

Statement of Estimated State Revenue Impact

Date: June 9, 2014 (As signed by Governor 6/2/14)

Bill Number: H.B. 4643

Authors: Sandifer

Committee Requesting Impact: Signed by Governor

Bill Summary

A Bill to repeal Section 40-11-50, Code of Laws of South Carolina, 1976, and Section 40-67-50 both relating to certain professional licensing fees.

REVENUE IMPACT ^{1/}

We expect this bill will decrease General Fund Revenue by \$2,064,195 and decrease funds of the Department of Labor, Licensing and Regulation (LLR) by \$2,677,767 in FY2014-15.

Explanation of Amendment 4/29/14 (By Senate Labor, Commerce and Industry Committee)

This bill repeals Sections 40-11-50 and 40-67-50, which abolishes the statutory fee schedule for the Contractors Licensing Board and the Speech-Language Pathology and Audiology Board. According to Proviso 81.3 of the FY2013-14 Appropriation Act and as passed by the Senate for FY2014-15, professional and occupation licensing must remit annually an amount equal to ten percent of the expenditures to the General Fund. Additionally, the Contractor's Licensing Board must remit all revenues above expenditures to the General Fund. Based on information provided by LLR, without the statutory fee schedule, fees would be set by SC Code of Regulations and Proviso 81.3 of the Appropriation Act. Additionally, the fee set forth by the SC Code of Regulations will be lower in FY2014-15. Based on data provided by LLR, the Contractors Licensing Board remitted \$2,057,654 to the General Fund in FY13 and the Speech-Language Pathology and Audiology Board remitted \$6,541. Also, revenue from the Contractor's Licensing Board exceeded expenditures by \$2,677,767 in FY13. Assuming a similar trend in FY2014-15, we estimate a decline in General Fund Revenue of \$2,064,195 and a decline in funds of LLR by \$2,677,767 in FY2014-15. This act takes effect July 1, 2014.

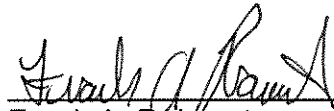
Explanation of Amendment 3/4/14 (By House Labor, Commerce and Industry Committee)

This bill repeals Sections 40-11-50 and 40-67-50, which abolishes the current fee schedule for the Contractors Licensing Board and the Speech-Language Pathology and Audiology Board. According to Proviso 81.3 of the FY2013-14 Appropriation Act and as passed by the Senate for FY2014-15, professional and occupation licensing must remit annually an amount equal to ten percent of the expenditures to the General Fund. Additionally, the Contractor's Licensing Board must remit all revenues above their expenditures to the General Fund. Based on information provided by LLR, the Contractors Licensing Board remitted \$2,057,654 to the General Fund in FY13 and the Speech-Language Pathology and Audiology Board remitted \$6,541. Also, revenue of the Contractor's Licensing Board exceeded expenditures by \$2,677,767 in FY13. If this bill is adopted, it will take effect January 1, 2015. Therefore, we expect no impact on General Fund Revenue or funds of LLR in FY2014-15. Assuming a similar trend in FY2015-16, we estimate a decline in General Fund Revenue of \$2,064,195 and a decline in special funds of LLR by \$2,677,767 in FY2015-16. This act takes effect July 1, 2015.

Statement of Estimated State Revenue Impact

Explanation of Bill filed 2/18/14

This bill repeals Sections 40-11-50 and 40-67-50, which abolishes the current fee schedule for the Contractors Licensing Board and the Speech-Language Pathology and Audiology Board. According to Proviso 81.3 of the FY2013-14 Appropriation Act and as passed by the Senate for FY2014-15, professional and occupation licensing must remit annually an amount equal to ten percent of the expenditures to the General Fund. Additionally, the Contractor's Licensing Board must remit all revenues above their expenditures to the General Fund. Based on information provided by LLR, the Contractors Licensing Board remitted \$2,057,654 to the General Fund in FY13 and the Speech-Language Pathology and Audiology Board remitted \$6,541. Also, revenue of the Contractor's Licensing Board exceeded expenditures by \$2,677,767 in FY13. Assuming a similar trend in FY2014-15, we estimate a decline in General Fund Revenue of \$2,064,195 and a decline in special funds of LLR by \$2,677,767 in FY2014-15. This act takes effect upon approval by the Governor.



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^{1/} This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA.