

# CHAPTER 29

## Department of Labor, Licensing and Regulation— State Licensing Board for Contractors

Statutory Authority: 1976 Code Chapter 11 of Title 40

### ARTICLE 1 GENERAL RULES AND BY-LAWS

#### **29–1. Examination Requirements; Classifications.**

The following classifications require passage of a technical examination, approved by the board:

- (1) building:
  - (a) building contractors examination, license groups one, two, and three;
  - (b) general contractors examination, license groups four and five;
- (2) bridges;
- (3) grading;
- (4) asphalt paving;
- (5) concrete paving;
- (6) concrete;
- (7) marine;
- (8) pre-engineered metal buildings;
- (9) public utility electrical;
- (10) structural framing;
- (11) general roofing;
- (12) specialty roofing;
- (13) swimming pools;
- (14) wood frame structures;
- (15) pipe lines;
- (16) water and sewer lines;
- (17) water and sewer plants;
- (18) packaged equipment;
- (19) air conditioning;
- (20) electrical;
- (21) heating;
- (22) lightning protection systems;
- (23) plumbing;
- (24) pressure and process piping;
- (25) refrigeration;
- (26) boilers;

(27) such other classifications as the board may designate.

**HISTORY: Amended by State Register Volume 12, Issue No. 5, eff May 27, 1988; State Register Volume 23, Issue No. 6, eff June 25, 1999; State Register Volume 24, Issue No. 5, eff May 26, 2000.**

## **29-2. Group One Licensure Requirements.**

(A) Any entity qualifying for a group one license pursuant to Section 40-11-390 shall be issued a license indicating that the entity has been licensed without examination. Such license shall be designated as grandfathered by so stating on the group one license next to the classification or group limitation.

(B) All entities which were granted a group one license pursuant to Section 40-11-390 and who apply for upgrade to a higher group limitation must:

(1) employ a primary qualifying party who has been properly examined and has met all requirements under Section 40-11-230; and

(2) meet the financial requirements of the higher group; and

(3) submit a completed application and all required fees.

(C) No employee of an entity issued a group one license pursuant to Section 40-11-390 shall be issued a qualifying party certificate unless the employee has passed the appropriate examination(s).

(D) In order to obtain licensure pursuant to Section 40-11-390, the entity must:

(1) submit a completed application and all required fees; and

(2) have been engaging in general or mechanical construction without a license but in compliance with prior law for two years prior to April 1, 1999, in the type of work related to the classification of work for which the applicant is applying; and

(3) the majority of the annual volume of the general or mechanical construction performed must have been individual contracts in which the contract value was five thousand dollars or more. The qualifying construction must have been non-residential in nature.

(E) Individual partners, part owners, stockholders, and individual employees are not eligible for licensure pursuant to Section 40-11-390.

(F) The two-year work requirement above may be determined by documentation acceptable to the board, in its discretion, to include, but not be limited to, a business license, federal tax returns, building permits, contracts, work orders, and canceled checks.

(G) The owner or president of the entity requesting to be grandfathered pursuant to Section 40-11-390 shall be listed as the primary qualifying party. This qualifying party cannot transfer his qualifying party status to another entity. Should the qualifying party leave the full-time employment of the entity, the grandfathered status will be canceled unless the entity complies with Section 40-11-230 (A) and (B).

**HISTORY: Amended by State Register Volume 12, Issue No. 5, eff May 27, 1988; State Register Volume 23, Issue No. 6, eff June 25, 1999; State Register Volume 36, Issue No. 6, eff June 22, 2012.**

## **29-3. Financial Statements.**

(A) Where an applicant is required to have a financial statement submitted by a certified public accountant or public accountant, the board may accept a financial statement based on "Other Comprehensive Basis of Accounting" (OCBOA) or on an accepted international accounting standard that, if the certified public accountant or public accountant provides a statement indicating if the financial statement had been prepared according to "General Accepted Accounting Principles" (GAAP), the financial requirements would be met.

(B) Financial statements must be submitted in English.

(C) The board may accept a financial statement based upon a foreign currency if the applicant provides adequate documentation that shows the net worth of the company, converted to United States dollars, meets or exceeds the net worth and other financial requirements of the appropriate license group in which the applicant is applying.

**HISTORY: Amended by State Register Volume 7, Issue No. 6, eff June 24, 1983; State Register Volume 9, Issue No. 2, eff February 22, 1985; State Register Volume 26, Issue No. 6, eff June 25, 1999; State Register Volume 36, Issue No. 6, eff June 22, 2012.**

#### **29-4. Inactive License.**

(A) Under the inactive license status, a licensee is prohibited from bidding, negotiating, contracting, performing, or offering for any construction or construction management work.

(B) In order to apply for active license status, an applicant must comply with all application requirements of Section 40-11-240 and pay the appropriate fees.

**HISTORY:** Amended by State Register Volume 7, Issue No. 6, eff June 24, 1983; State Register Volume 9, Issue No. 2, eff February 22, 1985; State Register Volume 12, Issue No. 5, eff May 27, 1988; State Register Volume 14, Issue No. 6, eff June 22, 1990; State Register Volume 21, Issue No. 6, Part 2, eff June 27, 1997; State Register Volume 26, Issue No. 6, eff June 25, 1999.

#### **29-5. Construction Management Licensure Requirements.**

(A) An architectural or engineering entity acting as a construction manager shall file a letter with the department designating one professional license of a full-time employee employed by the entity to qualify the entity for the practice of construction management pursuant to Section 40-11-320.

(B) The letter shall ask the department to list the entity as a construction manager. The letter shall include the following: the applicant's name and license number to be listed as a construction manager; the name should be the exact name used by the applicant when conducting business on a daily basis; list the type of license and license number of the employee qualifying the entity as a construction manager.

(C) A proper financial statement pursuant to Section 40-11-260 must be submitted with the letter. The financial statement must be for the entity.

(D) A general or mechanical contractor acting as a construction manager shall file a letter with the department designating one of their primary qualifying parties as the employee that will qualify the entity for the practice of construction management. The entity shall comply with the other requirements of this regulation.

**HISTORY:** Amended by State Register Volume 9, Issue No. 2, eff February 22, 1985; State Register Volume 14, Issue No. 6, June 22, 1990; State Register Volume 19, Issue No. 4, eff April 28, 1995; State Register Volume 21, Issue No. 6, Part 2, eff June 27, 1997; State Register Volume 23, Issue No. 6, eff June 25, 1999.

#### **29-6. Residential Construction Licensure Requirements.**

(A) Any residential builder or residential specialty contractor solely engaged in residential construction must be licensed or registered with the South Carolina Residential Builders Commission in accordance with Section 40-59-10, et seq.

(B) A residential builder or residential specialty contractor solely engaged in residential construction is ineligible for licensure as a group one general or mechanical contractor under Section 40-11-390.

**HISTORY:** Amended by State Register Volume 23, Issue No. 6, eff June 25, 1999; State Register Volume 36, Issue No. 6, eff June 22, 2012.

#### **29-7. Fees.**

(A) Fees shall be as specified in Section 40-11-50 or as may be modified in accordance with law.

(B) Fees, except replacement fees, may be adjusted on an annual basis as appropriate for periods of one year or less.

**HISTORY:** Amended by State Register Volume 7, Issue No. 6, eff June 24, 1983; State Register Volume 14, Issue No. 6, eff June 22, 1990; State Register Volume 23, Issue No. 6, eff June 25, 1999.

#### **29-8. Administrative Penalties.**

(A) Administrative penalties assessed pursuant to a citation under Section 40-11-100 shall be for the following:

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

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

(3) failure to provide information, records, or documents as requested by the department; or

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

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

(6) engaging or offering to engage in contracting without a valid license as required under this chapter; or

(7) submitting a bid without a valid license when one is required by law; or

(8) awarding or accepting a bid or signing a contract for a project when the contractor is not properly licensed; or

(9) failure to timely notify the department of changes in the licensee's current mailing address, home address, home and office telephone number.

**HISTORY:** Amended by State Register Volume 7, Issue No. 6, eff June 24, 1983; State Register Volume 9, Issue No. 2, eff February 22, 1985; State Register Volume 14, Issue No. 6, eff June 22, 1990; State Register Volume 23, Issue No. 6, eff June 25, 1999; State Register Volume 36, Issue No. 6, eff June 22, 2012.

