**South Carolina General Assembly**

125th Session, 2023-2024

**A69, R87, H4115**

**STATUS INFORMATION**

General Bill

Sponsors: Reps. Sandifer, Ott and Brewer

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Introduced in the House on March 9, 2023

Introduced in the Senate on April 6, 2023

Last Amended on May 10, 2023

Currently residing in the House

Governor's Action: May 19, 2023, Signed

Summary: Contractors

**HISTORY OF LEGISLATIVE ACTIONS**

Date Body Action Description with journal page number

3/9/2023 House Introduced and read first time ([House Journal‑page 11](h:\hj\20230309.docx))

3/9/2023 House Referred to Committee on **Labor, Commerce and Industry** ([House Journal‑page 11](h:\hj\20230309.docx))

3/30/2023 House Committee report: Favorable with amendment **Labor, Commerce and Industry** ([House Journal‑page 8](h:\hj\20230330.docx))

4/4/2023 Scrivener's error corrected

4/5/2023 House Member(s) request name added as sponsor: Brewer

4/5/2023 House Amended ([House Journal‑page 75](h:\hj\20230405.docx))

4/5/2023 House Read second time ([House Journal‑page 75](h:\hj\20230405.docx))

4/5/2023 House Roll call Yeas-90 Nays-15 ([House Journal‑page 80](h:\hj\20230405.docx))

4/6/2023 House Read third time and sent to Senate ([House Journal‑page 26](h:\hj\20230406.docx))

4/6/2023 Senate Introduced and read first time ([Senate Journal‑page 42](h:\sj\20230406.docx))

4/6/2023 Senate Referred to Committee on **Labor, Commerce and Industry** ([Senate Journal‑page 42](h:\sj\20230406.docx))

4/11/2023 Scrivener's error corrected

5/2/2023 Senate Committee report: Favorable with amendment **Labor, Commerce and Industry** ([Senate Journal‑page 20](h:\sj\20230502.docx))

5/9/2023 Senate Read second time ([Senate Journal‑page 77](h:\sj\20230509.docx))

5/10/2023 Senate Committee Amendment Adopted ([Senate Journal‑page 16](h:\sj\20230510.docx))

5/10/2023 Senate Read third time and returned to House with amendments ([Senate Journal‑page 16](h:\sj\20230510.docx))

5/10/2023 Senate Roll call Ayes-42 Nays-0 ([Senate Journal‑page 16](h:\sj\20230510.docx))

5/11/2023 House Concurred in Senate amendment and enrolled ([House Journal‑page 47](h:\hj\20230511.docx))

5/11/2023 House Roll call Yeas-107 Nays-0 ([House Journal‑page 48](h:\hj\20230511.docx))

5/17/2023 Ratified R 87

5/19/2023 Signed By Governor

5/26/2023 Effective date 05/19/23

5/26/2023 Act No. 69

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(A69, R87, H4115)

AN ACT TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY AMENDING SECTION 40‑11‑10, RELATING TO THE CREATION OF THE SOUTH CAROLINA CONTRACTOR’S LICENSING BOARD, SO AS TO MAKE A TECHNICAL CORRECTION; BY AMENDING SECTION 40‑11‑20, RELATING TO DEFINITIONS CONCERNING THE REGULATION OF CONTRACTORS, SO AS TO REVISE DEFINITIONS AND PROVIDE NEW DEFINITIONS; BY AMENDING SECTION 40‑11‑30, RELATING TO CONTRACTING WORK FOR WHICH LICENSURE IS REQUIRED, SO AS TO INCREASE THE MINIMUM COST REQUIREMENT OF SUCH WORK; BY AMENDING SECTION 40‑11‑100, RELATING TO ADMINISTRATIVE PENALTIES FOR VIOLATIONS, SO AS TO REVISE THE PENALTIES; BY AMENDING SECTION 40‑11‑110, RELATING TO DISCIPLINARY ACTIONS, SO AS TO REVISE THE GROUNDS FOR DISCIPLINARY ACTIONS, AMONG OTHER THINGS; BY AMENDING SECTION 40‑11‑230, RELATING TO CRITERIA FOR INDIVIDUALS TO BE PRIMARY QUALIFYING PARTIES, SO AS TO REVISE THE CRITERIA; BY AMENDING SECTION 40‑11‑240, RELATING TO CRITERIA FOR LICENSURE, SO AS TO REVISE THE CRITERIA; BY AMENDING SECTION 40‑11‑250, RELATING TO RENEWALS OF LAPSED LICENSES, SO AS TO PROVIDE RENEWALS COMPLETED WITHIN NINETY DAYS AFTER EXPIRATION ARE CONSIDERED RENEWED RETROACTIVELY TO THE EXPIRATION DATE AND PERIODS OF LICENSURE LAPSE ARE ELIMINATED; BY AMENDING SECTION 40‑11‑260, RELATING TO LICENSEE FINANCIAL STATEMENTS AND FINANCIAL REQUIREMENTS, SO AS TO REVISE SUCH REQUIREMENTS FOR LICENSE GROUPS AND TO PROHIBIT DISCLOSURE OF APPLICANT FINANCIAL STATEMENT INFORMATION; BY AMENDING SECTION 40‑11‑262, RELATING TO SURETY BONDS IN LIEU OF PROVIDING FINANCIAL STATEMENTS, SO AS TO MAKE CONFORMING CHANGES AND TO PROVIDE THE BOARD MAY INCREASE BOND REQUIREMENTS IN CERTAIN CIRCUMSTANCES; BY AMENDING SECTION 40‑11‑290, RELATING TO LICENSURE OF APPLICANTS LICENSED IN OTHER STATES, SO AS TO SPECIFY THE EXAMINATION SUCH APPLICANTS MAY BE REQUIRED TO PASS; BY AMENDING SECTION 40‑11‑320, RELATING TO CONSTRUCTION MANAGERS, SO AS TO REVISE REGISTRATION PROCEDURES; BY AMENDING SECTION 40‑11‑360, RELATING TO EXEMPTIONS FROM APPLICATION OF THE CHAPTER AND REQUIRED CONTENT OF POSTERS DISTRIBUTED TO BUILDING PERMIT OFFICES, SO AS TO REVISE THE EXEMPTIONS, and ELIMINATE THE POSTER REQUIREMENT, AMONG OTHER THINGS; BY AMENDING SECTION 40‑11‑410, RELATING TO LICENSE CLASSIFICATIONS AND SUBCLASSIFICATIONS, SO AS TO REVISE THE CLASSIFICATIONS; BY REPEALING SECTION 40‑11‑390 RELATING TO UNLICENSED ENTITIES ENGAGING IN GENERAL OR MECHANICAL CONSTRUCTION PRIOR TO APRIL 1, 1999; AND BY REPEALING SECTION 40‑11‑400 RELATING TO QUALIFYING PARTY CERTIFICATES.

