

South Carolina General and Mechanical Contractors Law and Regulations

GENERAL AND MECHANICAL CONTRACTORS

SECTION 40-11-5. Application of chapter; conflict of laws.

Unless otherwise provided for in this chapter, Article 1, Chapter 1, Title 40 applies to licensed contractors; however, if there is a conflict between this chapter and Article 1, Chapter 1, Title 40, the provisions of this chapter control.

SECTION 40-11-10. South Carolina Contractor's Licensing Board created; membership; terms; filling vacancies.

(A) There is created the South Carolina Contractor's Licensing Board under the administration of the Department of Labor, Licensing and Regulation. The purpose of this board is to protect the health, safety, and welfare of the public through the regulation of businesses and individuals who identify, assess, and provide contract work to individuals or other legal entities through the administration and enforcement of this chapter and any regulation promulgated under this chapter and Article 1, Chapter 1.

(B) The board consists of nine members appointed by the Governor, seven of whom must be licensed contractors. Of the seven contractors, one must have as the larger part of his business the construction of highways, one must have as the larger part of his business the construction of public utilities, one must have as the larger part of his business the construction of commercial, industrial, and institutional buildings, one must have as the larger part of his business the performance of heating, plumbing, or air conditioning work, one must have as the larger part of his business the performance of electrical work, one must have as the larger part of his business the installation, servicing, and responding to burglar or fire alarm systems or the performance of fire sprinkler system work, and one must have as the larger part of his business the performance of fire sprinklers systems work. Two members must be consumer members representing the public at large. Nominations for appointment to the board may be submitted to the Governor by the board or an individual, group, or association.

(C) Members serve terms of five years and until their successors are appointed and qualify. A vacancy on the board must be filled in the manner of the original appointment for the remainder of the unexpired term.

SECTION 40-11-20. Definitions.

For purposes of this chapter:

- (1) "Board" means the South Carolina Contractors' Licensing Board.
- (2) "Bid" means an offer to furnish labor, equipment, or materials or other services regulated by this chapter.
- (3) "Certificate holder" means a qualifying party.
- (4) "Contractor" means a general or mechanical contractor regulated under this chapter.
- (5) "Construction manager" means an entity working for a fee whose duties are to supervise and coordinate the work of design professionals and multiple prime contractors, while allowing the design professionals and contractors

to control individual operations and the manner of design and construction. Services provided by a construction manager may include:

- (a) coordination, management, or supervision of design or construction;
- (b) cost management, including estimates of construction costs and development of project budgets;
- (c) scheduling, which may include critical path techniques, for all phases of a project;
- (d) design review, including review of formal design submission and construction feasibility; and
- (e) bid packaging and contractor selection. An owner, who performs construction management himself is not considered a construction manager for purposes of this chapter.

(6) "Department" means the Department of Labor, Licensing and Regulation.

(7) "Entity" means a sole proprietorship, partnership, limited liability partnership, limited liability company, association, joint venture, cooperative, corporation, or other legal entity authorized by law and approved by the board.

(8) "General construction" means the installation, replacement, or repair of a building, structure, highway, sewer, grading, asphalt or concrete paving, or improvement of any kind to real property.

40-11-20 (9) "General contractor" means an entity which performs or supervises or offers to perform or supervise general construction.

(10) "License classification" or "subclassification" means the type of construction for which a contractor may be licensed to do business.

(11) "License group" means the financial limitations for bidding and performing general or mechanical construction.

(12) "Licensee" means an entity which has been issued either a general or mechanical contractor's license by the department.

(13) "Licensed contractor" means an entity that is licensed by the South Carolina Contractor's Licensing Board to engage in general or mechanical contracting within the State.

(14) "Mechanical contractor" means an entity which performs or supervises, or offers to perform or supervise, mechanical construction.

(15) "Mechanical construction" means the installation, replacement, or repair of plumbing, heating, air conditioning, process piping, refrigeration, lightning protection equipment, or electrical components, fixtures, or devices of any kind, excluding burglar alarm work.

(16) "Individual" means a natural person.

(17) "Prime contractor" means an entity which contracts directly with an owner to perform general or mechanical construction.

(18) "Primary qualifying party" means a qualifying party who has been designated by a licensee as the principal individual responsible for directing or reviewing work performed by the licensee in a particular license classification or subclassification.

(19) "Public owner" means the State and any of its political subdivisions.

(20) "Qualifying party" means an individual who has been issued a certificate to qualify an entity for a license by way of examination in a license classification or subclassification.

(21) "Sole prime contractor" means the prime contractor for a project on which there is only one prime contractor.

