



HENRY McMASTER
GOVERNOR

April 25, 2023

The Honorable Mike Fanning
502 Gressette Building
Columbia, South Carolina 29201

Dear Senator Fanning:

I have signed into law R-12, S. 657, which pertains to the Chester County Natural Gas Authority ("Authority"). As you know, S. 657 amends Act No. 802 of 1954, as amended, so as to alter the composition of the Authority's governing board and the method of appointing its members.

Like several of my predecessors, I have consistently vetoed local or special legislation that is clearly unconstitutional. Therefore, I carefully consider all such legislation presented to me and scrutinize the same in view of the applicable law. Here, based on a review of S. 657 and other relevant authorities, it appears that the Authority's service area "extends beyond the confines of one county." *Fort Hill Nat. Gas Auth. v. City of Easley*, 310 S.C. 346, 350, 426 S.E.2d 787, 789 (1993). Accordingly, I am persuaded that S. 657 does not constitute impermissible local legislation. See *Kleckley v. Pulliam*, 265 S.C. 177, 185, 217 S.E.2d 217, 221 (1975); *Op. Att'y Gen.*, 2003 WL 21998992, at *3 (S.C.A.G. July 31, 2003). Nevertheless, although I do not believe this bill is clearly unconstitutional on its face, given the General Assembly's regular reliance on—and the recurring nature of—special legislation, I encourage you and your colleagues to address similar issues in the future by passing general laws of uniform, statewide application whenever possible.

Notwithstanding the foregoing, while S. 657 may not violate the South Carolina Constitution's prohibition on special legislation, I would be remiss not utilize this occasion to again urge the General Assembly to reexamine the role of the Authority and other similar special purpose districts. See Tony Bartelme & Avery G. Wilks, Post & Courier, *SC Governor and Lawmakers Want to Close Ethics Loopholes for Big-Spending Gas Districts* (Feb. 16, 2021), <https://tinyurl.com/2vyvjrfk>. Absent dissolution of such special purpose districts, the General Assembly should pass legislation requiring these entities to submit to regulatory oversight by the Public Service Commission and the Office of Regulatory Staff and mandating that the members

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of their governing boards report to, and submit to the jurisdiction of, the State Ethics Commission. Indeed, based on recent reporting, the Authority itself has demonstrated why further scrutiny is warranted. *E.g.*, Tony Bartelme, Post & Courier, *Gas Utility Appointee in Chester Lands Appliances and Labor from Agency She Oversees* (Jan. 12, 2023), <https://tinyurl.com/4pmmmy85j>; Tony Bartelme, Post & Courier, *Chester Gas Authority Bought Tons of Dirt for Agency Execs, Raising Fresh Spending Questions* (Apr. 28, 2021), <https://tinyurl.com/rdbdh3fe>. The General Assembly cannot dismiss the need for accountability and should not delay in closing existing statutory loopholes to require it.

For the foregoing reasons, I have signed S. 657 into law. I look forward to continuing to work with the General Assembly to address the aforementioned issues on a statewide basis.

Yours very truly,

A handwritten signature in black ink, appearing to read "Henry McMaster", written in a cursive style.

Henry McMaster

HM/tl