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

Licensing board, technical correction

SECTION 1. Section 40‑11‑10(A) of the S.C. Code is amended to read:

(A) There is created the South Carolina Contractor's Licensing Board under the administration of the Department of Labor, Licensing and Regulation. The purpose of this board is to protect the health, safety, and welfare of the public through the regulation of businesses and individuals who identify, assess, and provide contracting work to individuals or other legal entities through the administration and enforcement of this chapter and any regulation promulgated under this chapter and Article 1, Chapter 1.

Definitions revised

SECTION 2. Section 40‑11‑20 of the S.C. Code is amended to read:

Section 40‑11‑20. For purposes of this chapter:

(1) “Ancillary work” means work that is directly associated with the building or structure which the licensee has been engaged to construct.

(2) “Board” means the South Carolina Contractors' Licensing Board.

(3) “Bid” means an offer to furnish labor, equipment, or materials or other services regulated by this chapter.

(4) “Certificate holder” means a qualifying party.

(5) “Contractor” means a general or mechanical contractor regulated under this chapter.

(6) “Construction manager” means an entity working for a fee whose duties are to supervise and coordinate the work of design professionals and multiple prime contractors, while allowing the design professionals and contractors to control individual operations and the manner of design and construction. Services provided by a construction manager may include:

(a) coordination, management, or supervision of design or construction;

(b) cost management, including estimates of construction costs and development of project budgets;

(c) scheduling, which may include critical path techniques, for all phases of a project;

(d) design review, including review of formal design submission and construction feasibility; and

(e) bid packaging and contractor selection. An owner, who performs construction management himself is not considered a construction manager for purposes of this chapter.

(7) “Department” means the Department of Labor, Licensing and Regulation.

(8) “Entity” means a sole proprietorship, partnership, limited liability partnership, limited liability company, association, joint venture, cooperative, corporation, or other legal entity authorized by law and approved by the board.

(9) “GAAP” stands for Generally Accepted Accounting Principles and means accounting principles generally accepted in the United States of America.

(10) “General construction” means the installation, replacement, or repair of a building, structure, highway, sewer, grading, asphalt or concrete paving, or improvement of any kind to real property.

(11) “General contractor” means an entity that performs or supervises or offers to perform or supervise general construction.

(12) “License classification” or “subclassification” means the type of construction for which a contractor may be licensed to do business.

(13) “License group” means the financial limitations for bidding and performing general or mechanical construction.

(14) “Licensee” means an entity that has been issued either a general or mechanical contractor's license by the department.

(15) “Licensed contractor” means an entity that is licensed by the South Carolina Contractor's Licensing Board to engage in general or mechanical contracting within the State.

(16) “Mechanical contractor” means an entity that performs or supervises, or offers to perform or supervise, mechanical construction.

(17) “Mechanical construction” means the installation, replacement, or repair of plumbing, heating, air conditioning, process piping, refrigeration, lightning protection equipment, or electrical components, fixtures, or devices of any kind, excluding burglar alarm work.

(18) “Net worth” means the total wealth of a company taking account of all financial assets and liabilities.

(19) “Individual” means a natural person.

(20) “Prime contractor” means an entity that contracts directly with an owner to perform general or mechanical construction.

(21) “Primary qualifying party” means a qualifying party who has been designated by a licensee as the principal individual responsible for directing or reviewing work performed by the licensee in a particular license classification or subclassification.

(22) “Public owner” means the State and any of its political subdivisions, which includes all counties, municipalities, school districts, public service, or special purpose districts.

(23) “Qualifying party” means an individual who has been issued a certificate to qualify an entity for a license by way of examination in a license classification or subclassification.

(24) “Sole prime contractor” means the prime contractor for a project on which there is only one prime contractor.

(25) “Subcontractor” means an entity who contracts to perform construction services for a prime contractor or another subcontractor.

(26) “Total cost of construction” means the actual cost incurred by the owner, all contractors, subcontractors, and other parties for labor, material, equipment, profit, and incidental expenses for the entire project. This does not include the cost of design services unless those services are included in a construction contract.

(27) “Unlicensed contractor” means an entity performing or overseeing general or mechanical construction without a license.

(28) “Working capital” means the capital of a business calculated as the current assets minus the current liabilities.

Cost thresholds requiring licensure increased

SECTION 3. Section 40‑11‑30 of the S.C. 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 ten thousand dollars for general contracting or greater than ten thousand dollars for mechanical contracting without a license issued in accordance with this chapter.

Administrative penalties revised

SECTION 4. Section 40‑11‑100(D) of the S.C. Code is amended to read:

(D) Administrative penalties assessed pursuant to this section may not exceed the following limits:

(1) for a first violation of a particular provision of this chapter or Article 1, Chapter 1 of this title, or any board regulation, not more than a five‑hundred dollar penalty;

(2) for the second of two violations of the same or substantially similar provision in a five‑year period, not more than a one‑thousand dollar penalty; and

(3) 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 board for action in accordance with Section 40‑11‑110 or issued a penalty as prescribed in Section 40‑11‑100(D)(2).