## **29-9. Change of Address.**

(A) Each licensee must maintain a current mailing address, home address, home and office telephone number.

(B) Each licensee must notify the department within fifteen days of any changes listed above in (A).

**HISTORY:** Amended by State Register Volume 23, Issue No. 6, eff June 25, 1999.

## **29-10. Mechanical Contractors Licensure Requirements.**

(A) Any mechanical contractor with a process piping classification that was licensed prior to April 1, 1999, may install boilers and engage in any activity involving boiler maintenance, repair, or inspection. Any mechanical contractor issued an initial license with a process piping classification on or after April 1, 1999, may not engage in any boiler work requiring a license unless he has a mechanical contractors heating classification.

(B) Licensees licensed prior to April 1, 1999, will be listed as a 1P process piping license classification.

(C) Licensees licensed on or after April 1, 1999, will be listed as a 2P process piping license classification.

(D) Any general contractor with a public electrical utility classification who was licensed prior to April 1, 1999, may install athletic field lighting, stadium lighting, or lighting which is on public easements or rights-of-way. Any general contractor issued an initial license with a public electrical utility classification on or after April 1, 1999, may not engage in this work.

(E) Licensees licensed prior to April 1, 1999, will be listed as a 1U public electrical utility license classification.

(F) Licensees licensed on or after April 1, 1999, will be listed as a 2U public electrical utility license classification.

(G) Any contractor licensed under (B) and (E) above who has not actively maintained their license, or continuously employed a properly qualifying party for the entity, or whose license has been canceled or revoked shall not be eligible thereafter to obtain a 1P or 1U classification.

(H) Any qualifying party listed under the 1P or 1U classification who leaves employment of the entity he is currently qualifying, shall not be eligible thereafter to obtain 1P or 1U classification.

**HISTORY:** Amended by State Register Volume 12, Issue No. 6, eff May 27, 1988; State Register Volume 16, Issue No. 6, eff January 1, 1993; State Register Volume 23, Issue No. 6, eff June 25, 1999; State Register Volume 24, Issue No. 5, eff May 26, 2000; State Register Volume 36, Issue No. 6, eff June 22, 2012.

## **29-11. Owner-Prepared Financial Statement.**

The latest revision of a financial balance sheet form (FBS) issued by the Department must be completed by an owner filing an owner-prepared financial statement. The Department will furnish this form to all applicants for initial licensing or renewal in the applicable group limitations. The form

must contain assets, liabilities and total net worth of the licensee, in addition to other pertinent information requested by the Department.

**HISTORY:** Added by State Register Volume 24, Issue No. 5, eff May 26, 2000. Amended by State Register Volume 36, Issue No. 6, eff June 22, 2012.

## **29-12. General Contractors-Highway Classification.**

Any contractor that has been issued all of the following license classifications referenced in Section 40-11-410(2):

- (1) Bridges; and
- (2) Concrete Paving; and
- (3) Asphalt Paving; and
- (4) Grading; and
- (5) Highway incidental classification referenced in Section 40-11-410(2)(e) will be designated as HIGHWAY (HY) on the license card and license certificate.

**HISTORY:** Added by State Register Volume 24, Issue No. 5, eff May 26, 2000.

### **ARTICLE 6**

## **[REGULATIONS ADMINISTERING FIRE PROTECTION SPRINKLER SYSTEMS ACT]**

(Statutory Authority: 1976 Code § 23-45-40)

## **29-70. Definitions.**

(A) Fire Protection Sprinkler Contractor: A person engaged in the planning, sale, installation, repair, alteration, addition, maintenance, or inspection of fire protection sprinkler systems or water-spray systems.

(B) Licensed Fire Protection Sprinkler Contractor: A fire protection sprinkler contractor who has qualified for and received a sprinkler contractor's license from the South Carolina Licensing Board for Contractors.

(C) Certificate Holder: An individual who has satisfactorily passed the NICET Level III Fire Sprinkler Technicians written competency examination.

(D) Grandfathered Qualifier: An individual who qualified for certification not by passing the NICET Level III written examination, but by meeting the alternate requirements that were in effect prior to September 1, 1985.

