Code of Judicial Conduct with the goal of instilling discipline, promoting rehabilitation, and encouraging participants’ successful completion of the veterans treatment court program. A veterans treatment court judge has the authority of a circuit court judge acting in probation matters, including, among other things, the authority to:

(1) maintain order and decorum in all proceedings, including use of the contempt power;

(2) issue an order of acceptance of a participant in the program and an order of dismissal from the program;

(3) impose by written order a sanction dismissing a participant from the veterans treatment court program or incarcerating him for failing to meet a condition, requirement, or goal ordered by the veterans treatment court;

(4) issue to a participant a certificate indicating his successful completion of the veterans treatment court program;

(5) order conditions or requirements of a rehabilitation plan for a participant, developed after consultation with the circuit solicitor, a certified or licensed drug and alcohol counselor, a veterans affairs counselor, or other professionals the veterans treatment court judge considers beneficial, with the conditions and requirements to include school, education, vocational training, work, drug or alcohol testing, counseling, reporting, treatment, curfew, monitoring, restitution, community service, anger management, or other measures the judge considers appropriate; and

(6) take action he considers necessary to carry out the veterans treatment court’s functions provided in this chapter.

Section 14‑29‑50. (A) A person seeking admission to the veterans treatment court program:

(1) must execute a veterans treatment court agreement specified in this chapter;

(2) must receive approval of the circuit solicitor;

(3) may not have been previously admitted to a veterans treatment court program;

(4) may have no prior conviction or pending charges for:

(a) a violent crime as defined in Section 16‑1‑60;

(b) an offense for which the offender was placed on the sex offender registry pursuant to Section 23‑3‑430;

(c) the offense of lynching in the first degree pursuant to Section 16‑3‑210 or lynching in the second degree pursuant to Section 16‑3‑220;

(d) the common law offense of assault and battery of a high and aggravated nature;

(e) the offense of carjacking pursuant to Section 16‑3‑1075;

(f) the offense of harassment or stalking pursuant to Article 17, Chapter 3, Title 16; or

(g) the offense of causing great bodily injury or death by operating a vehicle while under the influence of drugs or alcohol pursuant to Section 56‑5‑2945; and

(5) must have an active sentence of thirty days or more for a nonviolent crime not exempted pursuant to item (4).

(B) A veterans treatment court agreement required in subsection (A) may serve as the offender’s application for admission to a veterans treatment court program and jurisdiction, and shall include:

(1) sufficient proof that the offender is a veteran or current member of the United States Armed Forces, including the Reserves or National Guard;

(2) sufficient proof that the offender suffers from a brain injury, mental illness, or mental disorder, including post‑traumatic stress disorder;

(3) an acknowledgement by the offender that his application is voluntary and freely entered into;

(4) an agreement that, if accepted, he will comply with all conditions, rules and requirements imposed upon him in the veterans treatment court program, including a rehabilitation plan;

(5) an acknowledgement that, if accepted, he may be dismissed from the program at the discretion of the veterans treatment court judge and consequently transferred to the circuit court for commencement of his entire original sentence, without reduction;

(6) an acknowledgement and agreement that he has no right to appeal or enjoin a decision of the veterans treatment court judge;

(7) an acknowledgement and agreement that the post‑conviction relief procedures do not apply to the veterans treatment court program, and a relinquishment of all rights to post‑conviction relief;

(8) an agreement to cooperate fully with those involved in his rehabilitation plan and to comply with the requirements and conditions of the plan, including the submission to analysis, testing, treatment, counseling, evaluation, and providing complete personal, health, and family information, and executing releases to accomplish the provision of this information;

(9) an agreement to bear, subject to his ability to pay, the costs of analysis, testing, treatment, counseling, or evaluation in a rehabilitation plan prescribed in the program, and an agreement that funds paid by the participant or on his behalf during the course of the veterans treatment court program may not be refundable in any event, including his dismissal from the program;

(10) a general explanation of the purpose and concept of the veterans treatment court program;

(11) a statement of the offender’s knowing, willing, and full consent and submission to the authority of the veterans treatment court and its process;

(12) the signature of the offender and, if any, his counsel; and

(13) other statements, acknowledgements, or agreements the circuit solicitor may consider appropriate.