Grounds for discipline revised

SECTION 5. Section 40‑11‑110 of the S.C. Code is amended to read:

Section 40‑11‑110. (A) The board may impose disciplinary action authorized by this chapter upon a licensee, certificate holder, or other entity or individual if the board finds any of these conditions:

(1) subsequent discovery of facts which if known at the time of issuance or renewal of a license or certificate would have been grounds to deny the issuance or renewal of a license or certificate;

(2) gross negligence, performing substandard work, incompetence, or misconduct;

(3) abandonment of a contract or refusal to perform after submitting a bid on work without legal excuse for the abandonment or refusal;

(4) fraud or deceit in obtaining a license or certification;

(5) violation of a provision of this chapter, Article 1, Chapter 1 of this title or a regulation promulgated under these chapters;

(6) misrepresentation of a material fact by an applicant in obtaining a license or certificate;

(7) conviction or entering a guilty plea or plea of nolo contendere in a court of competent jurisdiction of this or any other state, district, or territory of the United States or of a foreign country of the offense of forgery, embezzlement, obtaining money under false pretenses, theft, extortion, or conspiracy to defraud or other like offense regardless of whether an appeal has been sought;

(8) conviction or entering a guilty plea or plea of nolo contendere of a felony or a crime involving moral turpitude in connection with the performance of a contract for construction regardless of whether an appeal has been sought;

(9) aiding or abetting an unlicensed entity to evade the provisions of this chapter, combining or conspiring with an unlicensed entity, allowing one's license to be used by an unlicensed entity, or acting as agent, partner, or associate, or an unlicensed entity;

(10) knowingly entering into a contract with an unlicensed contractor for work to be performed for which a license is required;

(11) false, misleading, or deceptive advertising whereby a member of the public may be misled and injured;

(12) contracting or offering to contract or submitting a bid while a license is under suspension or probation;

(13) failure to obtain a building permit as required by a local or state government before engaging in construction;

(14) failure to take appropriate corrective action to comply with this chapter or a regulation promulgated under this chapter without valid justification within a reasonable period of time after receiving a written directive from the department;

(15) failure to maintain the net worth, working capital, or surety bond requirements for licensure;

(16) failure to comply with an order of the board;

(17) failure to provide pertinent records and documents as requested by the department or board;

(18) failure to maintain a business address accessible to the public;

(19) failure to comply with a directive of the department;

(20) failure to notify the department of changes in information required in an original or renewal application;

(21) contracting or offering to contract for construction work exceeding the limitations of a group or outside the classification or subclassification of a license;

(22) attempting to serve in the capacity of primary qualifying party while serving a house arrest, a jail sentence, or a prison sentence; or

(23) departure from an applicable building code of the State of South Carolina or any of its political subdivisions as determined by a court of competent jurisdiction.

(B) Disciplinary action may be taken against an entity or individual who the board determines to be responsible for violations of this chapter regardless of changes in corporate identity or federal employer identification subsequent to the violation. In determining responsibility, the board may consider, but is not limited to, an individual's:

(1) participation in management or supervision related to the violation;

(2) position as sole proprietor, partner, officer, or qualifying party.

(C) The board may, in addition to all other disciplinary actions, require a licensee, certificate holder, or other entity or individual to pay a civil penalty of up to five thousand dollars for each violation of this chapter or of a regulation promulgated under this chapter and may order an unlicensed contractor to cease and desist from violating a provision of this chapter.

(D) Upon presentation to the court of common pleas by the department of an affidavit for nonpayment of an administrative penalty under a citation which is a final order or a civil penalty assessed by the board pursuant to subsection (C), the court shall issue an order for judgment to be filed in the office of the Clerk of Court.

(E) A license or certificate that is canceled by the department or revoked by the board must be returned to the department within fifteen days of notification by the department.

(F) No sooner than one year after revocation of a license or certificate by the board, the entity or individual who held that license or certificate may apply for another. The applicant must meet all requirements for initial licensure or certification and must appear before the board to present evidence that his practice will not unreasonably endanger the public.

(G) If a license is canceled by the department, the licensee must apply for initial licensure.

(H) Work in progress may be completed by the licensee if the licensee's license is revoked, canceled, lapsed, or suspended; however:

(1) no new work may be bid or started after revocation or suspension of a license upon proper notification by the department;

(2) unless otherwise directed by the board, the revocation, suspension, or restriction of a license or certificate does not become effective until the tenth day following the delivery to the licensee or qualifying party of a written decision of the board. Service of a petition for a review of the decision does not stay the board's decision pending completion of the appellate process in accordance with the Administrative Procedures Act.

(I) Where a licensee's business is dissolved for whatever reason, that license must be canceled by the department. However, if the business has been administratively dissolved by the Secretary of State, the licensee must be allowed ninety days from when the department notifies the licensee that it has obtained information that the licensee has been dissolved to provide proof of reinstatement by the Secretary of State, and if such proof is timely provided, any cancellation of the license by the department must be rescinded retroactively to the date of the cancellation.

(J) The board may revoke, suspend, or restrict an individual license classification or subclassification without effect to other license classifications or subclassifications.

(K) Sanctions, discipline, or administrative penalties authorized by this chapter or Section 40‑1‑120 may include a private reprimand. A final order of the board finding that an entity or individual is in violation of this chapter or Section 40‑1‑10, et seq., becomes public knowledge except for a final order dismissing the complaint, issuing a letter of caution, or imposing a private reprimand.

Primary qualifying party criteria revised

SECTION 6. Section 40‑11‑230(B) of the S.C. Code is amended to read:

(B) To become designated by an entity as a primary qualifying party, an individual must meet all of the following:

(1) hold a valid certificate issued pursuant to this chapter;

(2) submit an affidavit verifying employment from former or current employers for whom the applicant was employed full‑time for at least two years within the previous five years in the license classification or subclassification for which application is made or submit additional proof of employment experience as approved by the board;

(3) submit documentation as approved by the board that they serve in a management capacity for the applicant and are actively involved in management, supervision, and operations for the work undertaken by the applicant. The primary qualifying party must be an integral party of the applicant’s business and the work undertaken by the applicant.

A primary qualifying party may not take other employment that would conflict with the duties as primary qualifying party or diminish the ability to adequately supervise work performed by the licensee.

An individual desiring to be certified and serve as a primary qualifying party for a license group one, two, or three general contractor licensed pursuant to Section 40‑11‑410(A) must pass either the limited building contractor examination or the unlimited general contractor examination. Structures built by licensees for which the primary qualifying party has taken and passed the limited building contractor examination are restricted to three stories in height.

An individual desiring to be certified and serve as a primary qualifying party for a license group four or five general contractor licensed pursuant to Section 40‑11‑410(A) must pass the unlimited general contractor examination.

When a primary qualifying party ceases to serve as a primary qualifying party for a licensee, the licensee or the primary qualifying party shall notify the department in writing within fifteen days of the disassociation. If the licensee or primary qualifying party notifies the department within the prescribed time, the license remains in good standing for ninety days from the date the department receives notice of the disassociation. Failure to notify the department within fifteen days of a primary qualifying party's disassociation may result in license and certificate cancellation.

If, after properly notifying the department of disassociation, the licensee fails to designate a replacement primary qualifying party pursuant to the requirements of this chapter within ninety days, the department shall suspend the licensee's license until a primary qualifying party is designated pursuant to the requirements of this chapter.