(E) Qualifying Representative: A certificate holder or grandfathered qualifier who is listed on the certificate of the fire sprinkler contractor as having met the Board's requirements to obtain a sprinkler contractors license.

(F) Sprinkler Contractors License: The license issued to sprinkler contractors who have met the statutory requirements and regulatory requirements for licensure. The license certificate will be issued in the name of the fire protection sprinkler contractor with the name or names of the certificate holder(s) and/or grandfathered qualifier(s) on the license.

(G) Certification Card: A card issued to those who have met the qualifications of either a NICET III certificate holder or a grandfathered qualifier. Those holding a certification card will also be listed on the license certificate of the licensed fire protection sprinkler contractor.

**HISTORY:** Added by State Register Volume 15, Issue No. 5, effective May 24, 1991. Amended by State Register Volume 36, Issue No. 6, eff June 22, 2012.

## **29-75. Applications, Fees.**

- (A) Application

A person desiring to qualify for a sprinkler contractor's license shall submit to the Board on standard forms provided by the Board an application completed according to instructions with the following information:

- (1) Name and address of fire protection sprinkler company.
- (2) Name and home address of NICET III or IV Technician Certification certificate holder.
- (3) Certification that the certificate holder is a full-time owner, partner, officer or in a full-time management position with the applicant.
- (4) Notarized signature of owner, partner or officer of the applicant.
- (5) Proof of liability insurance of at least the minimum amounts set forth in Section 40-10-270 of the South Carolina Code of Laws and purchased from an insurer authorized to do business in this State by the South Carolina Department of Insurance.

(B) Fees

(1) A license fee of \$250.00 shall accompany each application for licensure. The \$250.00 includes a sprinkler contractor's license issued to the fire protection sprinkler contractor and one certificate holder or grandfathered qualifier to be listed on the license certificate. A certificate holder or grandfathered qualifier will also be issued a wallet-sized identification card stating that he is qualified by this Board as a fire protection sprinkler protection qualifier.

(2) Other certificate holders or grandfathered qualifiers applying to be listed on the sprinkler contractor's certificate must also make application and pay a fee of \$250.00 per person. Individuals applying to be listed as extra qualifiers for a fire sprinkler contractor do not have to furnish proof of liability insurance.

**HISTORY: Added by State Register Volume 15, Issue No. 5, effective May 24, 1991. Amended by State Register Volume 36, Issue No. 6, eff June 22, 2012.**

## **29-80. Certificate Holder; Grandfathered Qualifier.**

(A) In no case is a certificate holder or grandfathered qualifier allowed to act as a qualifying representative for more than one fire protection sprinkler contractor at one time.

(B) If a certificate holder leaves the employment of the fire protection sprinkler contractor, he must notify the Board within thirty days. The certificate holder is not eligible to qualify more than one other fire protection sprinkler contractor for a period of twelve months. The fire protection sprinkler contractor has six months to submit a new application and fee on another certificate holder who must be a full-time owner, partner, or officer of in a fulltime managing position of the applicant. Failure to apply for a new license within the six-month period will result in the revocation of the license of the fire protection sprinkler contractor.

(C) Failure of the fire protection sprinkler contractor or the certificate holder or qualifying representative to notify the Board within thirty days after termination of employment by the fire protection sprinkler contractor is grounds for revocation of the license of the fire protection sprinkler contractor.

**HISTORY: Added by State Register Volume 15, Issue No. 5, effective May 24, 1991. Amended by State Register Volume 36, Issue No. 6, eff June 22, 2012.**

## **29-85. Transfer of Qualifications.**

(A)(1) A certificate holder may transfer his NICET III qualifications from one licensed fire protection sprinkler contractor by completing an affidavit form showing his new employer and returning his certification card to the South Carolina Licensing Board for Contractors. A new card will be issued with the original expiration date and the certificate holder's name will be added to the license certificate of the new employer. There is no charge to transfer qualifications from one licensed fire protection sprinkler contractor to another licensed fire protection sprinkler contractor.