(C) In determining whether to accept an offender for admission to the veterans treatment court program, the circuit solicitor shall consider, among other things:

(1) the veterans treatment court agreement presented by the offender;

(2) the nature of the offense for which the offender was convicted in circuit court;

(3) the offender’s prior criminal history;

(4) the offender’s prior substance abuse history;

(5) the likelihood that the offender successfully will complete the program;

(6) the risk and danger posed to the community by the offender’s remaining at large;

(7) the benefits likely resulting to the community and this State from the offender’s acceptance into the program, including cost savings, public service or private employment, enhancement of the offender’s ability to pay restitution, support or comfort of his family, and the decreased likelihood of future criminal activity;

(8) the benefits likely resulting to the offender upon his being accepted into the program, including drug or alcohol rehabilitation, education, training, family support, discipline, employment, physical and mental health, and the opportunity for a productive life;

(9) a positive recommendation or statement from the victim, the victim’s family, law enforcement, or the community, the recommendation after screening by a qualified person selected by the solicitor or provided by a state, county, or municipal agency to determine the mental health or drug or alcohol dependence of the applicant and his likelihood of successful completion of a rehabilitation plan prescribed in this program;

(10) the risk and danger posed to the victim or victim’s family by the offender remaining at large; and

(11) other circumstances or matters the veterans treatment court judge may consider appropriate.

(D) The veterans treatment court’s acceptance of the offender as a participant must be presented to the circuit court. The circuit court, in its discretion, may order the transfer of the offender to the custody and jurisdiction of the veterans treatment court for commencement of the veterans treatment court program. The circuit court shall provide in its order that the participant must be returned to the circuit court for final disposition, as provided in this chapter, upon his successful completion of the program or his dismissal from the program.

(E) Notice must be provided to all victims pursuant to the Victims’ Bill of Rights.

Section 14‑29‑60. (A) When establishing a veterans treatment court program, the circuit solicitor:

(1) may address the particular requirements and circumstances of the circuit. The procedure is subject to and consistent with the uniform procedures provided in this chapter, including:

(a) a veterans treatment court program must be at least twelve months in duration but no more than eighteen months in duration for a participant, although the program may be extended for a maximum of six additional months by the veterans treatment court;

(b) a veterans treatment court session must be held in a courtroom assigned by the appropriate court official or another place the veterans treatment court judge considers appropriate and where proper decorum, safety, and efficiency must be maintained;

(c) a veterans treatment court session must be held at a time and place that will promote the maximum convenience and attendance of associated parties, especially a participating offender and his family, and, absent an agreement to the contrary, should be held on a weekday and commencing no earlier than 5:30 p.m.; and

(d) a veterans treatment court program may require the presence of a person necessary for the efficient operation of a veterans treatment court session;

(2) shall designate in his office a person to serve as his veterans treatment court administrator to supervise and coordinate the implementation of the program. These duties shall include the scheduling of the hearings, notification of the persons involved, maintenance and safeguarding of all records and orders associated with the program, filing of all orders and other appropriate documents with the appropriate clerk of court, and the production of a report required by this chapter; and

(3) through his designated administrator, shall supervise and coordinate the selection of counselors or other professionals to analyze, test, treat, and evaluate an applicant or participant contemplated in this chapter, and at least annually shall report to the South Carolina Commission on Prosecution Coordination information regarding funds expended by the circuit solicitor for these purposes.

(B) The South Carolina Commission on Prosecution Coordination shall assist the circuit solicitor and veterans treatment court in establishing a uniform system of procedures, statistics, and processes as set forth in this chapter, collecting reports it prescribes from the circuit administrator in order to measure the progress and operations of the veterans treatment courts, and annually issuing a comprehensive report of its findings and recommendations no later than sixty days following the end of the fiscal year.

(C) The Supreme Court may propose and adopt rules for the veterans treatment court program in the same manner as it proposes and promulgates rules for other courts in the Unified Judicial System.

Section 14‑29‑70. (A) The transfer of an offender from the custody and jurisdiction of the circuit court to custody and jurisdiction of the veterans treatment court must be made by issue of a written order from the circuit court in response to the approval of the application by the veterans treatment court. This order must provide for the deferment of the offender’s sentence pending the conclusion of the veterans treatment court program. The veterans treatment court then shall control and be responsible for the custody of the offender upon entry of the circuit court’s order.