(22) "Subcontractor" means an entity who contracts to perform construction services for a prime contractor or another subcontractor.

(23) "Total cost of construction" means the actual cost incurred by the owner, all contractors, subcontractors, and other parties for labor, material, equipment, profit, and incidental expenses for the entire project. This does not include the cost of design services unless those services are included in a construction contract.

(24) "Unlicensed contractor" means an entity performing or overseeing general or mechanical construction without a license.

SECTION 40-11-30. Licensing requirement.

No entity or individual may practice as a contractor by performing or offering to perform contracting work for which the total cost of construction is greater than five thousand dollars for general contracting or greater than five thousand dollars for mechanical contracting without a license issued in accordance with this chapter.

SECTION 40-11-40. Public participation.

Board members from the general public may be nominated by an individual, group or association, and must be appointed by the governor in accordance with Section 40-1-45.

SECTION 40-11-50. License fees.

(A) The Department of Labor, Licensing and Regulation shall provide all administrative, fiscal, investigative, inspectional, clerical, secretarial, and license renewal operations and activities of the board in accordance with Section 40-1-50.

(B) The following fees will apply:

- (1) Biennial License Fee--\$350.00
- (2) Renewal Fee--\$135.00
- (3) Biennial Certificate Fee--\$10.00
- (4) Late Renewal Penalty:
 - (a) \$100.00 for up to 30 days,
 - (b) \$150.00 for 31 to 60 days,
 - (c) \$200.00 for 61 to 90 days,
 - (d) an initial application is required after ninety days.
- (5) Replacement of lost or destroyed certificate--\$10.00
- (6) Replacement of lost or destroyed license--\$ 5.00
- (7) Annual inactive certificate status fee--\$10.00 per year for up to four years
- (8) Annual inactive license status fee--\$110.00 per year. For purposes of this item, "inactive license status" means the holding of a valid license by a contractor who is not actively submitting bids to perform work under that license.

SECTION 40-11-60. Rules and regulations; owner-prepared financial statement form.

The board may adopt rules governing its proceedings and may promulgate regulations necessary to carry out the provisions of this chapter. Regulations must be promulgated to establish the form an owner must use to submit an owner-prepared financial statement as provided in Section 40-11-260(A)(3)(c), (A)(4)(c), (B)(3)(c), and (B)(4)(c). The department must furnish the form to the licensees.

SECTION 40-11-70. Powers of board.

In addition to powers and duties provided in Article 1, Chapter 1, the board may:

- (1) establish a time limit beyond which an initial complaint may not be considered;
- (2) establish a procedure for receiving complaints which protects the anonymity of the person filing the complaint;
- (3) order an entity or individual found in violation of this chapter or a regulation promulgated under this chapter to take remedial action;
- (4) establish guidelines for identifying substandard construction work.

SECTION 40-11-80. Investigation of complaints and violations.

The Department of Labor, Licensing and Regulation shall investigate complaints and violations of this chapter as provided for in Section 40-1-80.

SECTION 40-11-90. Results of investigations to be presented to board; hearing.

The results of an investigation must be presented to the board and any subsequent hearing must be conducted in accordance with Section 40-1-90.

SECTION 40-11-100. Violations; administrative citations; cease and desist orders; administrative penalties; appeals.

(A) The department may refer any reports of violations of this chapter and Article 1, Chapter 1 of this title or any reports of violations of regulations promulgated under this chapter directly to the board or may issue administrative citations and cease and desist orders in person or by certified mail and may assess administrative penalties against any entity or individual, including unlicensed contractors, for violations of this chapter as specified by the board.

(B) Separate citations may be issued and separate administrative penalties may be assessed for each violation, however, no more than two thousand five hundred dollars in administrative penalties may be assessed against an entity or an individual per day.

(C) Administrative penalties authorized under this section are separate from and in addition to all other remedies, either civil or criminal.

(D) Administrative penalties assessed pursuant to this section may not exceed the following limits:

- (1) for a first offense, not more than a five-hundred dollar penalty;
- (2) for a second offense in a five-year period, the citation must be referred to the board for action in accordance with Section 40-11-110.

(E) An entity or individual assessed administrative penalties may appeal those penalties to the board within fifteen days of receipt of the citation. If an appeal is filed, the department shall schedule a hearing before the board, which shall make a determination in the matter. If no appeal is filed, the citation is deemed a final order and the administrative penalties must be paid within thirty days of receipt of the citation.

SECTION 40-11-110. Disciplinary action; conditions for imposing; civil penalties; reapplication after revocation or cancellation; completion of work in progress; revocation of individual license classification.

