

Lawmakers see fewer funds for Myrtle Beach area

Area legislators hold on to tourism, I-73 in tight times

By Zane Wilson - For The Sun News

Hanging onto money for tourism promotion and snagging some funds for the planned Interstate 73 are about as much as local lawmakers say they can expect to get for their districts in one of the worst economic downturns the state has seen.

The state's struggling economy means more program and service cuts, but it also offers an opening to take a hard look at touchy issues such as permanent cuts and tax restructuring, most local lawmakers said this week.

When the 118th General Assembly convenes Tuesday for its five-month session, at the forefront will be budget making and coping with even more cuts than the \$1.6 billion that has already been slashed from the \$7 billion spending plan passed in June.

Local legislators say Horry and Georgetown county programs should not expect any goodies.

"This year is just going to be a bad year," said Rep. Vida Miller, D-Pawleys Island.

"I think it will be an active session, but it's not going to be a pretty session," said Sen. Ray Cleary, R-Murrells Inlet. "I don't see anybody getting any earmarks at all."

State economists are saying lawmakers will have to trim even more from the current year's spending plan, and money expected for the new budget year that begins in July could be as much as \$2 billion less than planned for this year.

"We've had cuts before that were heavier," said Sen. Yancey McGill, D-Kingstree. Even so, he said, "we've got to protect education, health care, tourism, the environment."

None would offer a specific item or program to the chopping block, but almost all the local lawmakers interviewed said this is a session in which they must set priorities and let go of things that are less significant or that are no longer working.

"I'm hoping to find some agencies or parts of government that we just don't need," said Rep. Nelson Hardwick, R-Surfside Beach. "I think we've got to identify some money, prioritize, realize that we've got to get the sales tax revenue built back up."

Some things just aren't needed any more, said Sen. Dick Elliott, D-North Myrtle Beach.

"We can analyze the needs of each budget area, and we can prioritize, rather than spending money on things our grandfathers put in place."

The 2-1 matching grant tourism promotion fund that has resulted in millions of new dollars for the Myrtle Beach area is something that lawmakers hope to keep in place, despite the need for cuts.

Brad Dean, president of the Myrtle Beach Area Chamber of Commerce, said its members recognize the state's budget challenge but believes "tourism is part of the state's budget solution, not the budget problem, and we are hoping the General Assembly will find a way to fund tourism promotion."

Rep. Tracy Edge, R-North Myrtle Beach, said the 2-1 match is something he intends to fight for, and as a member of the budget-writing Ways and Means Committee, he can influence the direction of the spending plan.

“We’re trying to come up with a couple of ideas that could create revenue for advertising,” Edge said.

The part of the budget that he oversees as a subcommittee chair is health services, including Medicaid, where cuts have already been ordered. Some of those were not wisely made, and lawmakers will have to set new priorities, he said.

For example, the order that cut hospice care from Medicaid spending could cost more because dying patients are likely to end up in more-costly hospital beds, he said.

The cigarette-tax issue is back on the table because of the falloff in revenue but is still subject to the same wrangling over use of the additional money that has contributed to failures of the repeated attempts to raise the nation’s lowest smoke levy from 7 cents a pack.

Gov. Mark Sanford is again asking for a cigarette-tax increase to fund income-tax cuts. Lawmakers are not sure they want to do that, with many saying the revenue should be used for health care.

Others just don’t want to raise any taxes for any reason.

“I’m not going to vote to raise taxes,” said Rep. Thad Viers, R-Myrtle Beach. Instead, spending has to be cut more, he said.

“The Department of Education is going to be a very good target for that,” said Viers, who has long been a critic of public education and said he also intends to “continue my fight for school choice.”

As for I-73, the first interstate planned to connect to Horry County, the task is twofold. Legislators say they need to find a regular source of income for it, rather than fighting over a piece of the pie every year. They also want to make sure the road is included in any federal infrastructure project money that could be coming to South Carolina as part of the expected economic boost.

“I’m disappointed that we haven’t seen any I-73 project components on the priority list for the state Department of Transportation,” said Rep. Alan Clemmons, R-Myrtle Beach. Clemmons is chairman of the National I-73/74 Corridor Association.

Local legislators will work their leverage on the governor, DOT and other lawmakers to see that the road is included, he said. Viers said he plans to meet with DOT Secretary Buck Limehouse about the issue, and McGill said he had already done so.

Limehouse said last week that the I-95 and I-73 interchange can’t be built first with special federal funds, as some lawmakers have suggested, because it would not connect to anything. However, highway officials who preceded Limehouse have always said they planned to build that section first, as well as the interstate from it to a distance of 5 to 10 miles.

Edge said one key is permanent funding for what is expected to be the state's 20 percent share of the \$2 billion road. It has been designated as a likely toll road, but that won't be enough. He said he has some ideas but would not disclose them yet.

"We've talked about it enough, and it's time to do something," he said.

On a local topic, Edge said he intends to sponsor a bill that would allow a special state oversight committee to take the reins when towns are so troubled they cannot manage their finances, as is happening at Atlantic Beach.

A similar bill, supported by the S.C. Municipal Association, passed the House a few years ago and made it through Senate committees but was killed when Elliott blocked it, saying it needed more work. He would not say last week if he will support such a bill this time around.

Education funding is a statewide issue that is expected to come up for possible action. The extra penny of sales tax that was added for school property-tax relief makes much of the old funding formula meaningless, Clemmons said.

He served on a study committee on the issue and said it is complex, but there is a consensus to arrive at a per-pupil amount that would be paid for each student no matter what district the child attends.

Local legislators say they also want to protect Coastal Carolina University from further budget cuts. As the lowest-funded state college, it took a bigger hit than the others in the across-the-board cuts, Edge said.

Most also say they hope to see action on revising the tax structure, whether that involves using higher cigarette taxes to replace income tax, or removing some of the hundreds of sales-tax exemptions.

Cleary said it's foolish, for example, to have a special sales-tax holiday for guns. But he said the only way to get enough consensus on removing the exemptions is to present them as a package that can be voted on up or down, not individually. He is on a committee that is working on such a proposal.

"Sometimes when things are the toughest, you can get real change," he said.

Sen. Luke Rankin, R-Myrtle Beach, agreed, saying it's "a great opportunity to look at our taxing policy with everything on the table."

Cleary and others also hope for more transparency in government, with Elliott again pushing for Internet disclosure of all state spending above \$1,000, and Viers and others urging similar requirements for city and county governments.

All agree it won't be an easy or entertaining legislative session. "We got our work cut out for us," Rankin said.