Licensure criteria revised

SECTION 7. Section 40‑11‑240(A) and (B) of the S.C. Code are amended to read:

(A) To qualify for licensure, an entity must:

(1) be a:

(a) sole proprietorship or general partnership; or

(b) limited partnership, limited liability partnership, limited liability company, or a for profit or nonprofit corporation that is either organized and registered under South Carolina law or is such an entity created under the laws of another state or jurisdiction and is registered with the South Carolina Secretary of State to do business in this State;

(2) have a certified qualifying party in a responsible management position; and

(3) meet all requirements for licensure as provided in this chapter.

(B) To qualify for a license, an entity must submit:

(1) a completed application on a form approved by the board;

(2) all required fees;

(3) a detailed statement of current financial condition or surety bond as required by this chapter;

(4) the name and certificate number of the primary qualifying party for each classification or subclassification for which a license is desired;

(5) proof that the entity's primary qualifying party in each classification or subclassification is in a responsible management position; and

(6) all documentation required by the department pursuant to the requirements of this chapter.

Lapsed license renewals, retroactivity

SECTION 8. Section 40‑11‑250(B) of the S.C. Code is amended to read:

(B) A license which has lapsed may be renewed within ninety days from date of expiration by filing a renewal application and upon payment of renewal and late fees. If the application and all fees are submitted within the ninety-day period after the license expiration date and if the application is then approved, the renewal will be retroactive to the date of expiration, eliminating any period of licensure lapse. An entity whose license is lapsed for failure to renew must submit an application and meet all qualifications for initial licensure to engage in construction.

Financial statements and financial requirements, licensee group revisions, disclosures

SECTION 9. Section 40‑11‑260 of the S.C. Code is amended to read:

Section 40‑11‑260. (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 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 meeting the requirements for each license group as follows:

(1) Group One

(a) bids and jobs not to exceed one hundred thousand dollars per job;

(b) required net worth of twenty thousand dollars or working capital of ten thousand dollars;

(c) on initial application, an owner‑prepared financial statement on a form prescribed by the board with an affidavit of accuracy;

(d) on renewal, an owner‑prepared financial statement on a form prescribed by the board with an affidavit of accuracy;

(2) Group Two

(a) bids and jobs not to exceed four hundred thousand dollars per job;

(b) required net worth of sixty thousand dollars or working capital of forty thousand dollars;

(c) on initial application, an owner‑prepared financial statement on a form prescribed by the board with an affidavit of accuracy;

(d) on renewal, an owner‑prepared financial statement on a form prescribed by the board with an affidavit of accuracy;

(3) Group Three

(a) bids and jobs not to exceed one million dollars per job;

(b) required net worth of one hundred fifty thousand dollars or working capital of one hundred thousand dollars;

(c) on initial application, a financial statement compiled by a licensed certified public accountant in accordance with Generally Accepted Accounting Principles (GAAP), including all disclosures required by GAAP indicating a required net worth of one hundred fifty thousand dollars or working capital of one hundred thousand dollars;

(d) on renewal, an owner‑prepared financial statement on a form prescribed by the board with an affidavit of accuracy indicating a required net worth of one hundred fifty thousand dollars or working capital of one hundred thousand dollars, or a financial statement compiled by a licensed certified public accountant in accordance with GAAP, including all disclosures required by GAAP, and indicating a required net worth of one hundred fifty thousand dollars or working capital of one hundred thousand dollars;

(4) Group Four

(a) bids and jobs not to exceed three million dollars per job;

(b) required net worth of two hundred fifty thousand dollars or working capital of one hundred seventy-five thousand dollars;

(c) on initial application, a financial statement compiled by a licensed certified public accountant in accordance with GAAP, including all disclosures required by GAAP indicating a required net worth of two hundred fifty thousand dollars or working capital of one hundred seventy-five thousand dollars;

(d) on renewal, an owner‑prepared financial statement on a form prescribed by the board with an affidavit of accuracy indicating a required net worth of two hundred fifty thousand dollars or working capital of one hundred seventy-five thousand dollars, or a financial statement compiled by a licensed certified public accountant in accordance with GAAP, including all disclosures required by GAAP, and indicating a required net worth of two hundred fifty thousand dollars or working capital of one hundred seventy‑five thousand dollars;

(5) Group Five

(a) bids and jobs unlimited;

(b) required net worth of three hundred fifty thousand dollars or working capital of two hundred fifty thousand dollars;

(c) on initial application, an audited balance sheet prepared 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 three hundred fifty thousand dollars or working capital of two hundred fifty thousand dollars;

(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 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 meeting the requirements for each license group as follows:

(1) Group One

(a) bids and jobs not to exceed thirty‑five thousand dollars per job;

(b) required net worth of seven thousand dollars or working capital of three thousand five hundred dollars;

(c) on initial application, an owner‑prepared financial statement on a form prescribed by the board with an affidavit of accuracy;

(d) on renewal, an owner‑prepared financial statement on a form prescribed by the board with an affidavit of accuracy;

(2) Group Two

(a) bids and jobs not to exceed one hundred thousand dollars per job;

(b) required net worth of fifteen thousand dollars or working capital of ten thousand dollars;

(c) on initial application, an owner‑prepared financial statement on a form prescribed by the board 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 two hundred thousand dollars per job;

(b) required net worth of thirty thousand dollars or working capital of twenty thousand dollars;

(c) on initial application, a financial statement compiled by a licensed certified public accountant in accordance with Generally Accepted Accounting Principles (GAAP), including all disclosures required by GAAP indicating a net worth of thirty thousand dollars or working capital of twenty thousand dollars;

(d) on renewal, an owner‑prepared financial statement on a form prescribed by the board with an affidavit of accuracy indicating a required net worth of thirty thousand dollars or working capital 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 thirty thousand dollars or working capital of twenty thousand dollars;

(4) Group Four

(a) bids and jobs not to exceed four hundred thousand dollars per job;

(b) required net worth of sixty thousand dollars or working capital of forty thousand dollars;

(c) on initial application, a financial statement compiled by a licensed certified public accountant in accordance with GAAP, including all disclosures required by GAAP indicating a net worth of sixty thousand dollars;

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

(5) Group Five

(a) bids and jobs unlimited;

(b) required net worth of three hundred thousand dollars or working capital of two hundred thousand dollars;

(c) on initial application, an audited balance sheet prepared by a licensed certified public accountant in accordance with GAAP, including all disclosures required by GAAP, and indicating a required net worth of three hundred thousand dollars or working capital of two hundred thousand dollars;

(d) on renewal, a financial statement on a form prescribed by the board reviewed 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 three hundred thousand dollars or working capital of two hundred thousand dollars.