(A) The board may impose disciplinary action authorized by this chapter upon a licensee, certificate holder, or other entity or individual if the board finds any of these conditions:

- (1) subsequent discovery of facts which if known at the time of issuance or renewal of a license or certificate would have been grounds to deny the issuance or renewal of a license or certificate;
- (2) negligence, performing substandard work, incompetence, or misconduct;

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- (3) abandonment of a contract or refusal to perform after submitting a bid on work without legal excuse for the abandonment or refusal;
 - (4) fraud or deceit in obtaining a license or certification;
 - (5) violation of a provision of this chapter, Article 1, Chapter 1 of this title or a regulation promulgated under these chapters;
 - (6) misrepresentation of a material fact by an applicant in obtaining a license or certificate;
 - (7) conviction or entering a guilty plea or plea of nolo contendere in a court of competent jurisdiction of this or any other state, district, or territory of the United States or of a foreign country of the offense of forgery, embezzlement, obtaining money under false pretenses, theft, extortion, or conspiracy to defraud or other like offense regardless of whether an appeal has been sought;
 - (8) conviction or entering a guilty plea or plea of nolo contendere of a felony or a crime involving moral turpitude in connection with the performance of a contract for construction regardless of whether an appeal has been sought;
 - (9) aiding or abetting an unlicensed entity to evade the provisions of this chapter, combining or conspiring with an unlicensed entity, allowing one's license to be used by an unlicensed entity, or acting as agent, partner, or associate, or an unlicensed entity;
 - (10) entering into a contract with an unlicensed contractor for work to be performed for which a license is required;
 - (11) false, misleading, or deceptive advertising whereby a member of the public may be misled and injured;
 - (12) contracting or offering to contract or submitting a bid while a license is under suspension or probation;
 - (13) failure to obtain a building permit as required by a local or state government before engaging in construction;
 - (14) failure to take appropriate corrective action to comply with this chapter or a regulation promulgated under this chapter without valid justification within a reasonable period of time after receiving a written directive from the department;
 - (15) failure to maintain the net worth requirements for licensure;
 - (16) failure to comply with an order of the board;
 - (17) failure to provide pertinent records and documents as requested by the department or board;
 - (18) failure to maintain a business address accessible to the public;
 - (19) failure to comply with a directive of the department;
 - (20) failure to notify the department of changes in information required in an original or renewal application;
 - (21) contracting or offering to contract for construction work exceeding the limitations of a group or outside the classification or subclassification of a license;
 - (22) attempting to serve in the capacity of primary qualifying party while serving a jail sentence; or
 - (23) departure from an applicable building code of the State of South Carolina or any of its political subdivisions as determined by a court of competent jurisdiction.

(B) Disciplinary action may be taken against an entity or individual who the board determines to be responsible for violations of this chapter regardless of changes in corporate identity or federal employer identification subsequent to the violation. In determining responsibility, the board may consider, but is not limited to, an individual's:

- (1) participation in management or supervision related to the violation;
- (2) position as sole proprietor, partner, officer, or qualifying party.

(C) The board may, in addition to all other disciplinary actions, require a licensee, certificate holder, or other entity or individual to pay a civil penalty of up to five thousand dollars for each violation of this chapter or of a regulation promulgated under this chapter and may order an unlicensed contractor to cease and desist from violating a provision of this chapter.

(D) Upon presentation to the court of common pleas by the department of an affidavit for nonpayment of an administrative penalty under a citation which is a final order or a civil penalty assessed by the board pursuant to subsection (C), the court shall issue an order for judgment to be filed in the office of the Clerk of Court.

(E) A license or certificate that is canceled by the department or revoked by the board must be returned to the department within fifteen days of notification by the department.

(F) No sooner than one year after revocation of a license or certificate by the board, the entity or individual who held that license or certificate may apply for another. The applicant must meet all requirements for initial licensure or certification and must appear before the board to present evidence that his practice will not unreasonably endanger the public.

(G) If a license is canceled by the department, the licensee must apply for initial licensure.

- (H) Work in progress may be completed by the licensee if the licensee's license is revoked or suspended; however,
- (1) no new work may be bid or started after revocation or suspension of a license upon proper notification by the department,
 - (2) unless otherwise directed by the board, the revocation, suspension, or restriction of a license or certificate does not become effective until the tenth day following the delivery to the licensee or qualifying party of a written decision of the board. Service of a petition for a review of the decision does not stay the board's decision pending completion of the appellate process in accordance with the Administrative Procedures Act.
- (I) Where a licensee's business is dissolved for whatever reason, that license must be canceled by the department.
- (J) The board may revoke, suspend, or restrict an individual license classification or subclassification without effect to other license classifications or subclassifications.

