**South Carolina General Assembly**

119th Session, 2011-2012

**S. 354**

**STATUS INFORMATION**

General Bill

Sponsors: Senator Verdin

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Introduced in the Senate on January 13, 2011

Currently residing in the Senate Committee on **Labor, Commerce and Industry**

Summary: Contractors

**HISTORY OF LEGISLATIVE ACTIONS**

Date Body Action Description with journal page number

1/13/2011 Senate Introduced and read first time ([Senate Journal‑page 11](file:///h:\sj%20archive\2011\01-13-11.docx))

1/13/2011 Senate Referred to Committee on **Labor, Commerce and Industry** ([Senate Journal‑page 11](file:///h:\sj%20archive\2011\01-13-11.docx))

**VERSIONS OF THIS BILL**

[1/13/2011](file:///p:\pprever\2011-12\354_20110113.docx)

**A** **BILL**

TO AMEND SECTION 40‑11‑260(A) OF THE 1976 CODE, RELATING TO FINANCIAL STATEMENTS AND NET WORTH REQUIREMENTS FOR GENERAL CONTRACTORS, TO ADJUST THE REQUIRED NET WORTH AMOUNTS NECESSARY FOR A GENERAL CONTRACTOR’S LICENSE OR LICENSE RENEWAL; AND TO AMEND SECTION 40‑11‑260(B), TO ADJUST THE REQUIRED NET WORTH AMOUNTS NECESSARY FOR A MECHANICAL CONTRACTOR’S LICENSE OR LICENSE RENEWAL.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Section 40‑11‑260(A) of the 1976 Code is amended to read:

“Section 40‑11‑260. (A) An applicant for a general contractor’s license or a general contractor’s license renewal who performs or offers to perform contracting work for which the total cost of construction is greater than $5,000.00, and an applicant for license group revisions must provide an acceptable financial statement with a balance sheet date no more than twelve months before the date of the relevant application showing a minimum net worth for each license group as follows:

~~(1)~~ ~~Group One~~

~~(a)~~ ~~bids and jobs not to exceed $30,000.00 per job;~~

~~(b)~~ ~~required net worth of $6,000.00;~~

~~(c)~~ ~~on initial application, an owner‑prepared financial statement with an affidavit of accuracy;~~

~~(d)~~ ~~on renewal, an owner‑prepared financial statement with an affidavit of accuracy;~~

~~(2)~~(1) Group ~~Two~~ One:

(a) bids and jobs not to exceed $100,000.00 per job;

(b) required net worth of $20,000.00;

(c) on initial application, an owner‑prepared financial statement with an affidavit of accuracy;

(d) on renewal, an owner‑prepared financial statement with an affidavit of accuracy;

~~(3)~~(2) Group ~~Three~~ Two:

(a) bids and jobs not to exceed $350,000.00 per job;

(b) on initial application, a financial statement compiled by a licensed certified public accountant or a licensed public accountant in accordance with Generally Accepted Accounting Principles (GAAP), including all disclosures required by GAAP indicating a required net worth of seventy thousand dollars;

(c) on renewal, an owner‑prepared financial statement with an affidavit of accuracy indicating a required net worth of seventy thousand dollars, or a financial statement compiled by a licensed certified public accountant or a licensed public accountant in accordance with GAAP, including all disclosures required by GAAP, and indicating a required net worth of seventy thousand dollars;

~~(4)~~(3) Group ~~Four~~ Three:

(a) bids and jobs not to exceed $750,000.00 per job;

(b) on initial application, a financial statement compiled by a licensed certified public accountant or a licensed public accountant in accordance with GAAP, including all disclosures required by GAAP indicating a required net worth of one hundred fifty thousand dollars;

(c) on renewal, an owner‑prepared financial statement with an affidavit of accuracy indicating a required net worth of one hundred fifty thousand dollars, or a financial statement compiled by a licensed certified public accountant or a licensed public accountant in accordance with GAAP, including all disclosures required by GAAP, and indicating a required net worth of one hundred fifty thousand dollars;

~~(5)~~(4) Group ~~Five~~ Four:

(a) bids and jobs unlimited;

(b) required net worth of $250,000.00;

(c) on initial application, a financial statement audited by a licensed certified public accountant or a licensed public accountant in accordance with GAAP, including all disclosures required by GAAP;

(d) on renewal, a financial statement reviewed by a licensed certified public accountant or a licensed public accountant in accordance with GAAP, including all disclosures required by GAAP~~;~~.”

SECTION 2. Section 40‑11‑260(B) of the 1976 Code is amended to read:

“(B) An applicant for a mechanical contractor’s license or a mechanical contractor’s license renewal who performs or offers to perform contracting work for which the total cost of construction is greater than five thousand dollars, and an applicant for license group revisions must provide an acceptable financial statement with a balance sheet date no more than twelve months before the date of the relevant application showing a minimum net worth for each license group as follows:

~~(1)~~ ~~Group One~~

~~(a)~~ ~~bids and jobs not to exceed $17,500.00 per job;~~

~~(b)~~ ~~required net worth of $3,500.00;~~

~~(c)~~ ~~on initial application, an owner‑prepared financial statement with an affidavit of accuracy;~~

~~(d)~~ ~~on renewal, an owner‑prepared financial statement with an affidavit of accuracy;~~

~~(2)~~(1) Group ~~Two~~ One:

(a) bids and jobs not to exceed $30,000.00 per job;

(b) required net worth of $6,000.00;

(c) on initial application, an owner‑prepared financial statement with an affidavit of accuracy;

(d) on renewal, an owner‑prepared financial statement with an affidavit of accuracy;

~~(3)~~(2) Group ~~Three~~ Two:

(a) bids and jobs not to exceed $50,000.00 per job;

(b) on initial application, a financial statement compiled by a licensed certified public accountant or a licensed public accountant in accordance with Generally Accepted Accounting Principles (GAAP), including all disclosures required by GAAP indicating a net worth of ten thousand dollars;

(c) on renewal, an owner‑prepared financial statement with an affidavit of accuracy indicating a required net worth of ten thousand dollars, or a financial statement compiled by a licensed certified public accountant or a licensed public accountant in accordance with GAAP, including all disclosures required by GAAP, and indicating a required net worth of ten thousand dollars;

~~(4)~~(3) Group ~~Four~~ Three:

(a) bids and jobs not to exceed $125,000.00 per job;

(b) on initial application, a financial statement compiled by a licensed certified public accountant or a licensed public accountant in accordance with GAAP, including all disclosures required by GAAP indicating a net worth of twenty‑five thousand dollars;

(c) on renewal, an owner‑prepared financial statement with an affidavit of accuracy indicating a required net worth of twenty‑five thousand dollars, or a financial statement compiled by a licensed certified public accountant or a licensed public accountant in accordance with GAAP, including all disclosures required by GAAP, and indicating a required net worth of twenty‑five thousand dollars;

~~(5)~~(4) Group ~~Five~~ Four:

(a) bids and jobs unlimited;

(b) required net worth of $100,000.00;

(c) on initial application, a financial statement audited by a licensed certified public accountant or a licensed public accountant in accordance with GAAP, including all disclosures required by GAAP;

(d) on renewal, a financial statement reviewed by a licensed certified public accountant or a licensed public accountant in accordance with GAAP, including all disclosures required by GAAP~~;~~.”

SECTION 3. This act takes effect upon approval by the Governor.

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