(C) In reviewing an entity's balance sheet to determine the net worth or working capital of the applicant or licensee, the board may consider:

(1) deviations from the standard accountant's report;

(2) notes to the financial statement;

(3) additional financial information submitted by the applicant or licensee for renewals;

(4) personal financial statements of an entity's principals for an entity with less than two years’ operating experience.

(D) If a licensee desires to change to a higher license group as established in this section, the licensee must meet the financial statement and net worth or working capital requirements in the higher license group number as required in initial application.

(E) If the board has reasonable cause to believe that an entity has not maintained the minimum net worth or working capital for its group, the board may order the entity to submit additional financial information, and, if appropriate, may modify the entity's license to reflect the appropriate limitation group.

(F) Information contained in an applicant’s financial statement is gathered for use by the department and board and may not be further disclosed.

Surety bonds in lieu of financial statements, conforming changes, bond increases

SECTION 10. Section 40‑11‑262 of the S.C. Code is amended to read:

Section 40‑11‑262. (A) In lieu of providing a financial statement showing a minimum net worth or working capital for a license group as required by Section 40‑11‑260, an applicant may provide a surety bond from a surety authorized to transact surety business in this State in the same amount as the net worth for the applicant's license group with his initial or renewal application.

(B) The surety bond provided in subsection (A) must:

(1) be continuous in form and must be maintained in effect for as long as the applicant maintains the license issued by the department or until the applicant submits a financial statement showing that he meets the net worth requirements for his license group as provided in Section 40‑11‑260;

(2) list the State of South Carolina as obligee for the bond;

(3) be for the benefit of any person who is damaged by an act or omission of the applicant constituting a breach of construction contract or a contract for the furnishing of labor, materials, or professional services for construction undertaken by the applicant, or by any unlawful act or omission of the applicant in performing construction; and

(4) be in addition to, and not in lieu of, any other surety bond required of the applicant by law or regulation, or by any party to a contract with the applicant.

(C) The surety bond provided in subsection (A) only may be canceled by notification to the board by the surety and the applicant thirty days prior to cancellation. When the surety bond is canceled, the licensee shall provide proof of net worth or working capital for his license group as required by Section 40‑11‑260 within ten days of cancellation or his license is suspended until written proof of net worth or working capital is provided.

(D) Claims may be filed against the bond on a form approved by the board in accordance with procedures established by the board in regulation.

(E) The board, upon a finding of a violation by a licensee or that an applicant is unable to meet the financial responsibility guidelines, may further require the licensee to increase the amount of a surety bond or other approved security. An increase must be proportioned to the seriousness of the offense, the repeated nature of the licensee’s violations, or related to the financial condition of an applicant. The board, after one year, may reduce an increased surety bond or other approved security when satisfied that violations have been cured by appropriate corrective action and that the licensee is otherwise in good standing.

Applicants licensed in other states, examination requirements

SECTION 11. Section 40‑11‑290 of the S.C. Code is amended to read:

Section 40‑11‑290. The board may grant a license or certificate to an applicant holding a license or certificate in good standing in another state whose requirements for licensure and certification are equal to or greater than those required by this chapter if the board has authorized an exam waiver agreement with the State. An applicant may exempt the technical examination required for certification if the applicant can verify passing an examination in another state which is essentially the same as the examination required by the department regardless of the absence of a reciprocal agreement with that state. An applicant for certification or licensure under this section may be required to pass the South Carolina Commercial Contractors Business, Law and Project Management examination, and must comply with all other licensing and certification requirements of this chapter.

Construction manager registration procedures revised

SECTION 12. Section 40‑11‑320 of the S.C. Code is amended to read:

Section 40‑11‑320. (A) A construction manager shall hold a South Carolina license in one or more of the following professional classifications:

(1) the general or mechanical contractor license classification and license group that would otherwise be applicable to a sole prime contractor working on the construction project;

(2) a registered engineer pursuant to Chapter 21 of this title who meets the financial requirements set forth in Section 40‑11‑260 that would otherwise apply to a sole prime contractor working on the construction project. The proper financial statement must be submitted at any time when requested by the board. Failure to submit a proper financial statement is considered a violation of this chapter;

(3) an architect pursuant to Chapter 3 who meets the financial requirements set forth in Section 40‑11‑260 that would otherwise apply to a sole prime contractor working on the construction project. The proper financial statement must be submitted at any time when requested by the board. Failure to submit a proper financial statement is considered a violation of this chapter.

(B) An architect or engineer licensed in South Carolina who is monitoring the execution of design plans or who is performing as an on‑site representative for construction quality control or quality assurance, or both, for a project owner is not a construction manager for the purposes of this section.

(C) An entity seeking registration as a construction manager shall file an application with the department designating one license being used to qualify for the practice of construction management pursuant to the requirements of this chapter. Complaints filed against construction managers who have qualified themselves as architects or engineers must be referred by the department to the appropriate board having jurisdiction over them. Those boards may impose disciplinary action and civil penalties as set forth in this chapter, or as otherwise provided by law. All other complaints filed against construction managers with a general contractor's license designation must be heard by the board and disciplinary action must be brought pursuant to this chapter. An entity's authority to practice as a construction manager may be revoked or suspended without other effect to the license held by that entity.

(D) The authority to assume the role of construction manager is granted to an entity holding a general or mechanical contractor's license or an architect's license or engineer's registration pursuant to the laws of this State. This authority does not permit architects and engineers to assume the role of general or mechanical contractors as defined in Section 40‑11‑20 unless properly licensed pursuant to this chapter. Construction managers may not perform design work themselves unless properly licensed as an architect or professional engineer. Entities performing construction themselves or holding construction contracts in their own name must be treated as general contractors or mechanical contractors, as appropriate, rather than construction managers for the purposes of this chapter, and must be licensed pursuant to the requirements of this chapter to perform that work. Construction managers may hire or terminate the various design professionals and prime contractors with the direction and approval of an owner.

Exemptions, information posting requirements

SECTION 13. Section 40‑11‑360 of the S.C. Code is amended to read:

Section 40‑11‑360. This chapter does not apply to:

(1) An entity that installs fire sprinkler systems if the entity is licensed under Chapter 45, Title 23, or burglar and fire alarm systems if the entity is licensed under Chapter 79, Title 40.