(2) A certificate holder may transfer his NICET III qualifications from a licensed fire protection sprinkler contractor to an unlicensed fire protection contractor who is applying for a South Carolina sprinkler contractor's license by completing an application as outlined in Section 29-75(A). The applicant for the sprinkler contractor's license must pay the original license fee of \$250.00. There is no additional charge to the certificate holder.

(B) A grandfathered qualifier cannot transfer his qualifications to any other fire protection sprinkler contractor. If a grandfathered qualifier leaves the employ of the licensed fire protection sprinkler contractor with which he originally qualified, he cannot qualify any other fire protection sprinkler contractor for a South Carolina sprinkler contractor's license.

**HISTORY:** Added by State Register Volume 15, Issue No. 5, effective May 24, 1991. Amended by State Register Volume 36, Issue No. 6, eff June 22, 2012.

## **29–90. Renewals.**

(A)(1) Fire sprinkler contractors' licenses expire on July 31 biennially of each even year.

(2) Licenses not renewed by July 31 of each even year will be expired and can be renewed by completing a renewal application and paying the applicable renewal license fee together with the late renewal fee as set out in SC Code Ann. Section 40–10–50(F).

(B)(1) Certification cards issued to those who have met the qualifications of either a NICET Level III or IV Technician Certification expire on the expiration date of the NICET Level III or IV certification. The primary qualifying party and qualifying party must provide the department with a current NICET Level III or IV Technician Certification in "Fire Protection Engineering Technology Automatic Sprinkler System Layout."

(2) Grandfathered qualifier certification cards expire on July 31 of each even year. If a license that has a grandfathered qualifier has lapsed for more than one hundred twenty days, the grandfathered qualifier certification card will be expired and cannot be reinstated. An initial application must be submitted by the licensee and meet all qualifications for initial licensure to engage in fire sprinkler system work.

**HISTORY:** Added by State Register Volume 15, Issue No. 5, effective May 24, 1991. Amended by State Register Volume 36, Issue No. 6, eff June 22, 2012; State Register Volume 38, Issue No. 6, Doc. No. 4418, eff June 27, 2014.

## **29–95. Contract Bids, Awards.**

(A) This chapter applies to any fire protection sprinkler work to be performed for a municipality, county or the State. Officials of any municipality, county or the State accepting bids for the planning, sale, installation, repair, alteration, addition or inspection of a fire protection sprinkler system, water spray or water foam system must determine compliance with this chapter before a bid is opened or considered. A fire sprinkler contractor submitting a bid directly to the State as a prime bidder must include their South Carolina Fire Sprinkler number.

(B) Officials of any municipality, county or the State are required to determine compliance with this chapter before awarding any contracts for the planning, sale, installation, repair, alteration, addition or inspection of a fire protection sprinkler system, water spray or water foam system.

(C) Private awarding entities are required to determine compliance with this chapter before awarding any contracts for the planning, sale, installation, repair, alteration, addition or inspection of a fire protection sprinkler system, water spray or water foam systems.

**HISTORY:** Added by State Register Volume 15, Issue No. 5, effective May 24, 1991. Amended by State Register Volume 17, Issue No. 5, Part 1, eff May 28, 1993.

## **29–100. Exemptions.**

(A) The provisions of this chapter do not apply to licensed mechanical contractors performing emergency repair work on existing fire protection sprinkler systems or existing water foam systems where the labor cost of the work does not exceed one thousand dollars, or to persons engaged in the repair, alteration, maintenance, or inspection of a fire protection sprinkler system or water spray system or water foam system on their own property or that of their normal employer.

(B) Plumbing contractors holding a group 2 or 3 plumbing classification, are not required to be licensed under this chapter to install standpipe systems, including hose connections, hose cabinets and related branch lines, provided that they do not supply automatic fire protection sprinklers.

(C) A utility contractor holding a group 2 or 3 utility contractor license with a water line classification is not required to be licensed under this chapter to install underground water mains,

hydrant mains, and fire hydrants to the point of the connection to the underground fire protection sprinkler system mains.

**HISTORY: Added by State Register Volume 15, Issue No. 5, effective May 24, 1991. Amended by State Register Volume 36, Issue No. 6, eff June 22, 2012.**

### **29-105. Plan Review Fees.**

(A) The Division of State Fire Marshal may charge a fee of one cent a square foot for sprinkler plan and specification review or twenty five dollars a hose station on standpipe risers for wet or dry standpipe plan and specification review.

