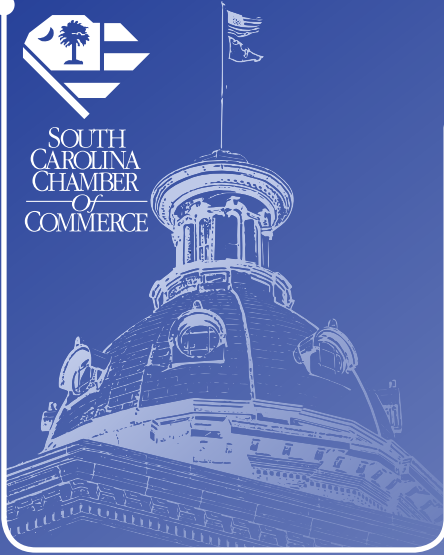




SOUTH  
CAROLINA  
CHAMBER  
Of  
COMMERCE



# 2012 COMPETITIVENESS AGENDA

## COMPREHENSIVE TAX REFORM

Tax policy is critical to companies deciding to open, expand or locate in South Carolina. Decisions are based largely on competitive rates, predictability and stability. South Carolina manufacturers currently pay the highest industrial property taxes in the country, while all other business properties pay the 7<sup>th</sup> highest property taxes.

- The South Carolina General Assembly should overhaul the state's tax code and replace it with a tax strategy that is competitive to create long-term economic prosperity.
- Unemployment Insurance (UI) loan repayments to the federal government should be offset with tax relief provided to employers.
- The business license fee structure should be reformed so rates are competitive and allow companies to grow, while standardization, complexity and appeals across localities should also be considered.

## ECONOMIC DEVELOPMENT

South Carolina must continue to improve its overall business climate to create a competitive business environment. Recently, CNBC released a comprehensive assessment of state business climates. South Carolina ranked 37<sup>th</sup>, while Virginia, North Carolina and Georgia ranked in the top 5. Florida and Tennessee ranked in the top 20. Tax reform, workforce development, entrepreneurship and other key issues must be addressed to encourage expanded economic development opportunities.

- Continue port expansion, including harbor deepening projects.
- Support the South Carolina Department of Commerce budget, including Closing Fund appropriations.
- Fund readySC (formerly known as Special Schools) to ensure companies considering locating or expanding in the state have access to a skilled workforce.
- Fund the South Carolina Manufacturing Extension Partnership (SCMEP), an organization that helps improve a company's competitiveness, performance and profitability.
- Support a South Carolina branding campaign to redefine perceptions of South Carolina.
- Work with the South Carolina Department of Commerce and other state agencies to ensure all strategic industry sectors are developed.
- Provide dedicated dollars for broad tourism marketing.
- Support seed capital legislation to help spur economic growth, in particular for minority and women-owned businesses.
- Strengthen intellectual property rights of employers.

## WORKFORCE DEVELOPMENT

Developing a highly-skilled, diverse and well-educated population is integral to increased job opportunities and security with dynamic companies doing business in South Carolina. The private and public sectors must work together to ensure workforce needs are addressed and strategies successfully implemented.

- Continue support for the Education and Economic Development Act (EEDA), which has led to fewer students dropping out of high school, as well as career and technology centers.
- Provide more choices for parents and students through public charter school reform.
- Fund the Smart State program (endowed chairs) to help foster public-private partnerships in the knowledge-based economy.
- Support early childhood education, including addressing 3<sup>rd</sup> grade reading proficiency.
- Support expanded WorkKeys® programs to better link workers to available jobs.
- Expand incentives for drug-free workplaces.
- Support legislation to help achieve the business community's 2020 Education Goals.



# 2012 COMPETITIVENESS AGENDA

## INFRASTRUCTURE

The South Carolina Department of Transportation (SCDOT) has not seen an increase in dedicated funding for maintenance or expansion of roads and bridges since 1987. While South Carolina's population has increased dramatically and the state's economy has grown and diversified, infrastructure priorities continue to lag neighboring states – states South Carolina competes with for jobs. While South Carolina spends an average of \$15,000 per mile to maintain roads, Georgia spends more than \$35,000 per mile and North Carolina spends more than \$150,000 per mile.

- Support an infrastructure plan that allocates General Fund revenues and surpluses to be dedicated to the Highway Fund, and examine other revenue sources for maintaining existing infrastructure.
- Work with the state congressional delegation to improve South Carolina's donor state status, so South Carolina receives more of its fair share of motor fuel tax revenues back from the federal government.

## ENVIRONMENT & ENERGY

South Carolina businesses rely on balanced environment and energy policy to improve stability and certainty for companies to make long-term investment decisions. Recently, businesses have seen how over-reaching regulations from federal agencies can stymie economic growth. It is important that South Carolina policy makers recognize this and foster a regulatory climate that encourages industry investment and job creation.

- Restore balance to the Pollution Control Act by correcting the Smith Land Company ruling from the South Carolina Supreme Court.
- Continue to reform and streamline antiquated environmental regulations that no longer serve a practical purpose in today's environment.
- Monitor policies and regulations that impact energy costs to ensure business and industry have access to reliable and low-cost electricity.

## GOVERNMENT RESTRUCTURING

The Chamber supports creating a more efficient, accountable and fiscally responsible state government through key reforms and restructuring initiatives.

- Create a state spending cap with a budget stabilization fund to bring more predictability to the state appropriation process, and amend state statutes to move away from a revenue estimating-based budget process to a prior-year's budget as a basis for projections.
- Find workable solutions to the state retirement system's unfunded liability, which is currently more than \$17 billion and diverts funding away from critical needs.
- Consolidate the administrative functions of the South Carolina Budget and Control Board into a Department of Administration under executive control.
- Jointly elect the Governor and Lieutenant Governor.
- Appoint the offices of state Superintendent of Education, Secretary of State, Adjutant General and Commissioner of Agriculture, and make these offices cabinet positions instead of constitutionally elected officials.