(2) The installation of finished products, materials, or articles of merchandise that are not fabricated into and do not become a permanent fixed part of the structure. Work requiring licensure must be installed by a licensed contractor.

(3) Construction, alteration, improvement, or repair carried on within the limits of a site, the title to which is in the name United States of America or with respect to which federal law supersedes this chapter.

(4) Contractors performing construction work for the South Carolina Department of Transportation pursuant to that department's prequalification requirements with the exception of public/private partnerships performing work pursuant to Section 57‑3‑200.

(5) An owner of residential property who improves the property or who builds or improves structures or appurtenances on the property if he does the work himself, with his own employees, or with licensed contractors; provided that the structure, group of structures, or appurtenances, including the improvements, are intended for the owner's sole occupancy or occupancy by the owner's family and are not intended for sale or rent, and provided further, that the general public does not have access to this structure. In an action brought under this chapter, proof of the sale or rent or the offering for sale or rent of the structure by the owner‑builder within two years after completion or issuance of a certificate of occupancy is prima facie evidence that the project was undertaken for the purpose of sale or rent and is subject to the penalties provided in this chapter. As used in this item, “sale” or “rent” includes an arrangement by which an owner receives compensation in money, provisions, chattel, or labor from the occupancy, or the transfer of the property or the structures on the property.

(6) An owner of nonowner‑occupied property who improves the property or who builds or improves structures of less than five thousand square feet or other appurtenances on the property, either by himself or with the owner's employees, if all structural and mechanical work is performed by licensed contractors if the work to be performed meets the threshold amount in Section 40-11-30 and if the property is not sold for two years after completion of the improvements. For purposes of this item, “structural” means foundation, pier, load‑bearing partition, perimeter wall, internal wall exceeding ten feet in height, roof, floor, and any other work deemed by the board to be structural. “Mechanical” means work described in Section 40‑11‑410(5).

(7) An owner constructing a farm building or portable storage building with less than five thousand square feet of floor space and used only for livestock or storage.

(8) Public owners performing all or a portion of any work on a project themselves as long as the work performed falls within the limitations of a License Group 3 General Contractor or a License Group 4 Mechanical Contractor.

(9) Renovations and maintenance projects of the South Carolina Department of Corrections whereby all labor is supplied from that department's own labor forces.

(10) The South Carolina Public Service Authority when performing maintenance and renovations to existing facilities and when performing work in accordance with Section 40‑11‑410(4)(n).

(11) The installation, repair, or maintenance of signs of billboards; provided, however, an electrical license is required to perform a final connection to a branch circuit conductor. The installation or modification of a branch circuit conductor is not considered a part of the installation, repair, or maintenance of a sign or billboard.

Licensee classifications and subclassifications revised

SECTION 14. Section 40‑11‑410 of the S.C. Code is amended to read:

Section 40‑11‑410. The following license classifications are in effect:

(1) “General Contractors‑Building” which includes commercial, industrial, institutional, modular, and all other types of building construction, including residential structures. This license classification includes all work under the subclassifications of Wood Frame Structures, Nonstructural Renovation, Masonry, Pre‑engineered Metal Buildings, Roofing, Structural Framing, and Miscellaneous Metals.

Licensees under this classification may perform ancillary work referenced in the Concrete, Concrete Paving, Asphalt Paving, Glass and Glazing, Grading, Public Electrical Utility, and Highway Incidental subclassifications, when the work is directly associated with the building or structure which the licensee has been engaged to construct. Ancillary work must be performed by the licensee, and it cannot exceed twenty percent of the total cost of construction or the work must be performed by a contractor licensed in the appropriate license subclassification. If a project includes work performed under a Mechanical Contractor subclassification or any of these license subclassifications, the licensee must have a license for this work or use a contractor licensed in the appropriate license classification or subclassification to perform the work: Swimming Pools, Bridges, Boring and Tunneling, Water and Sewer Lines, Pipe Lines, Railroad Lines, Marine, and Water and Sewer Plants.

(2) “General Contractors‑Highway” which includes work under these subclassifications:

(a) “Bridges” which include bridge construction and repairs, railroad trestles and overpasses, and work under the subclassifications of Boring and Tunneling, Concrete, Marine, and Railroad Lines. Bridges are defined as structures over a depression or an obstruction such as water, highway, or railway, having a track or passageway designed for carrying vehicular traffic weighing over two thousand pounds.

(b) “Concrete Paving” which includes the construction, rehabilitation and repair of concrete streets, roads, highways, driveways, parking lots, airport runways and aprons, and concrete work incidental thereto including, but not limited to, sidewalks, curbs, medians, and barrier walls. This subclassification also includes work under the subclassification of Grading.

(c) “Asphalt Paving” which includes asphalt paving, repairs and rehabilitation of streets, roads, highways, driveways, parking lots, airport runways and aprons, concrete work including curbs, gutters, and concrete or asphalt paving of storm sewers, and includes paving with sealers, geotextile fabrics, slurry seals, and surface treatments incidental thereto. This subclassification also includes work under the subclassification of Grading.

(d) “Grading” which includes the soil preparation and rehabilitation of streets, roads, highways, railroad beds, building sites, parking lots, and storm sewers. This subclassification also includes work under the subclassification of Highway Incidental.

(e) “Highway Incidental” which includes highway work for grooving, milling, rehabilitating, and installing guardrails, gutters, highway signs, pavement marking, and painting.

(3) “General Contractors‑Public Utility” which includes work under these subclassifications:

(a) “Pipe Lines” which includes the construction, installation, alteration, maintenance, and repair of systems for the transmission or distribution of petroleum fuels, petroleum distillates, natural gas, chemicals, and slurries through pipeline from one station to another including all excavating, trenching, backfilling and installation of booster stations and equipment and installation and replacement of tanks connected to the system. This subclassification does not include the piping and tanks for the dispensing of any petroleum product at retail.

(b) “Water and Sewer Plants” which includes all classifications and subclassifications necessary for the construction of water treatment and wastewater treatment facilities. However, if a project includes work to be performed under any of these license subclassifications, the licensee must either have a license to perform this work or use a contractor licensed in the appropriate license classification or subclassification to perform the work: Bridges, Railroad Lines, Specialty Roofing, and Mechanical work.

