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COMMITTEE REPORT

May 1, 2018

**H. 3846**

Introduced by Rep. G.M. Smith

S. Printed 5/1/18--S.

Read the first time April 9, 2018.

**THE COMMITTEE ON**

**LABOR, COMMERCE AND INDUSTRY**

To whom was referred a Bill (H. 3846) to amend Section 40‑59‑260, Code of Laws of South Carolina, 1976, relating to exceptions from homebuilders licensure requirements for certain residential property improvements made by property, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass with amendment:

Amend the bill, as and if amended, by striking SECTION 1 in its entirety.

Renumber sections to conform.

Amend title to conform.

THOMAS C. ALEXANDER for Committee.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

**Explanation of Fiscal Impact**

**Amended by the House of Representatives on April 3, 2018**

**State Expenditure**

Section one of this bill codifies the South Carolina Residential Code as it relates to permit requirements for personal property owners. Under current law, a property owner may act as his own builder when making improvements to his personal property, provided that the improvements are intended for the sole use of the owner or his family and the property is not accessible by the general public. The owner must apply for a building permit before undertaking major improvements. The bill delineates improvements to personal property for which the owner is not required to obtain a building permit.

Section two of the bill codifies current regulations pertaining to residential specialty contractor licensing and registration. Additionally, this section of the bill amends the definition of residential specialty contractor to allow a licensed residential builder to also hold a residential specialty registration.

This bill does not alter the responsibilities of the Residential Builders Commission, which regulates residential construction and property improvement for LLR. Therefore, this bill will have no expenditure impact on the general fund, other funds, or federal funds.

**Local Expenditure**

This bill codifies sections of the South Carolina Residential Code and the Code of Regulations. Local governments currently apply these sections of code to the administration of building permits. This bill does not alter the regulatory duties of local governments. Therefore, this bill will have no expenditure impact on the general fund, other funds, or federal funds.

Frank A. Rainwater, Executive Director

Revenue and Fiscal Affairs Office

**A** **BILL**

TO AMEND SECTION 40‑59‑260, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO EXCEPTIONS FROM HOMEBUILDERS LICENSURE REQUIREMENTS FOR CERTAIN RESIDENTIAL PROPERTY IMPROVEMENTS MADE BY PROPERTY OWNERS FOR PERSONAL USE, SO AS TO REMOVE A PROVISION WHICH DISQUALIFIES PROPERTY OWNERS WHO SELL OR RENT SUCH AN IMPROVED PROPERTY WITHIN TWO YEARS AFTER THE IMPROVEMENTS ARE MADE FROM THIS EXCEPTION, AND TO MAKE A CONFORMING CHANGE IN A RELATED DISCLOSURE GIVEN TO PROPERTY OWNERS SEEKING TO QUALIFY FOR THE EXCEPTION.

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

SECTION 1. Article 1, Chapter 59, title 40 of the 1976 Code is amended by adding:

“Section 40‑59‑265. (A) This chapter does not apply to an owner of residential property who improves the property when the improvements are for the following:

(1) building:

(a) one‑story detached accessory structures, provided that the floor area does not exceed two hundred square feet;

(b) fences not over seven feet high;

(c) retaining walls that are not over four feet in height measured from the bottom of the footing to the top of the wall, unless supporting a surcharge;

(d) water tanks supported directly upon grade if the capacity does not exceed five thousand gallons and the ratio of height to diameter or width does not exceed two to one;

(e) sidewalks and driveways;

(f) painting, papering, tiling, carpeting, cabinets, counter tops; and similar finish work;

(g) prefabricated swimming pools that are less than twenty‑four inches deep;

(h) swings and other playground equipment;

(i) window awnings supported by an exterior wall that do not project more than fifty‑four inches from the exterior wall and do not require additional support;

(j) decks not exceeding two hundred square feet in area, that are not more than thirty inches above grade at any point, are not attached to a dwelling and do not serve the exit door that serves as egress from habitable levels including habitable attics and basements;

(2) electrical:

