



**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.*

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<b>Bill Number:</b>	S. 0888	Introduced on December 6, 2021
<b>Author:</b>	M. Johnson	
<b>Subject:</b>	Contractors	
<b>Requestor:</b>	Senate Labor, Commerce, and Industry	
<b>RFA Analyst(s):</b>	Coomer and Tipton	
<b>Impact Date:</b>	January 25, 2022	

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### **Fiscal Impact Summary**

This bill allows for an individual, upon submission of an initial, reinstatement, or renewal application for a contractor's license, to make a voluntary contribution to an accredited public institution of higher learning offering courses in building science or civil engineering.

This bill will have no expenditure impact on the Department of Labor, Licensing and Regulation (LLR) or the Contractor's Licensing Board (board), under the regulation of LLR, because any duties related to the bill can be completed with existing resources.

This bill will have no expenditure impact on the Committee on Higher Education (CHE) or qualifying state institution of higher learning because any duties related to the bill can be managed within normal business operations.

This bill will have no expenditure impact on the State Treasurer's Office (STO) because any duties related to the bill can be managed within normal business operations.

This bill will have an undetermined revenue impact on LLR and qualifying institutions of higher learning because the total amount of voluntary contributions is unknown.

### **Explanation of Fiscal Impact**

#### **Introduced on December 6, 2021**

#### **State Expenditure**

This bill allows for an individual, upon submission of an initial, reinstatement, or renewal application for a contractor's license, to make a voluntary contribution to an accredited public institution of higher learning offering courses in building science or civil engineering. Contributions must be added to the contractor's license fee, transferred to STO, and credited to the appropriate institution to be used in providing or enhancing programs related to building science or civil engineering. Each institution receiving contributions is required to provide an annual report to the board, and the board will retain 5.0 percent of contributions for its administration of the funds.

**Department of Labor, Licensing and Regulation.**

LLR indicates that the agency would have to amend online and paper forms for initial, reinstatement, and renewal license applications to implement the provisions of this bill. LLR would additionally have to program the licensing database and payment system to accept, designate, and account for the voluntary contributions separately from licensing fees. LLR estimates 140 to 160 hours of programming staff time will be necessary to accomplish the required changes, and it is anticipated that this programming could be handled across several existing agency staff. Transfer of funds to STO can be accomplished using existing LLR staff. Therefore, this bill will have no expenditure impact on LLR.

**Committee on Higher Education.** CHE reports that Clemson University, University of South Carolina, South Carolina State University, and The Citadel have civil engineering or building science programs that would qualify to receive contributions under the provisions of the bill. CHE indicates that the requirement to provide an annual report to the board can be managed within normal business operation for these institutions, and therefore, will have no expenditure impact.

**State Treasurer's Office.** This bill requires STO to credit the appropriate institution upon receiving the contributions from LLR. STO indicates that this can be managed within normal business operations and will have no expenditure impact.

**State Revenue**

This bill allows for an individual, upon submission of an initial, reinstatement, or renewal application for a contractor's license, to make a voluntary contribution to an accredited public institution of higher learning offering courses in building science or civil engineering. The board will retain 5.0 percent of contributions for its administration of the funds.

LLR indicates that the majority of licensees pay license fees by credit card, and the agency does not pass on credit card company fees to licensees. For any voluntary contribution to an educational institution from a credit card, LLR would still be assessed the credit card fee of 1.0 to 2.5 percent by the credit card company. These credit card fees would reduce the amount of retained contributions available to the board for other expenses associated with the administration of the funds.

LLR and the board are unable to estimate the number of licensees who may voluntarily contribute a donation or the potential amount of those contributions. The current number of licensed general contractors and mechanical contractors are 10,382 and 6,628, respectively. This bill will have an undetermined impact on the Other Funds revenue of LLR.

Additionally, CHE reports that Clemson University, University of South Carolina, South Carolina State University, and The Citadel have civil engineering or building science programs that would qualify to receive contributions under the provisions of the bill. CHE indicates that because the total amount of voluntary contributions is unknown, this bill will have an undetermined impact on Other Funds revenue for these institutions.

**Local Expenditure**

N/A

**Local Revenue**

N/A



Frank A. Rainwater, Executive Director