



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number:	S. 0689	Introduced on March 21, 2019
Author:	Climer	
Subject:	Board Regulation of Professions and Occupations	
Requestor:	Senate Labor, Commerce, and Industry	
RFA Analyst(s):	A. Martin	
Impact Date:	April 11, 2019 Updated for Additional Agency Response	

Fiscal Impact Summary

This bill will increase Other Funds expenditures by \$98,701 in FY 2019-20 and \$97,351 each year thereafter for 1 additional Attorney III for the Department of Labor, Licensing and Regulation (LLR). The Attorney III will provide legal counsel for LLR's 42 licensing boards and commissions (boards). In addition, this bill will increase Other Funds expenditures because it will require additional meetings of all boards. However, the number of additional meetings needed is unknown. Therefore, the total increase in expenditures is undetermined. The increase in Other Funds expenditures is expected to be regained through licensure fees borne by applicants.

This bill will increase Other Funds revenue because it allows boards to charge a fee to an applicant that petitions the board for a review of their criminal history. However, the increase in Other Funds revenue is undetermined, due to the unknown number of anticipated petition requests, as well as the unknown amount of the petition fee.

This bill will increase General Fund revenue by at least \$9,870 in FY 2019-20 and \$9,735 each year thereafter because LLR is required to remit an amount equal to 10 percent of board expenditures to the General Fund. However, because the total amount of board expenditures is unknown, the total increase in General Fund revenue is undetermined.

Explanation of Fiscal Impact

Updated for Additional Agency Response on April 11, 2019
Introduced on March 21, 2019

State Expenditure

This bill makes changes to the regulatory processes of the regulatory boards that are under the administration of LLR. The bill restricts the denial of licensure for prior criminal convictions. The Revenue and Fiscal Affairs Office (RFA) is working with LLR to determine the number of occurrences in recent history where an applicant was denied licensure because of a prior conviction.

This bill prohibits boards from using vague terms to describe qualifications in regard to personal character. In addition, the bill prohibits boards from considering arrests as a justification for denial of licensure, unless the arrest led to a subsequent conviction. Boards must also create a list of convictions that would cause a person to be denied licensure. LLR indicates that this will require extensive research and one to three additional meetings of each board.

This bill requires boards to notify an applicant in writing if they deny his permit application, and provides the requirements of the notification. In addition, the bill allows an applicant to petition a board for a determination of whether his criminal record would disqualify him from being eligible for licensure. The board must notify the applicant of its decision within 30 days. This will increase the number of meetings held, as each board does not currently meet every 30 days.

In addition, this bill requires boards to issue a license to an applicant who successfully completes an approved apprenticeship program. LLR indicates that this will increase the number of board meetings for the purposes of reviewing applications.

LLR is responsible for 42 boards. Each board will require an unknown number of additional meetings in order to meet the requirements of this bill. Meeting expenditures include a member per diem of \$35, mileage reimbursement of 58 cents per mile for each member, and court reporter fees of approximately \$2,200 per meeting. The number of members varies with each board. In addition, the travel requirements for each member is unknown. Because the number of meetings required for each board and the travel requirements for members are unknown, the total expenditures for additional meetings are undetermined.

In addition, LLR indicates that it will need to hire 1 additional Attorney III. The new Attorney III will assist each board with research and advisement on developing a comprehensive list of criminal convictions that are specific to the occupations it regulates. This new position will also provide advisement to the boards on the petition hearings held for the purpose of reviewing an applicant's criminal history. The Attorney III will also advise the boards on the licensure of applicants who have completed an apprenticeship program. The salary and fringe for the additional FTE is expected to total \$97,351. In addition, LLR anticipates non-recurring infrastructure expenditures of \$1,350 associated with this position.

In summary, this bill will increase Other Funds expenditures by \$98,701 in FY 2019-20 and \$97,351 each year thereafter for 1 additional FTE to assist the boards with research and provide counsel. In addition, this bill will increase Other Funds expenditures by an undetermined amount for additional meetings of the 42 boards under the regulation of LLR. While it is unknown how many additional meetings will occur, the increase in Other Funds expenditures is expected to be regained through licensure fees borne by applicants.

