~~Indicates Matter Stricken~~

Indicates New Matter

COMMITTEE REPORT

February 1, 2022

**H. 3606**

Introduced by Reps. G.M. Smith, Yow, Sandifer, Erickson and Bradley

S. Printed 2/1/22--S.

Read the first time March 3, 2021.

**THE COMMITTEE ON LABOR, COMMERCE AND INDUSTRY**

To whom was referred a Bill (H. 3606) to amend the Code of Laws of South Carolina, 1976, by adding Section 40‑59‑265 so as to exempt certain improvements made to residential property from building permit, 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, on page 3, by striking lines 19 - 20 and inserting:

/ from building permit application requirements and an owner of residential property who makes these improvements is not required to have a residential /

Amend the bill, as and if amended, on page 4, by striking lines 8 - 14 and inserting:

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

(m) solar panel installers.

Plumbers, electricians, and heating and air conditioning installers and repairers must be issued specialty contractor licenses after passing the required examination, if the other requirements of this article are met. Vinyl and aluminum siding installers, masons, dry wall installers, carpenters, stucco installers, painters and wall paperers, and solar panel installers must be issued specialty contractor registrations, if the other requirements of this article are met. /

Renumber sections to conform.

Amend title to conform.

TOM C. DAVIS for Committee.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

**Explanation of Fiscal Impact**

**State Expenditure**

This bill as amended exempts homeowners from licensure for performing particular improvements to their property and exempts these improvements from local building permit requirements. 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.

Additionally, this bill amends the definition of a residential specialty contractor to allow a licensed residential builder to also hold a residential specialty registration. The definition is furthermore amended to increase the dollar threshold from $200 to $500 for improvement projects requiring a residential specialty license or registration.

LLR indicates this bill does not alter the duties of the RBC, which regulates residential construction and property improvements for LLR. Therefore, this bill will have no expenditure impact on the other funds of LLR.

**Local Expenditure**

This bill as amended exempts homeowners from licensure for performing particular improvements to their property, exempts these improvements from local building permit requirements, and amends the definition of a residential specialty contractor. In a similar bill, it was indicated that local governments currently apply these sections of code to the administration of building permits. The Revenue and Fiscal Affairs Office anticipates that this bill will not alter the regulatory duties of local governments, and that there will be no impact on local government expenditures. If any additional information becomes available, we will update this fiscal impact statement as necessary.

Frank A. Rainwater, Executive Director

Revenue and Fiscal Affairs Office

**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 40‑59‑265 SO AS TO EXEMPT CERTAIN IMPROVEMENTS MADE TO RESIDENTIAL PROPERTY FROM BUILDING PERMIT REQUIREMENTS, AND TO EXEMPT PROPERTY OWNERS WHO MAKE SUCH IMPROVEMENTS FROM RESIDENTIAL BUILDERS COMMISSION LICENSURE REQUIREMENTS; AND TO AMEND SECTION 40‑59‑20, RELATING TO DEFINITIONS CONCERNING THE RESIDENTIAL BUILDERS COMMISSION AND ITS LICENSEES, SO AS TO REVISE THE DEFINITION OF RESIDENTIAL SPECIALTY CONTRACTORS.

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, including Section 40‑59‑260, 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;

(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) portables 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~~ five 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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