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February 8, 2008

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ROBERT W. HARRELL, JR.  
SPEAKER OF THE HOUSE

The Honorable Mark Sanford  
Office of the Governor  
Post Office Box 12267  
Columbia, South Carolina 29211

Dear Mark:

Thank you for your letter regarding your concerns with H.4470, the fire sprinkler legislation. I appreciate those concerns. However, while you applaud what you call our attempt to "bring good out of the horror" these fires have caused, you miss the point entirely. This bill is about saving lives. It is not about bringing good out of horror. It is about saving lives. The bill provides economic incentives for the people of South Carolina to install fire sprinklers in their homes and businesses and will ultimately make more South Carolina homes and businesses safer. While I appreciate your effort to let your philosophical feelings be known, I did not see anywhere in your letter a proposed solution to this real world problem.

This bill is a free market, incentive-based approach to address the need for fire sprinklers in the homes and businesses of South Carolinians. Your letter spends a good deal of time criticizing the contents of H.4470, but fails to provide a clear picture of what H.4470 actually does. H.4470 primarily focuses on three things: (1) it provides a tax credit for the purchase, installation and retrofitting of a fire sprinkler system in South Carolina; (2) it exempts qualifying fire sprinkler systems from state sales tax; and (3) it requires that local governments only collect their actual costs when installing a water line for the purpose of supporting a fire sprinkler system.

The goal of the legislation is to help to avoid tragedies similar to those that cost six lives in Greenville, the lives of nine firefighters in Charleston and the lives of six University of South Carolina students and one Clemson University student in Ocean Isle, North Carolina.

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Providing these economic incentives is a win-win situation for the people of our state. The incentives are tax credits and result in giving tax dollars back to the people of South Carolina and lessen government intrusion by our state and local governments. These are principles in which I strongly believe.

The idea of tax credits for making homes and businesses safer is an idea that you championed just last year as part of the response to the coastal insurance crisis. You signed H.3820 into law on June 11, 2007, after you urged the General Assembly to pass the bill.

H.3820 provided substantial tax credits and other tax incentives for retrofitting homes and businesses to make them safer from storms. You called that bill a market-based solution to the coastal insurance crisis. H.4470 provides substantial tax credits and other tax incentives for retrofitting homes and businesses to make them safe from fires. This bill is also a market-based solution.

The BEA's estimated cost for the coastal insurance tax credits was over \$30 million for the next five years, a number that is very similar to the estimated revenue impact associated with H.4470. H.3820 and H.4470 are very similar in their objectives and estimated cost, with one major exception: the fire sprinkler tax incentives will benefit home and business owners all over our state, while the coastal insurance tax credits will primarily benefit homes and business owners along South Carolina's coast.

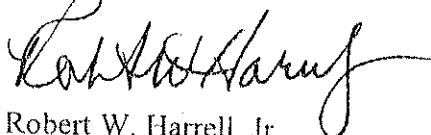
Additionally, your letter suggests that the legislation requires the business community to "provide a service at cost." That is nowhere in the bill. The part of the legislation relating to charging only costs relates solely to local governments and their charges for installing a water line for the purpose of supporting a fire sprinkler system. The bill does not in any way limit the ability of any private business. If private contractors are used to provide these lines, their charges would be the limit the government could charge the property owner. The limitation is on government, not the private sector.

While I am sensitive to the concerns of local government, I believe that the safety of the citizens of this state is much too important an issue to allow there to be any local government impediment to businesses and homeowners who wish to install fire sprinklers. Obviously, access to water is a key element for the effective installation and operation of a fire sprinkler. However, this is an issue where homeowners and individuals are left to the mercy of local governments to gain access. Our bill will prevent local governments from profiting from this venture.

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Finally, I would again note that H.4470 is a free market approach to the fire sprinkler issue that will save lives in our state. In my time in the legislature, I have learned it is very easy to criticize the plans of others and to mischaracterize the application of almost any legislation. The difficult part is proposing solutions to problems that face our state. There is one glaring omission from your two-page letter and that is your failure to propose any solution to help prevent this unnecessary loss of life from fire in our state.

Sincerely,



Robert W. Harrell, Jr.  
Speaker of the House

RWHjr:jp

cc: The Honorable Daniel T. Cooper  
The Honorable Annette Young  
The Honorable Rex F. Rice  
The Honorable Lanny F. Littlejohn  
The Honorable Herb Kirsh  
The Honorable Liston D. Barfield  
The Honorable James A. "Jim" Battle, Jr.  
The Honorable Kenneth A. "Kenny" Bingham  
The Honorable William "Bill" Clyburn  
The Honorable Gilda Cobb-Hunter  
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The Honorable G. Ralph Davenport, Jr.  
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The Honorable Robert W. "Bob" Leach, Sr.  
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