The expenditure impact of this bill has been updated based on a response from LLR.

State Revenue

This bill allows an applicant to petition a board for a determination of whether his criminal record would disqualify him from being eligible for licensure. The bill allows the board to charge a fee for filing a petition. LLR is unable to estimate the number of petition requests that will be received by its 42 boards. In addition, the petition fee has yet to be determined. Therefore, the increase in Other Funds revenue as a result of the new petition fee is undetermined.

This bill prohibits boards from considering arrests as a justification for denial of licensure, unless the arrest led to a subsequent conviction. RFA is working with LLR to determine the number of

occurrences in recent history where an applicant was denied licensure because of a prior conviction. This bill has the potential to increase the number of licenses issued by LLR. However, until applicant denial statistics are received from LLR, we are unable to provide an estimate.

In addition, this bill pertains to boards that fall under the Division of Professional and Occupational Licensing. Pursuant to Proviso 81.3 of the FY 2018-19 Appropriations Act, LLR is required to remit annually to the General Fund an amount equal to 10 percent of expenditures. RFA anticipates that the additional responsibilities created by this bill will increase expenditures for the boards. Therefore, this bill will increase General Fund revenue by at least \$9,870 in FY 2019-20 and \$9,735 each year thereafter due to expenditures for 1 additional FTE. However, because the total increase of expenditures is unknown, the total revenue increase to the General Fund is undetermined.

The revenue impact of this bill has been updated based on a response from LLR.

Local Expenditure

N/A

Local Revenue

N/A

Introduced on March 21, 2019

State Expenditure

This bill makes changes to the regulatory processes of the boards and commissions that are under the administration of LLR. The bill restricts the denial of licensure for prior criminal convictions. The Revenue and Fiscal Affairs Office (RFA) is working with LLR to determine the number of occurrences in recent history where an applicant was denied licensure because of a prior conviction.

This bill prohibits regulatory boards and committees from using vague terms to describe qualifications in regard to personal character. In addition, the bill prohibits regulatory boards from considering arrests as a justification for denial of licensure, unless the arrest led to a subsequent conviction. Boards and commissions must also create a list of convictions that would cause a person to be denied licensure. This may require additional meetings of the boards and commissions.

This bill requires the board or commission to notify an applicant in writing if they deny his permit application, and provides the requirements of the notification. In addition, the bill allows an applicant to petition a regulatory board or commission for a determination of whether his criminal record would disqualify him from being eligible for licensure.

The expenditure impact of this bill is pending, contingent upon a response from LLR.

State Revenue

This bill allows an applicant to petition a regulatory board or commission for a determination of whether his criminal record would disqualify him from being eligible for licensure. The bill

allows the board or commission to charge a fee for filing a petition. RFA is currently working with LLR to determine the fee amount and the number of anticipated petitions. The revenue impact of this bill is pending, contingent upon a response from LLR.

This bill prohibits regulatory boards from considering arrests as a justification for denial of licensure, unless the arrest led to a subsequent conviction. RFA is working with LLR to determine the number of occurrences in recent history where an applicant was denied licensure because of a prior conviction. This bill has the potential to increase the number of licenses issued by LLR. However, until data is received from LLR, we cannot make that determination.

In addition, this bill pertains to regulatory boards and commissions that fall under the Division of Professional and Occupational Licensing. Pursuant to Proviso 81.3 of the FY 2018-19 Appropriations Act, LLR is required to remit annually to the General Fund an amount equal to 10 percent of expenditures. RFA anticipates that the additional responsibilities created by this bill will increase expenditures for regulatory boards and commissions. The total increase of expenditures is pending, contingent upon a response from LLR. Therefore, the increase in General Fund revenue is pending, contingent upon a response from LLR.

The total revenue impact of this bill is pending, contingent upon a response from LLR.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director