(B) Payment of all fees due the Division of State Fire Marshal shall be made no later than forty-five calendar days after the date of the initial billing or shall be considered delinquent.

(C) Delinquent fees not paid after forty-five calendar days, but paid on or before ninety calendar days after the initial billing date, shall be increased by an amount equal to ten percent of the initial bill but not less than ten dollars.

(D) Delinquent fees not paid after ninety calendar days of the date of the initial billing shall be increased by an additional amount equal to thirty percent of the initial bill, but not fewer than thirty dollars.

(E) Nonpayment of delinquent fees after ninety calendar days from the initial billing date shall be grounds for revocation of the license of the fire protection sprinkler systems contractor's license under provisions contained in Section 29-110 of the regulations.

**HISTORY: Added by State Register Volume 15, Issue No. 5, effective May 24, 1991. Amended by State Register Volume 36, Issue No. 6, eff June 22, 2012.**

### **29-110. Violations, Complaints.**

(A) Violations

(1) Whenever the Board has reason to believe that any person is or has been violating any provisions of this chapter this Board may prefer charges listing the violation(s) and schedule a hearing to address the charges.

(2) If, after the hearing, the charges are found to be proven, the Board may issue an order requiring the person to cease and desist from any further unlawful action and to take such affirmative action as in the judgment of the Board will carry out the purpose of the Fire Protection Sprinkler Systems Act.

(3) If a violation is found, where in the Board's judgment, the public interest could be irreparably harmed by delay caused by a hearing, the Board may issue a temporary cease and desist order, with a provision therein for a prompt hearing upon request, to determine if the order should be made permanent.

Prior to the issuance of a temporary cease and desist order, notice will be given whenever possible by telephone or otherwise, to the accused of the proposed order.

(4) Those accused of violating any provisions of this chapter who are found guilty at a hearing or enter a plea of guilty in lieu of a hearing, or fail to request a hearing following service of a temporary cease and desist order, may be fined an amount not to exceed \$250.00 for each day the violation exists.

(5) A violation is considered to be any of the following:

(a) Noncompliance with any of the statutes and regulations of the Fire Protection Sprinkler Systems Act.

(b) Actively engaging in the planning, sale, installation, repair, alteration, addition, or inspection of a fire protection sprinkler system, water spray or water foam system without a valid sprinkler contractor's license.

(c) Performing work in the planning, installation, repair, alteration, addition or inspection of a fire protection sprinkler system, water spray or water foam system that is not in compliance with the publications listed in Section 40-10-240 of the Fire Protection Sprinkler Systems Act as determined by the office of the State Fire Marshal.



(B) Complaints

(1) Any person may prefer charges against a fire protection sprinkler contractor. The charges must be in writing and sworn to by the complainant and submitted to the Director of the Board.

(2) Upon receipt of a complaint, the Board will furnish the fire sprinkler contractor a copy of the charges and initiate an investigation to determine the facts of the complaint.

(3) The complaint and the investigation report will be presented to the Board at the next regular or special Board meeting. The Board may find the charges without merit and dismiss the complaint, or find there is cause for a hearing to determine if the license of the sprinkler contractor should be revoked.

(4) The Board may revoke the sprinkler contractor's license of any fire protection sprinkler contractor found guilty of any provisions of this chapter, failure to comply with a cease and desist order or any fraud or deceit in obtaining a license, or of gross negligence, incompetence or misconduct in the practice of the profession. Gross negligence, for the purpose of this chapter, shall be defined as contrived and/or habitual failure to design and/or install sprinkler or standpipe systems in accordance with plans, specifications, building codes or the publications of the National Fire Protection Association pursuant to Section 40-10-240 of the 1976 Code of Laws as amended.

(5) A unanimous vote of the members of the Board present is required to revoke a license.

(6) The Board may reissue a license to any sprinkler contractor whose license has been revoked if four or more members of the Board vote in favor of reissuance.

**HISTORY: Added by State Register Volume 15, Issue No. 5, effective May 24, 1991. Amended by State Register Volume 36, Issue No. 6, eff June 22, 2012.**