Agency Name: State Licensing Board for Contractors - Labor, Licensing and Regulation

Statutory Authority: 40-1-50, 40‑1‑70, and 40‑11‑60

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- 01/09/2024 Received President of the Senate & Speaker 05/08/2024

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**DEPARTMENT OF LABOR, LICENSING AND REGULATION**

**STATE LICENSING BOARD FOR CONTRACTORS**

CHAPTER 29

Statutory Authority: 1976 Code Sections 40‑1‑50, 40‑1‑70, and 40‑11‑60

29‑1. Examination Requirements; Classifications.

29‑3. Financial Statements.

29‑5. Construction Management Licensure Requirements.

29‑10. Mechanical Contractors Licensure Requirements.

**Synopsis:**

 The South Carolina Contractor’s Licensing Board proposes to amend its regulations to conform to the requirements as set forth in 2023 S.C. Act No. 69, passed by the General Assembly in May 2023 and to make necessary changes following its five‑year regulatory review required by S.C. Code Section 1‑23‑120(J).

 The Notice of Drafting was published in the *State Register* on July 28, 2023.

**Instructions:**

 Print the regulation as shown below. All other items remain unchanged.

~~Indicates Matter Stricken~~

Indicates New Matter

**Text:**

ARTICLE 1

General Rules and By‑laws

29‑1. Examination Requirements; Classifications.

 The following classifications require passage of a technical examination, approved by the board:

 (1) building:

 (a) limited building contractor~~s~~ examination, license groups one, two, and three;

 (b) commercial building ~~general~~ contractor~~s~~ examination, license groups four and five;

 (2) bridges;

 (3) grading;

 (4) asphalt paving;

 (5) concrete paving;

 (6) concrete;

 (7) nonstructural renovation;

 (~~7~~8) marine;

 (~~8~~9) pre‑engineered metal buildings;

 (~~9~~10) public utility electrical;

 (~~10~~11) structural framing;

 (~~11~~12) general roofing;

 ~~(12) specialty roofing;~~

 (13) swimming pools;

 (14) wood frame structures;

 (15) pipe lines;

 (16) water and sewer lines;

 (17) water and sewer plants;

 (18) packaged equipment;

 (19) air conditioning;

 (20) electrical;

 (21) heating;

 (22) lightning protection systems;

 (23) plumbing;

 (24) pressure and process piping;

 (25) refrigeration;

 (26) boilers;

 (27) such other classifications as the board may designate.

29‑3. Financial Statements.

 (A) Where an applicant is required to have a financial statement submitted by a certified public accountant ~~or public accountant~~, the board may accept a financial statement based on “Other Comprehensive Basis of Accounting” (OCBOA) or on an accepted international accounting standard ~~that~~, only if the certified public accountant ~~or public accountant provides a statement indicating if the financial statement had been prepared according to “General Accepted Accounting Principles” (GAAP), the financial requirements would be met~~ expressly indicates in the financial statement that the financial requirements for licensure would be met if the financial statement had been prepared according to “General Accepted Accounting Principles” (GAAP).

 (B) Financial statements must be submitted in English.

 (C) The board may accept a financial statement based upon a foreign currency if the applicant provides adequate documentation that shows the net worth or working capital of the company, converted to United States dollars, meets or exceeds the net worth or working capital and other financial requirements of the appropriate license group in which the applicant is applying.

 (D) Owner‑prepared financial statements must be submitted on the form prescribed by the board. ~~The latest revision of a financial balance sheet form (FBS) issued by the Department must be completed by an owner filing an owner‑prepared financial statement.~~ The Department will furnish this form to all applicants for initial licensing or renewal in the applicable group limitations. The form must contain assets, liabilities and total net worth or working capital of the licensee. Internal balance sheets or ledgers are not acceptable forms of financial documentation.

29‑5. Construction Management Licensure Requirements.

 (A) An architectural or engineering entity acting as a construction manager shall file ~~a letter or~~ an application with the department designating one professional license of a full‑time employee employed by the entity to qualify the entity for the practice of construction management pursuant to Section 40‑11‑320.

 (1) The ~~letter or~~ application shall ask the department to list the entity as a construction manager. The ~~letter or~~ application shall include the following: the applicant’s name and license number to be listed as a construction manager; the name should be the exact name used by the applicant when conducting business on a daily basis; list the type of license and license number of the employee qualifying the entity as a construction manager.

 (2) ~~A proper~~The entity requesting to act as a construction manager shall submit a financial statement meeting the requirements of ~~pursuant to~~ Section 40‑11‑260 or a surety bond meeting the requirements of Section 40‑11‑262~~must be submitted~~ with the ~~letter or~~ application. ~~The financial statement must be for the entity.~~

 (B) A general or mechanical contractor acting as a construction manager shall file ~~a letter or~~ an application with the department designating one of their primary qualifying parties as the employee that will qualify the entity for the practice of construction management. The entity shall comply with the other requirements of this regulation.

29‑10. Mechanical Contractors Licensure Requirements.

 (A) Any mechanical contractor with a process piping classification that was licensed prior to April 1, 1999, may install boilers and engage in any activity involving boiler maintenance, repair, or inspection. Any mechanical contractor issued an initial license with a process piping classification on or after April 1, 1999, may not engage in any boiler work requiring a license unless he has a mechanical contractors heating classification.

 (~~B~~1) Licensees licensed prior to April 1, 1999, will be listed as a 1P process piping license classification.

 (~~C~~2) Licensees licensed on or after April 1, 1999, will be listed as a 2P process piping license classification.

 (~~D~~B) Any general contractor with a public electrical utility classification who was licensed prior to April 1, 1999, may install athletic field lighting, stadium lighting, or lighting which is on public easements or rights‑of‑way. Any general contractor issued an initial license with a public electrical utility classification on or after April 1, 1999, may not engage in this work.

 (~~E~~1) Licensees licensed prior to April 1, 1999, will be listed as a 1U public electrical utility license classification.

 (~~F~~2) Licensees licensed on or after April 1, 1999, will be listed as a 2U public electrical utility license classification.

 (~~G~~C) Any contractor licensed under ~~(B) and (E)~~(A)(1) or (B)(1) above who has not actively maintained their license, or continuously employed a properly qualifying party for the entity, or whose license has been canceled or revoked shall not be eligible thereafter to obtain a 1P or 1U classification.

 (~~H~~D) Any qualifying party listed under the 1P or 1U classification who leaves employment of the entity he is currently qualifying, shall not be eligible thereafter to obtain 1P or 1U classification.

**Fiscal Impact Statement:**

 There will be no cost incurred by the State or any of its political subdivisions for these regulations.

**Statement of Rationale:**

 The updated regulations will conform to the requirements of 2023 S.C. Act No. 69, passed by the General Assembly in May 2023. The regulations will also changes following a review of the Board regulations as required by S.C. Code Section 1‑23‑120(J).