



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:	S. 295	Introduced on January 12, 2021
Author:	Climer	
Subject:	Board Regulation of Professions and Occupations	
Requestor:	Senate Labor, Commerce, and Industry	
RFA Analyst(s):	Coomer	
Impact Date:	April 30, 2021	

Fiscal Impact Summary

This bill will increase Other Funds expenditures by \$98,701 in FY 2021-22 and \$97,351 each year thereafter for 1 additional Attorney III for the Department of Labor, Licensing and Regulation (LLR). The Attorney III will provide legal counsel for LLR's 42 licensing boards and commissions (boards). In addition, this bill will increase Other Funds expenditures because it will require additional meetings of all boards. However, the number of additional meetings needed is unknown. Therefore, the total increase in expenditures is undetermined. The increase in Other Funds expenditures is expected to be regained through licensure fees borne by applicants.

This bill will increase Other Funds revenue because it allows boards to charge a fee to an applicant that petitions the board for a review of their criminal history. However, the increase in Other Funds revenue is undetermined, due to the unknown number of anticipated petition requests as well as the unknown amount of the petition fee.

This bill will increase General Fund revenue by at least \$9,870 in FY 2021-22 and \$9,735 each year thereafter because LLR is required to remit an amount equal to 10 percent of board expenditures to the General Fund. However, because the total amount of board expenditures is unknown, the total increase in General Fund revenue is undetermined.

If any additional information becomes available, RFA will update this fiscal impact statement as necessary.

Explanation of Fiscal Impact

Introduced on January 12, 2021

State Expenditure

This bill makes changes to the regulatory processes of the regulatory boards that are under the administration of LLR. The bill restricts the denial of licensure for prior criminal convictions. In the past, RFA worked with LLR to determine the number of occurrences in recent history where an applicant was denied licensure because of a prior conviction. If the applicant denial statistics are made available from LLR, RFA will update this fiscal impact.

This bill prohibits boards from using vague terms to describe qualifications in regard to personal character. In addition, the bill prohibits boards from considering arrests as a justification for denial of licensure, unless the arrest led to a subsequent conviction. Boards must also create a list of convictions that would cause a person to be denied licensure. In a similar bill, LLR indicated that this will require extensive research and one to three additional meetings of each board.

This bill requires boards to notify an applicant in writing if they deny his permit application, and provides the requirements of the notification. In addition, the bill allows an applicant to petition a board for a determination of whether his criminal record would disqualify him from being eligible for licensure. The board must notify the applicant of its decision within 30 days. In a similar bill, LLR indicated this will increase the number of meetings held, as each board does not currently meet every 30 days.

In addition, this bill requires boards to issue a license to an applicant who successfully completes an approved apprenticeship program. LLR indicated in a similar bill that this will increase the number of board meetings for the purposes of reviewing applications.

LLR is responsible for 42 boards. Each board will require an unknown number of additional meetings in order to meet the requirements of this bill. Meeting expenditures include a member per diem of \$35, mileage reimbursement of 56 cents per mile for each member, and court reporter fees of approximately \$2,200 per meeting. The number of members varies with each board. In addition, the travel requirements for each member is unknown. Because the number of meetings required for each board and the travel requirements for members are unknown, the total expenditures for additional meetings are undetermined.

In addition, LLR indicated in a similar bill that it will need to hire 1 additional Attorney III. The new Attorney III will assist each board with research and advisement on developing a comprehensive list of criminal convictions that are specific to the occupations it regulates. This new position will also provide advisement to the boards on the petition hearings held for the purpose of reviewing an applicant's criminal history. The Attorney III will also advise the boards on the licensure of applicants who have completed an apprenticeship program. The salary and fringe for the additional FTE is expected to total \$97,351. In addition, there will be non-recurring infrastructure expenditures of \$1,350 associated with this position.

In summary, this bill will increase Other Funds expenditures by \$98,701 in FY 2021-22 and \$97,351 each year thereafter for 1 additional FTE to assist the boards with research and provide counsel. In addition, this bill will increase Other Funds expenditures by an undetermined amount for additional meetings of the 42 boards under the regulation of LLR. While it is unknown how many additional meetings will occur, the increase in Other Funds expenditures is expected to be regained through licensure fees borne by applicants.

If any additional information becomes available, RFA will update this fiscal impact statement as necessary.

State Revenue

This bill allows an applicant to petition a board for a determination of whether his criminal record would disqualify him from being eligible for licensure. The bill allows the board to charge a fee for filing a petition. The number of petition requests that will be received by the boards and the petition fee are undetermined. Therefore, the increase in Other Funds revenue as a result of the new petition fee is undetermined.

This bill prohibits boards from considering arrests as a justification for denial of licensure, unless the arrest led to a subsequent conviction. In the past, RFA worked with LLR to determine the number of occurrences in recent history where an applicant was denied licensure because of a prior conviction. This bill has the potential to increase the number of licenses issued by LLR. If the applicant denial statistics are made available from LLR, RFA will update this fiscal impact.

In addition, this bill pertains to boards that fall under the Division of Professional and Occupational Licensing. Pursuant to Proviso 81.3 of the FY 2019-20 Appropriations Act, LLR is required to remit annually to the General Fund an amount equal to 10 percent of expenditures. RFA anticipates that the additional responsibilities created by this bill will increase expenditures for the boards. Therefore, this bill will increase General Fund revenue by at least \$9,870 in FY 2021-22 and \$9,735 each year thereafter due to expenditures for 1 additional FTE. However, because the total increase of expenditures is unknown, the total revenue increase to the General Fund is undetermined.

If any additional information becomes available, RFA will update this fiscal impact statement as necessary.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director