

FISCAL IMPACT STATEMENT ON BILL NO. **S.1026, as Amended**

(Doc. No. 18121ab14.docx)

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TO: The Honorable William E. "Bill" Sandifer, III, Chairperson, House Labor, Commerce and Industry Committee  
FROM: State Budget Division, Budget and Control Board  
ANALYSTS: Stephen Gardner  
DATE: May 13, 2014 SBD: 2014247

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AUTHOR: Senator Alexander PRIMARY CODE CITE: 29-5-440  
SUBJECT: Contractor Payment Bonds

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ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

Minimal (Some additional costs expected but can be absorbed)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

\$0 (No additional expenditures or savings are expected)

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**BILL SUMMARY:**

Senate Bill 1026 amends Section 29-5-440, Code of Laws of South Carolina, 1976, relating to suits on contractor payment bonds, so as to provide that certain written notice required of a remote claimant must be sent by certified or registered mail, and must generally conform with statutory limits on the aggregate amount of liens filed by a sub-contractor or supplier. The Bill also provides that any payment bond surety for the bonded contractor shall have the same rights and defenses of the bonded contractor. Finally, the Bill makes the language applicable to any payment bond whether private, common law, public, or statutory in nature when the bonds are not otherwise required or governed by statute.

**EXPLANATION OF IMPACT:**

The Department of Labor, Licensing and Regulation estimates this Bill will have a minimal cost on the State General Fund that can be absorbed by the agency.

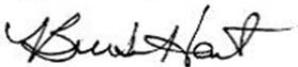
**LOCAL GOVERNMENT IMPACT:**

None.

**SPECIAL NOTES:**

None.

Approved by:



Brenda Hart  
Assistant Director, State Budget Division