(B) Where a person fails successfully to complete the program and is consequently dismissed from the program, the veterans treatment court must transfer custody of the person to the circuit court for the imposition of the sentence. A court may not reduce a sentence for time spent participating in a veterans treatment court program and other conditions of the sentence.

(C) The constitutional notice requirements of the Victims’ Bill of Rights apply to a transfer, completion, or failure pursuant to this section.

Section 14‑29‑80. Nothing contained in this chapter affects the operation or establishment of juvenile drug courts in South Carolina.

Section 14‑29‑90. The General Assembly shall appropriate funds annually to an account to be maintained by the Commission on Prosecution Coordination for the payment of mileage, subsistence, and per diem for veterans treatment court judges as provided by this chapter.”

PART VII

Education

SECTION 8. Section 59‑18‑900 of the 1976 Code, as last amended by Act 282 of 2008, is further amended by adding an appropriately lettered subsection at the end to read:

“( ) The Education Oversight Committee, working with the State Board of Education, is directed to establish a comprehensive annual report concerning the performance of military‑connected children who attend primary, elementary, middle, and high schools in this State. The comprehensive annual report must be in a reader‑friendly format, using graphics whenever possible, published on the state, district, and school website, and, upon request, printed by the school districts. The annual comprehensive report must address at least attendance, academic performance in reading, math, and science, and graduation rates of military‑connected children.”

SECTION 9. A. Section 59‑112‑50 of the 1976 Code, as last amended by Act 133 of 2012, is further amended to read:

“Section 59‑112‑50. (A) Notwithstanding another provision of law, during the period of their assignment to duty in South Carolina, members of the Armed Services of the United States stationed in South Carolina and their dependents are eligible for in‑state tuition rates. When these armed service personnel are ordered away from the State, their dependents are eligible for in‑state tuition rates as long as they remain continuously enrolled at the state institution in which they are enrolled at the time the assignment ends or transfer to an eligible institution during the term or semester, excluding summer terms, immediately following their enrollment at the previous institution. In the event of a transfer, the receiving institution shall verify the decision made by the student’s previous institution in order to certify the student’s eligibility for in‑state tuition rates. It is the responsibility of the transferring student to ensure that all documents required to verify both the previous and present residency decisions are provided to the institution. ~~These persons and their dependents are eligible for in‑state tuition rates after their discharge from the armed services even though they were not enrolled at a state institution at the time of their discharge, if they have evidenced an intent to establish domicile in South Carolina and if they have resided in South Carolina for a period of at least twelve months immediately preceding their discharge.~~

(B)(1) Active duty military personnel may be charged less than the undergraduate tuition rate for South Carolina residents for courses that are presented on a distance basis, regardless of residency.

(~~B~~2) For purposes of this section, ‘active duty military personnel’ includes, but is not limited to, active duty guardsmen and active duty reservists.

(C) Notwithstanding any other provision of law, a veteran of the Armed Services of the United States, who has evidenced intent to establish domicile in South Carolina, and their dependents, are entitled to receive in‑state tuition and fees at state institutions without the requirement of one year of physical presence in this State. For purposes of this subsection, a ‘veteran’ is defined as an individual who has served on active duty in the United States Armed Forces and who has been honorably discharged from service.”

B. The provisions of this SECTION take effect July 1, 2014.

SECTION 10. Section 7‑15‑320 of the 1976 Code, as last amended by Act 43 of 2011, is further amended to read:

“Section 7‑15‑320. (A) ~~A qualified elector~~ Qualified electors in any of the following categories must be permitted to vote by absentee ballot in all elections when ~~he is~~ they are absent from ~~his~~ their county of residence on election day during the hours the polls are open, to an extent that it prevents ~~him~~ them from voting in person:

(1) students, their spouses, and dependents residing with them;

(2) ~~members of the Armed Forces and Merchant Marines of the United States, their spouses, and dependents residing with them;~~

~~(3)~~ persons serving with the American Red Cross or with the United Service Organizations (USO) who are attached to and serving with the Armed Forces of the United States, their spouses, and dependents residing with them;

(~~4~~3) governmental employees, their spouses, and dependents residing with them;

(~~5~~4) persons on vacation (who by virtue of vacation plans will be absent from their county of residence on election day); or

(~~6~~5) overseas citizens.