(a) listed cord‑and‑plug connected temporary decorative lighting;

(b) reinstallation of attachment plug receptacles but not the outlets;

(c) replacement of branch circuit overcurrent devices of the required capacity in the same location;

(d) electrical wiring, devices, appliances, apparatus or equipment operating at less than twenty‑five volts and not capable of supplying more than fifty watts of energy;

(e) minor repair work, including the replacement of lamps or the connection of approved portable electrical equipment to approved permanently installed receptacles;

(3) gas:

(a) portable heating, cooking, or clothes drying appliances;

(b) replacement of any minor part that does not alter approval of equipment or make such equipment unsafe;

(c) portable‑fuel‑cell appliances that are not connected to a fixed‑piping system and are not interconnected to a power grid;

(4) mechanical:

(a) portable heating appliances;

(b) portable ventilation appliances;

(c) portable cooling units;

(d) steam, hot‑ or chilled‑water piping within any heating or cooling equipment regulated by the South Carolina Residential Building Code;

(e) replacement of any minor part that does not alter approval of equipment or make such equipment unsafe;

(f) portable evaporative coolers;

(g) self‑contained refrigeration systems containing ten pounds or less of refrigerant or that are actuated by motors of one horsepower or less;

(h) portable‑fuel‑cell appliances that are not connected to a fixed‑piping system and are not interconnected to a power grid;

(5) plumbing:

(a) the stopping of leaks in drains, water, soil, waste or vent pipe; provided, however, that if any concealed trap, drainpipe, water, soil, waste or vent pipe becomes defective and it becomes necessary to remove and replace the same with new material, such work must be considered as new work and a permit must be obtained and inspection made as provided in the South Carolina Residential Building Code;

(b) the clearing of stoppages or the repairing of leaks in pipes, valves, or fixtures, and the removal and reinstallation of water closets, provided such repairs do not involve or require the replacement or rearrangement of valves, pipes, or fixtures.

(B) The improvements delineated in subsection (A) are exempt from building permit application requirements and a homeowner who makes these improvements is not required to have a residential builder or residential specialty contractor’s license or be subject to the penalties provided in this chapter.”

SECTION 2. Section 40‑59‑20(7) of the 1976 Code is amended to read:

“(7) ‘Residential specialty contractor’ means an independent contractor ~~who is not a licensed residential builder,~~ who contracts with a licensed residential builder, general contractor, or individual property owner to do construction work, repairs, improvement, or reimprovement which requires special skills and involves the use of specialized construction trades or craft, when the undertakings exceed two hundred dollars and are not regulated by the provisions of Chapter 11. A residential specialty contractor is not authorized to construct additions to residential buildings or structures without supervision by a residential builder or other appropriately licensed person or entity. Residential specialty contracting includes the following areas of contracting and other areas as the commission may recognize by regulation:

(a) plumbers;

(b) electricians;

(c) heating and air conditioning installers and repairers;

(d) vinyl and aluminum siding installers;

(e) insulation installers;

(f) roofers;

(g) floor covering installers;

(h) masons;

(i) dry wall installers;

(j) carpenters;

(k) stucco installers;

(l) painters~~/~~ and wall paperers.

Plumbers, electricians, and heating and air conditioning installers and repairers must be issued licenses after passing the required examination. Vinyl and aluminum siding installers, insulation installers, roofers, floor covering installers, masons, dry wall installers, carpenters, stucco installers, and painters and wall paperers must be issued registrations.

A residential specialty contractor is prohibited from undertaking work outside the scope of his license or registration, including employing, hiring, and contracting or subcontracting with others to perform such work on his behalf.

The provisions of this chapter do not preclude a licensed residential builder from also obtaining licensure or registration as a residential specialty contractor in an area of contracting identified in statute or recognized by the commission. In addition, a residential builder, who is licensed by examination in this State, is authorized to perform work in any of the areas of residential specialty contracting without separately obtaining a residential specialty contractor license or registration.”

SECTION 3. This act takes effect upon approval by the Governor.

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