(c) “Water and Sewer Lines” which includes construction work on water mains, water service lines, water storage tanks, sewer mains, sewer lines, lift stations, pumping stations and appurtenances to water storage tanks, lift stations, pumping stations, pavement patching, backfill, and erosion control as a part of construction, and which includes connection at the building of all lines to the appropriate lines contained in commercial structures, installation and repair of a project involving manholes, the laying of pipe for storm drains and sewer mains, all necessary connections, and excavation and backfilling, and concrete work incidental thereto.

Contractors in this license subclassification in license groups three, four, and five may install fire protection sprinkler system underground mains to a flanged outlet 1'‑0” above the finished floor in compliance with National Fire Protection Association Standard 24. However, shop drawings must be submitted and approved by the State Fire Marshal with a copy of the approved drawings going to the licensed fire sprinkler contractor. Flushing and testing certificates must be delivered to the authority having jurisdiction and the performing licensed fire sprinkler contractor performing. General contractors in this license subclassification may not engage in water and sewer line work from the right‑of‑way to a residential structure unless the entity is a subcontractor to a licensee holding a plumbing subclassification.

(4) “General Contractors‑Specialty” which includes work under these subclassifications:

(a) “Boring and Tunneling” which includes the construction of underground or underwater passageways with diameters in excess of ninety‑six inches or lengths in excess of three hundred fifty feet by digging or boring through and under the earth's surface, including the bracing and compacting of passageways to make them safe for the purpose intended. This subclassification includes the preparation of ground surfaces at points of ingress and egress. Underground structures less than ninety‑six inches in diameter or less than three hundred fifty feet in length are considered normal excavation.

(b) “Concrete” which includes all work in connection with concrete forming and placing; assembling of forms, molds, slipforms and pans; centering, trenching, excavating, backfill, and grading in connection with concrete construction; construction of sidewalks, driveways, curbs, medians, and barrier walls; and installing of embedded items essential to or comprising an integral part of concrete or concrete construction including reinforcing elements and accessories including, but not limited to, concrete chimneys, floors, piers, and foundations when using concrete rebar and other materials common to the concrete industry. This subclassification does not include the General Contractor‑Highway‑ Bridge license subclassification or the construction of streets, roads, parking lots, and highways.

(c) “Nonstructural Renovation” which includes interior and exterior installing, remodeling, renovations, and finishes of acoustical ceiling systems and panels, load‑bearing and nonload‑bearing drywall partitions, lathing and plastering, flooring (excluding carpet) and finishing, interior recreational surfaces, window and door installation, and installation of fixtures, cabinets, and millwork; and which also includes fireproofing, insulation, lining, painting, partitions, sandblasting, interior and exterior wall covering, and waterproofing. This subclassification does not include alterations to load‑bearing portions of a structure.

(d) “Marine” which includes all water activities to construct seawalls, bulkheads, docks, piers, wharves, and other water structures including, but not limited to, pile driving, boat slips, and boardwalks. Licensees under this classification may perform ancillary work including fill grading, and foundations, including piling. This license subclassification does not include structures within the scope of the General Contractor‑Building classification.

(e) “Masonry” which includes the installation, alteration, and repair of poured‑in‑place concrete foundations (e.g. footings or reinforced slabs), brick, concrete block, and products common to the masonry industry, including mortarless types and synthetic masonry products common to the building industry.

(f) “Pre‑engineered Metal Buildings” which includes the construction of pre‑engineered metal buildings consisting of no more than a concrete floor slab, metal frame, metal roof, metal sidewalls, foundations, and building insulation; but does not include mechanical work as described in Section 40‑11‑410(5).

(g) “Railroad Lines” which includes the installation and repair of railroad lines, including setting ties, tie plates, rails, rail connectors, frogs, switch plates, switches, and signal markers. This subclassification does not include grading, trestles, or overpasses.

(h) “Roofing” which includes the installation and repair of roofs and roof decking on commercial, industrial, residential, and institutional structures requiring materials that form a water‑tight and weather‑resistant surface. This license subclassification includes cedar, cement, asbestos, clay tile and composition shingles, all types of metal coverings, wood shakes, single-ply and built‑up roofing, protective and reflective roof and deck coatings, sheet metal valleys, flashings, gravel stops, gutters and downspouts, and bituminous waterproofing.

(i) “Structural Framing” which includes the installation, repair, or alteration of metal or composite structural members for buildings or structures, including riveting, welding, and rigging. This subclassification also includes work under the subclassification of Miscellaneous Metals.

(j) “Miscellaneous Metals” which includes the installation, repair, or alteration of metal or composite shapes, tubing, pipes and bars, including minor field fabrication as may be necessary. This license classification includes fabricating, assembling, installing, and replacing solar panels and related components common to the building industry. Roof mounting of solar panels only may be performed by a licensed General Contractor with the Roofing or Building subclassification. Wiring and connections only may be performed by a licensed Mechanical Contractor with the Electrical subclassification. If a roof requires structural upgrades for the mounting and installing of solar panels, any structural upgrading of the roof must be performed by a licensed General Contractor with either the Building or Structural Framing subclassifications. Fences not over seven feet high do not require licensure under this subclassification.

(k) “Swimming Pools” which includes the construction, service, and repair of all residential, commercial, and institutional swimming pools and spas, including concrete, gunite, plastic, vinyl‑lined, and fiberglass pools and spas; pool decks, walkways, tiling, and coping; and the installation of all equipment, including pumps, filters, and chemical feeders, water and gas service lines from the point of service to the pool equipment, wiring from the pool equipment to the first readily accessible disconnect, pool piping, fittings, backflow prevention devices, waste lines, and other integral parts of a swimming pool or spa.

(l) “Wood Frame Structures” which include framing, roofing, siding, or flooring for wood‑framed structures in excess of five thousand square feet used for housing livestock, storage, or processing, when such structures are not used for habitation or office facilities.

(m) “Public Electrical Utility” which includes the installation, replacement, alteration, and repair of transmission lines on or off public rights‑of‑way, including erection of poles, guying systems, tower line erection, street lighting, and outside lighting of all voltages and all underground systems, including ducts for signal communication and similar installations, transformers, circuit breakers, capacitors, primary metering devices, and other related equipment not used in connection with this subclassification. A contract that contains electrical work above fifty volts must be performed by a licensed public utility‑electrical or mechanical‑electrical contractor. This subclassification does not cover athletic field lighting, stadium lighting, or lighting which is not on public easements or rights‑of‑way.