(B) ~~A qualified elector~~ Qualified electors in any of the following categories must be permitted to vote by absentee ballot in all elections, whether or not ~~he is~~ they are absent from ~~his~~ their county of residence on election day:

(1) physically disabled persons;

(2) persons whose employment obligations require that they be at their place of employment during the hours that the polls are open and present written certification of that obligation to the county registration board;

(3) certified poll watchers, poll managers, county voter registration board members and staff, county and state election commission members and staff working on election day;

(4) persons attending sick or physically disabled persons;

(5) persons admitted to hospitals as emergency patients on the day of an election or within a four‑day period before the election;

(6) persons with a death or funeral in the family within a three‑day period before the election;

(7) persons who will be serving as jurors in a state or federal court on election day;

(8) persons sixty‑five years of age or older; ~~or~~

(9) persons confined to a jail or pretrial facility pending disposition of arrest or trial; or

(10) members of the Armed Forces and Merchant Marines of the United States, their spouses, and dependents residing with them.”

PART VIII

Severability and Effective Date

SECTION 11. If any section, subsection, paragraph, subparagraph, sentence, clause, phrase, or word of this act is for any reason held to be unconstitutional or invalid, such holding shall not affect the constitutionality or validity of the remaining portions of this act, the General Assembly hereby declaring that it would have passed this act, and each and every section, subsection, paragraph, subparagraph, sentence, clause, phrase, and word thereof, irrespective of the fact that any one or more other sections, subsections, paragraphs, subparagraphs, sentences, clauses, phrases, or words hereof may be declared to be unconstitutional, invalid, or otherwise ineffective.

SECTION 12. Unless specified otherwise, this act takes effect upon approval by the Governor. /

Renumber sections to conform.

Amend title to conform.

W. BRIAN WHITE for Committee.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

**REVENUE IMPACT 1/**

This bill is not expected to impact local revenue.

**Explanation**

This bill exempts from local property tax any military housing property located within a military base or installation that is improved, maintained or leased to a private party so long as the property is contractually used for military housing. Based upon discussions with county assessors, we do not anticipate that the bill will have an impact upon local property tax revenues. Under multiple situations and examples provided by the assessors, assessors have determined that property that is owned by the US military and used for military purposes is not taxable regardless of any lease to a private entity so long as the property is still owned and used by the US military. Additionally, assessors referenced an opinion by the Attorney General of Virginia on July 21, 2004 regarding local taxation of US military housing property that affirmed that local jurisdictions do not have taxing authority over any property under jurisdiction of the US military despite a lease agreement with a taxable entity so long as the property is still owned by the US military and used for military housing. Based upon this information, we do not anticipate that the bill will impact local property taxes since property in this situation is already treated as tax exempt.

*Approved By:*

Frank A. Rainwater

Board of Economic Advisors

1/ This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, or Section 2-7-76 for a local revenue impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.

**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 3‑1‑40 SO AS TO EXEMPT FROM AD VALOREM TAXATION ANY REAL PROPERTY LOCATED WITHIN A MILITARY BASE OR INSTALLATION THAT IS USED OR OWNED BY THE UNITED STATES ARMED FORCES AND IS USED AS MILITARY HOUSING FOR MILITARY AFFILIATED PERSONNEL AND THEIR FAMILIES EVEN IF THE REAL PROPERTY IS IMPROVED, MAINTAINED, OR LEASED TO A PARTY THAT WOULD OTHERWISE SUBJECT THE REAL PROPERTY TO TAX, SO LONG AS THERE IS A CONTRACTUAL AGREEMENT REQUIRING THE LESSEE TO USE THE PROPERTY FOR MILITARY HOUSING.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Article 1, Chapter 1, Title 3 of the 1976 Code is amended by adding:

“Section 3‑1‑40. There is exempt from ad valorem taxation any real property, and improvements thereon, located within a military base or installation that is used or owned by the United States Armed Forces and is used as military housing for military affiliated personnel and their families. Military housing includes ancillary facilities that support the military housing. This exemption continues to apply if the real property is improved, maintained, or leased to a party that would otherwise subject the real property to tax, so long as there is a contractual agreement by and between a branch of the United States Armed Forces and the lessee which requires the lessee to use the property for military housing.”

SECTION 2. This act takes effect upon approval by the Governor and applies for property tax years beginning after 2013.

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