SECTION 40-11-120. Other sanctions.

In addition to the sanctions the board may impose against a person pursuant to this chapter, the board may take disciplinary action against a person as provided for in Section 40-1-120.

SECTION 40-11-130. Denial of license or certificate.

- (A) The department may refuse to issue a license or certificate to an applicant who:
- (1) has failed to meet the minimum qualifications required by this chapter or regulations promulgated under this chapter;
 - (2) has had a license or certificate denied, suspended, revoked, or otherwise been disciplined;
 - (3) has engaged in contracting without a valid license as required under this chapter;
 - (4) has submitted a bid without a valid license when one is required by law;
 - (5) has committed an act which would be grounds for disciplinary action under this chapter;
 - (6) has submitted false or misleading information;
 - (7) has engaged in conduct which demonstrates bad faith, dishonesty, untrustworthiness, or incompetence in business or the profession;
 - (8) has aided or abetted an entity in the violation of a provision of this chapter or a regulation promulgated under this chapter;

(9) has been convicted in a court of competent jurisdiction of this or any other state, district, or territory of the United States, or of a foreign country of the offense of forgery, embezzlement, obtaining money under false pretenses, theft, extortion, or conspiracy to defraud or other like offense, has been convicted of a felony or a crime involving moral turpitude, or pled nolo contendere to any such offense;

(10) has an outstanding monetary judgment related to construction.

(B) A license or certificate may be denied to an applicant:

(1) for a minimum of one year after the date of revocation of a similar professional license or certificate issued by this State or any other state or jurisdiction;

(2) who is presently under suspension by a professional licensing entity in this or any other state or jurisdiction;

(3) who has unresolved complaints or charges pending against him before this or any other professional licensing board in this or any other state.

SECTION 40-11-140. Prior criminal record.

A license may be denied based on a person's prior criminal record only as provided in Section 40-1-150.

SECTION 40-11-150. Voluntary surrender of license.

A licensee under investigation for a violation of this chapter or a regulation promulgated under this chapter voluntarily may surrender the license in accordance with Section 40-1-150.

SECTION 40-11-160. Review of decision.

A person aggrieved by a final action of the board may seek review of the decision in accordance with Section 40-1-160.

SECTION 40-11-170. Costs of investigation and prosecution.

A person found in violation of this chapter or regulations promulgated under this chapter may be required to pay costs associated with the investigation and prosecution of the case in accordance with Section 40-1-170.

SECTION 40-11-180. Collection and enforcement of costs, fees, and fines.

All costs, fees, and fines provided in this chapter, except examination fees, must be paid to and collected by the department in accordance with and are subject to the collection and enforcement provisions of Section 40-1-180.

SECTION 40-11-190. Investigations and proceedings confidential; communications privileged.

Investigations and proceedings conducted under this chapter are confidential and all communications are privileged as provided in Section 40-1-190.

SECTION 40-11-200. Unlawful practice; penalty.

(A) A person who practices or offers to practice in this State in violation of this chapter or who knowingly submits false information for the purpose of obtaining a license is guilty of a misdemeanor and, upon conviction, must be imprisoned not more than one year or fined not more than five thousand dollars.

(B) It is a violation of this chapter for an awarding authority, owner, contractor, or an agent of an authority, owner, or contractor to consider a bid, sign a contract, or allow a contractor to begin work unless the bidder or contractor has first obtained the licenses required by this chapter. Bids or contracts submitted by contractors may not be reconsidered or resubmitted to an awarding authority, contractor, or owner if the contractor was not properly licensed at the time the initial bid or contract was submitted.

(C) Charges under this section may be preferred by the board by delivering evidence of a violation to a solicitor or a magistrate having jurisdiction.

(D) Upon conviction under this section, the fines and assessments imposed by a court must be administered pursuant to Sections 14-1-205, 14-1-206, 14-1-207, 14-1-208, and 14-1-209.

SECTION 40-11-210. Injunctive relief.

The department, on behalf of the board and in accordance with Section 40-1-120, may petition an administrative law judge, in the name of the State, for injunctive relief against a person violating this chapter.

SECTION 40-11-230. Certification as qualifying party.

(A) To qualify for certification as a qualifying party, an applicant must:

- (1) submit a completed application on a form approved by the board and pay all applicable examination fees to the examination provider;
- (2) submit proof of having attained a grade of seventy percent or better on a technical examination where required for each classification or subclassification of licensure applied for; and
- (3) attain a grade of seventy percent or better on an examination of South Carolina law regulating general and mechanical contracting.