(n) “Boiler Installation” which includes those who are qualified to install, repair, and service boilers and boiler piping including the boiler auxiliary equipment, controls, and actuated machinery and dryer rolls. To qualify for this subclassification, a person must pass a technical examination administered by the board or must be the holder of the American Society of Mechanical Engineers (ASME) “S” stamp or hold the National Board of Boiler and Pressure Vessel Inspectors (NBBPVI) “R” stamp and meet the requirements for licensure according to this chapter.

(o) “Glass and Glazing” which includes, but is not limited to, commercial, residential, industrial, institutional, modular, and all other types of glass and glazing construction. The construction is limited to selection, cutting, assembling, and installing all makes and kinds of glass for windows, sash and doors, metal frames, ornamental decorations, mirrors, tub and shower enclosures, guard and handrail systems, and other fixed openings. This license classification includes all work under the subclassifications of renovation, structural shapes, and architectural aluminum glazing systems which include aluminum entrance doors and frame systems, entrance and egress hardware, curtain wall systems, sliding doors/mall fronts, overhead glazing systems, and architectural window systems and accessories.

(5) “Mechanical Contractors” which includes work under these subclassifications:

(a) “Air Conditioning” which includes the installation, replacement, alteration, and repair of air conditioning equipment and systems which consist of a number of components necessary to produce conditioned air for environmental heating or cooling, or both, within buildings. Hot water or steam heating systems or components are not included under this classification. This subclassification also includes work under the subclassifications of Packaged Equipment and Refrigeration.

(b) “Heating” which includes installation, replacement, alteration, and repair of heating equipment and systems in buildings which require the use of high or low pressure steam vapor or hot water including all piping, ducts, and mechanical equipment, including boilers, within, adjacent to, or connected with a building and the installation of necessary gas lines if any of this equipment is gas‑fired.

(c) “Packaged Equipment” (air conditioning‑heating packaged equipment limited to twenty‑five tons cooling and five hundred thousand BTU/HR heating per unit) which includes the installation, replacement, alteration, or repair of air conditioning equipment and systems which consist of a number of components necessary to produce conditioned air for environmental heating or cooling, or both, within buildings, including types of heating systems and any size package equipment; and the installation, alteration, and repair of ventilation systems, including duct work, air filtering devices, kitchen exhaust and other hood systems, water treatment devices, pneumatic or electrical controls, or control piping; thermal and acoustical insulation, vibration isolation materials and devices, liquid fuel piping and tanks, water and gas piping from service and heating circuits and air handling systems, including gas‑fired furnaces and space heaters; and factory‑assembled single-package units and split type direct expansion equipment, including heat pumps. This subclassification does not include installing, replacing, altering, or repairing hot water or steam heating systems or components.

(d) “Electrical” which includes the installation, alteration, or repair of wiring‑related electrical material and equipment used in the generating, transmitting, or utilization of electrical energy less than six hundred volts, including all overhead electrical wiring on public rights‑of‑way for signs and street decorations and all underground electrical distribution systems of less than six hundred volts serving private properties. This subclassification also includes, but is not limited to, installing, altering, and repairing, panels, controls, conductors, conduits, cables, devices, plates, electric ceilings, control wiring; and electric heating, lighting fixtures, lamps, general outside lighting, underground and overhead feeder distribution systems for services, and related components or work necessary to provide a complete electrical system and installing window or through‑the‑wall air conditioning units not to exceed three HP or three tons where no piping is necessary. Under this subclassification, general outside lighting is limited solely to within property lines and not on public easements or rights‑of‑way. A contract that contains electrical work above fifty volts must be performed by a contractor licensed under this subclassification or a licensed public electrical utility contractor. This license subclassification includes installing, altering, and repairing all lighting on private property, athletic fields, stadiums, parking lots, and the design, installation, and servicing of fire alarm systems.

(e) “Lightning Protection Systems” which includes installation, replacement, alteration, or repair of necessary lightning protection conduction, cables, rods, points, anchors, fastening devices, labels, ground clamps, braces, and all related component parts necessary for a complete lightning protection system.

(f) “Plumbing” which includes the installation, replacement, alteration, and repair of all plumbing including solar water heating when performed solely within property lines and not on public easements or rights‑of‑way except to make connections to water meters or sewer taps as allowed by the utility owner; and the installation, alteration, and repair of all piping, fixtures, and appliances related to water supply, including pressure vessels and tanks, and excluding municipal or related water supply systems; venting and sanitary drainage systems for all fluid and semi‑fluid and organic wastes; roof leaders; water‑conditioning equipment; piping and equipment for swimming pools; and installation of a system of pipes, fittings, fixtures, drains, and all necessary component parts upon the premises or in a building to supply water to buildings and to convey sewage or other waste products from buildings. If this equipment is gas‑fired, the necessary gas lines may be installed under this subclassification used in connection with this subclassification. Plumbing contractors in license groups three, four, and five are not required to be licensed under Chapter 45, Title 23 to install standpipe systems, including water hose connections, water hose cabinets, and related branch lines if the water hoses do not supply water to automatic fire protection sprinklers.

(g) “Pressure and Process Piping” which includes the installation, maintenance, repair, alteration, or extension of a system of piping, tubing, vessels, containers, pumps, apparatus, and appurtenances in connection with pressure piping used for circulation, transporting, holding, or processing of gas, vapor, fluid, liquid, semi‑liquid, or any combination of these. However, boilers, boiler piping, piping used to convey potable water, sanitary sewage, liquefied petroleum, manufactured or natural gas or refrigeration, air conditioning and comfort heating piping are not included in this subclassification.

(h) “Refrigeration” which includes the installation, replacement, alteration, and repair of refrigeration equipment and systems used for processing, storage, and display of food products and other perishable commodities and commercial, industrial, and manufacturing processes requiring refrigeration, excluding comfort air conditioning. This subclassification also includes work on systems including related equipment for temperature, safety, and capacity controls, thermal insulation, vibration isolation materials and devices, water treatment devices, construction and installation of walk‑in refrigeration boxes, liquid fuel piping and tanks, water and gas piping from equipment to service connection, and testing and balancing of refrigeration equipment and systems.

Repeal

SECTION 15. Section 40‑11‑390 of the S.C. Code is repealed.

Repeal

SECTION 16. Section 40‑11‑400 of the S.C. Code is repealed.

Time Effective

SECTION 17. This act takes effect upon approval by the Governor.

Ratified the 17th day of May, 2023.

Approved the 19th day of May, 2023.

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