



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

STATEMENT OF ESTIMATED FISCAL IMPACT

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This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number: H. 3605 Introduced on January 11, 2023
Author: G.M. Smith
Subject: LLR Procedures
Requestor: House Labor, Commerce, and Industry
RFA Analyst(s): Wren
Impact Date: January 24, 2023

Fiscal Impact Summary

This bill requires the Director of the Department of Labor, Licensing and Regulation (LLR) to send a letter to a licensee regarding any complaints against their license that result in an investigation and requires the agency to submit a written letter to a licensee certifying that matters contained in a petition have been reviewed and resolved. Additionally, each licensing board must designate a hearing officer to attend informal conferences concerning investigations of licenses upon request of the licensee. The bill further prohibits a professional or occupational licensing board from denying a license to an applicant due to a prior criminal conviction.

The expenditure impact of this bill on LLR and the Professional and Occupational Licensing Boards is undetermined. The agency and the boards are unable to estimate any increase in expenditures due to questions regarding the scope, process, and implementation of the bill.

This bill will have no expenditure impact on the Administrative Law Court since any increase in caseload can be managed within existing appropriations.

Pursuant to Proviso 81.3 of the FY 2022-23 Appropriations Act, LLR is required to remit annually to the General Fund an amount equal to 10 percent of expenditures of boards that fall under the Division of Professional and Occupational Licensing unless the board has an overall negative ending cash balance for the current and prior completed fiscal years. Since expenditures of the Professional and Occupational Licensing Boards are undetermined, the revenue impact on the General Fund is also undetermined.

Explanation of Fiscal Impact

Introduced on January 11, 2023

State Expenditure

This bill requires the Director of LLR to send a letter notifying a licensee that a complaint has been filed and an investigation has been initiated. The letter must include certain details about the complaint and must be sent within thirty days after an investigation is initiated. The bill also requires LLR to send notice to a licensee once an investigation is complete and the agency intends to recommend a formal complaint to the board based upon the results of an investigation. The notice must include specified information allowing the licensee to request an informal

conference with investigators and a hearing officer. Additionally, each board must designate a hearing officer to attend informal conferences when requested by a licensee. The hearing officer must attend informal conferences, review results of an investigation, hear from the agency and licensee, and make recommendations to the board. Also, the bill requires the Director of LLR to submit a written letter within seven days of receipt of a licensee's petition for certification that all procedural requirements were satisfied during the investigatory process.

Further, the bill prohibits a professional or occupational board from denying a license to an applicant due to a prior criminal conviction, unless the conviction directly relates to the duties, responsibilities, or fitness of the occupation or profession. Additionally, an applicant may not be denied a license due to a prior criminal conviction, unless the applicable board has given the applicant an opportunity to appear at an application hearing. If a board denies an applicant's license due to prior criminal history, the board must issue a written final order within thirty days following the date of the application hearing. The final order is appealable to the Administrative Law Court.

Department of Labor, Licensing and Regulation. LLR indicates that the agency and the Professional and Occupational Licensing Boards are unable to determine the expenditure impact at this time due to questions regarding the scope, process, and implementation of the bill. Additionally, LLR indicates that the agency is unable to determine the number of respondents that may seek to utilize the provisions of the bill. Therefore, the expenditure impact of this bill on LLR and the Professional and Occupational Licensing Boards is undetermined.

Administrative Law Court. The Administrative Law Court indicates that this bill will have no expenditure impact on the agency since any increase in caseload can be managed within existing appropriations.

State Revenue

Pursuant to Proviso 81.3 of the FY 2022-23 Appropriations Act, LLR is required to remit annually to the General Fund an amount equal to 10 percent of expenditures of boards that fall under the Division of Professional and Occupational Licensing unless the board has an overall negative ending cash balance for the current and prior completed fiscal years. Since expenditures of the Professional and Occupational Licensing Boards are undetermined, the revenue impact on the General Fund is also undetermined.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director