



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. 4754	Introduced on January 9, 2024
Author:	Sandifer	
Subject:	Real Estate Associates	
Requestor:	House Labor, Commerce, and Industry	
RFA Analyst(s):	Wren	
Impact Date:	February 15, 2024 - Updated for Additional Agency Response	

Fiscal Impact Summary

This bill specifies the requirements for providers of prelicensing and continuing education courses for real estate brokers, brokers-in-charge, associates, and property managers, which are under the regulatory provisions of the South Carolina Real Estate Commission (commission). The bill also establishes certain administrative citations and penalties and revises certain disciplinary action fines. The bill further adds definitions and makes conforming changes.

This bill will have no expenditure impact on the Department of Labor, Licensing and Regulation (LLR) or the commission since the commission currently regulates prelicensing and continuing education courses pursuant to the provisions of the bill.

This bill will increase Other Funds revenue of LLR by an undetermined amount beginning in FY 2024-25. The amount of revenue will depend upon the number of violations that will be subject to the new administrative citations and penalties and the number of violations pursuant to the existing disciplinary action fine that is being increased by the bill. LLR does not have details on fines imposed by the commission by offense or statute. Therefore, the increase in Other Funds revenue for this portion of the bill is also undetermined. However, any revenue generated from administrative citations and penalties and disciplinary actions must be used to defray the administrative costs associated with investigations and hearings. Further, the commission currently charges an application fee and a biennial renewal fee. Licenses will continue to renew on a biennial basis.

This impact statement has been updated to include a response from LLR regarding the expenditure and revenue impacts of the bill.

Explanation of Fiscal Impact

Updated for Additional Agency Response on February 15, 2024
Introduced on January 9, 2024

State Expenditure

This bill specifies the requirements for providers of prelicensing and continuing education courses for real estate brokers, brokers-in-charge, associates, and property managers, which are under the regulatory provisions of the commission. The bill also establishes administrative

citations and penalties pursuant to Chapter 57, Title 40 and Article 1, Chapter 1, Title 40. The bill also revises the fine associated with certain disciplinary actions, adds definitions and makes conforming changes.

LLR indicates that this bill will have no expenditure impact on agency or the commission since the commission currently regulates preclicensing and continuing education courses pursuant to the provisions of the bill. For reference, LLR reports that there are currently 1,114 providers and 1,504 instructors licensed with the commission. Additionally, there are 4,085 approved continuing education courses. *This section of the impact statement has been updated to include a response from LLR.*

State Revenue

This bill requires providers and instructors to submit an application and applicable fee to the commission and to renew their license biennially. This bill also establishes administrative citations and penalties pursuant to Chapter 57, Title 40 and Article 1, Chapter 1, Title 40.

Administrative penalties may not exceed the following:

- for a first violation, not more than a \$500 penalty;
- for the second of two violations of the same or substantially similar provision in a five-year period, not more than a \$1,000 penalty; and
- for the third or subsequent violation of the same or substantially similar provision in a five-year period, the citation may be referred to the commission for action in accordance with Section 40-57-710 or issued a penalty as prescribed in 40-57-720.

Additionally, the bill also revises the fine associated with certain disciplinary actions from not less than \$500 or more than \$5,000 for each violation to no more than \$10,000 for each violation.

LLR indicates that the commission currently charges an application fee and a biennial renewal fee. Licenses will continue to renew biennially. While the application and renewal fees will remain the same, LLR indicates that the fee structure may need to be updated to include language for the new administrative citations and penalties and for the revised disciplinary action fine. Therefore, this portion of the bill will have no impact on Other Funds revenue of LLR.

This bill will increase Other Funds revenue of LLR by an undetermined amount beginning in FY 2024-25. The amount of revenue will depend upon the number of violations that will be subject to the new administrative citations and penalties and the number of violations pursuant to the existing disciplinary action fine that is being increased by the bill. LLR does not have details on fines imposed by the commission by offense or statute. Therefore, the increase in Other Funds revenue for this portion of the bill is also undetermined. However, any revenue generated from administrative citations and penalties and disciplinary actions pursuant to Chapter 57, Title 40 and Article 1, Chapter 1, Title 40 must be used to defray the administrative costs associated with investigations and hearings pursuant to Section 40-1-180. *This section of the impact statement has been updated to include a response from LLR.*

Local Expenditure

N/A

Local Revenue

N/A

Introduced on January 9, 2024

State Expenditure

This bill specifies the requirements for providers of prelicensing and continuing education courses for real estate brokers, brokers-in-charge, associates, and property managers, which are under the regulatory provisions of the commission. The bill also establishes administrative citations and penalties pursuant to Chapter 57, Title 40 and Article 1, Chapter 1, Title 40. The bill also revises the fine associated with certain disciplinary actions, adds definitions and makes conforming changes.

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

State Revenue

This bill requires providers and instructors to submit an application and applicable fee to the commission and to renew their license biennially. This bill also establishes administrative citations and penalties pursuant to Chapter 57, Title 40 and Article 1, Chapter 1, Title 40.

Administrative penalties may not exceed the following:

- for a first violation, not more than a \$500 penalty;
- for the second of two violations of the same or substantially similar provision in a five-year period, not more than a \$1,000 penalty; and
- for the third or subsequent violation of the same or substantially similar provision in a five-year period, the citation may be referred to the commission for action in accordance with Section 40-57-710 or issued a penalty as prescribed in 40-57-720.

Additionally, the bill also revises the fine associated with certain disciplinary actions from not less than \$500 or more than \$5,000 for each violation to no more than \$10,000 for each violation. The revenue collected pursuant to Chapter 57, Title 40 and Article 1, Chapter 1, Title 40 must be remitted by LLR to the State Treasurer and deposited in a special fund established for LLR to defray the administrative costs associated with investigations and hearings.

The 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