**A** **BILL**

TO AMEND SECTION 40‑11‑30, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO CONSTRUCTION COST THRESHOLD AMOUNTS REQUIRING LICENSURE AS A CONTRACTOR, SO AS TO DOUBLE THESE THRESHOLD AMOUNTS; AND TO AMEND SECTION 40‑11‑260, RELATING TO THE SCHEDULE OF CONSTRUCTION COST THRESHOLD AMOUNTS FOR CONTRACTOR LICENSURE FINANCIAL NET WORTH REQUIREMENTS, SO AS TO DOUBLE THESE THRESHOLD AMOUNTS.

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

SECTION 1. Section 40‑11‑30 of the 1976 Code is amended to read:

“Section 40‑11‑30. No entity or individual may practice as a contractor by performing or offering to perform contracting work for which the total cost of construction is greater than ~~five~~ ten thousand dollars for general contracting or greater than ~~five~~ ten thousand dollars for mechanical contracting without a license issued in accordance with this chapter.”

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

“(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 ~~five~~ ten 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 ~~$50,000.00~~ $100,000.00 per job;

(b) required net worth of $10,000.00;

(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) Group Two

(a) bids and jobs not to exceed ~~$200,000.00~~ $400,000.00 per job;

(b) required net worth of $40,000.00;

(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) Group Three

(a) bids and jobs not to exceed ~~$500,000.00~~ $1,000,000.00 per job;

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

(c) 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 one hundred thousand dollars;

(d) on renewal, an owner‑prepared financial statement with an affidavit of accuracy indicating a required net worth of one hundred 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 thousand dollars;

(4) Group Four

(a) bids and jobs not to exceed ~~$1,500,000.00~~ $3,000,000.00 per job;

(b) required net worth of $175,000.00;

(c) 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 seventy‑five thousand dollars;

(d) on renewal, an owner‑prepared financial statement with an affidavit of accuracy indicating a required net worth of one hundred seventy‑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 one hundred seventy‑five thousand dollars;

(5) Group Five

(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.

(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~~ $35,000.00 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) Group Two

(a) bids and jobs not to exceed ~~$50,000.00~~ $100,000.00 per job;

(b) required net worth of $10,000.00;

(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) Group Three

(a) bids and jobs not to exceed ~~$100,000.00~~ $200,000.00 per job;

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

(c) 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 twenty thousand dollars;

(d) on renewal, an owner‑prepared financial statement with an affidavit of accuracy indicating a required net worth of twenty 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 thousand dollars;

(4) Group Four

(a) bids and jobs not to exceed ~~$200,000.00~~ $400,000.00 per job;

(b) required net worth of $40,000.00;

(c) 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 forty thousand dollars;

(d) on renewal, an owner‑prepared financial statement with an affidavit of accuracy indicating a required net worth of forty 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 forty thousand dollars;

(5) Group Five

(a) bids and jobs unlimited;

(b) required net worth of $200,000.00;

(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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