

SOUTH CAROLINA CASE LAW UPDATE

To: Chief Administrative Officer; County Attorney
From: SCAC Legal Staff

SCAC legal staff compiles a regular update of agency regulations and appellate court opinions impacting county government operations. CAOs/Attorneys are encouraged to forward this update to impacted county departments.

South Carolina Supreme Court

Basilides F. Cruz, et al. v. City of Columbia, Appellate Case No. 2022-001494, Opinion No. 28216. July 17, 2024

Areas of Law: Employee Benefits, Home Rule, Legislative Act, Promissory Estoppel.

This case is a consolidation of two lawsuits filed by retired employees of the City of Columbia. The issues involved decisions by city council to require retired employees to pay portions of their retiree health insurance benefits. The retirees argued that supervisors and other city employees made promises that the city would pay 100% of the insurance costs. Based upon the alleged promises the retirees sued the city claiming, “promissory estoppel”, a legal theory based in equity rather than statutory law.

The Supreme Court held that the retirees could not rely on the statements of supervisors or other employees because the municipal home rule statutes found in Title 5 of the SC Code of Laws gives city council alone the authority to define and fund employee benefits. The benefits at issue are provided and funded as part of the budgeting process, which has been held by previous courts to be a legislative act. The language of the municipal home rule statute is nearly verbatim to the language in the county home rule statute found in Title 4.

The court made clear that equitable arguments are more difficult to impose on public bodies. Persons can only rely on statement/promises if they are made by someone with actual authority to bind a public body to such promise. The court recognized that if public bodies could be held liable for statements made by persons without such authority, then public monies would be at continuous risk.

The full opinion can be found here:

<https://www.sccourts.org/opinions/HTMLFiles/SC/28216.pdf>