An individual may only take an examination in a license classification or subclassification two times in a twelve-month period and thereafter only once in six months.

An individual may take an examination and be issued a certificate in any license classification or subclassification regardless of their current place of employment.

Upon fulfillment of all requirements of this subsection, the department shall issue a qualifying party a certificate which shall include the individual's full name, certificate number, and classifications or subclassification for which the individual is certified.

An applicant who has not been certified as a qualifying party for four or more consecutive years must take and pass the technical or Code of Laws examination, or both, as required by the board.

An individual may only serve as qualifying party for one licensee with the exception as provided in subsection (C).

B) To become designated by an entity as a primary qualifying party, an individual must:

- (1) hold a valid certificate issued pursuant to this chapter;
- (2) submit an affidavit verifying employment from former or current employers for whom the applicant was employed full-time for at least two years within the previous five years in the license classification or subclassification for which application is made or submit additional proof of employment experience as approved by the board;
- (3) submit proof of full-time employment in a responsible management position by the entity for whom the applicant will be the primary qualifying party.

A primary qualifying party may not take other employment that would conflict with the duties as primary qualifying party or diminish the ability to adequately supervise work performed by the licensee.

An individual desiring to be certified and serve as a primary qualifying party for a license group one, two, or three general contractor licensed pursuant to Section 40-11-410(A) must pass either the limited building contractor examination or the unlimited general contractor examination. Structures built by licensees for which the primary qualifying party has taken and passed the limited building contractor examination are restricted to three stories in height.

An individual desiring to be certified and serve as a primary qualifying party for a license group four or five general contractor licensed pursuant to Section 40-11-410(A) must pass the unlimited general contractor examination.

When a primary qualifying party ceases to serve as the primary qualifying party for a licensee, the licensee and the primary qualifying party shall notify the department in writing within fifteen days of the disassociation. If the licensee notifies the department within the prescribed time, the license remains in good standing for ninety days from the date the department receives notice of the disassociation. Failure to notify the department within fifteen days of a primary qualifying party's disassociation results in automatic license and certificate cancellation.

If, after properly notifying the department of disassociation, the licensee fails to designate a replacement primary qualifying party pursuant to the requirements of this chapter within ninety days, the department shall suspend the licensee's license until a primary qualifying party is designated pursuant to the requirements of this chapter.

(C) If a qualifying party desires to serve as primary qualifying party for two entities, both entities must engage in business from the same physical location. The qualifying party must:

- (1) be involved in the operation of both entities on a daily basis;
- (2) derive a livelihood from the operation of both entities;
- (3) have ownership in both entities with at least fifty percent ownership in one of the entities.

(D) Building officials or other individuals who have or are able to meet the requirements of a qualifying party and are employed by an unlicensed entity that is actively associated with the construction industry may retain qualifying party status.

SECTION 40-11-240. Qualifications for licensure; what must be submitted.

(A) To qualify for licensure, an entity must:

- (1) be organized or registered under applicable South Carolina law as a sole proprietorship, partnership, limited liability partnership, limited liability company, or a domestic or foreign corporation;
- (2) have a certified qualifying party in full-time employment in a responsible management position; and
- (3) meet all requirements for licensure as provided in this chapter.

(B) To qualify for a license, an entity must submit:

- (1) a completed application on a form approved by the board;
- (2) all required fees;
- (3) a detailed statement of current financial condition as required by this chapter;
- (4) reference from a bank or other financial institution on a form as prescribed by the department;
- (5) the name and certificate number of the primary qualifying party for each classification or subclassification for which a license is desired;
- (6) proof that the entity's primary qualifying party in each classification or subclassification is an employee in a responsible management position; and
- (7) all documentation required by the department pursuant to the requirements of this chapter.

(C) A licensee may list additional qualifying parties.

(D) A change of an entity's name, organizational status, or federal employer identification number must be reported to the department within fifteen days. Failure to do so results in license cancellation fifteen days from the date of change and requires the new entity to submit an initial application and meet all requirements for licensure.

SECTION 40-11-250. Renewal of license; lapsed license.

(A) All licenses may be renewed biennially. A licensee shall apply to the department for license renewal by the expiration date on a form approved by the board. Renewal applications not postmarked by the expiration date result in a lapsed license. An entity which fails to renew and which continues to engage in construction is practicing without a license and is subject to the penalties prescribed in this chapter.

(B) A license which has lapsed may be renewed within ninety days from date of expiration by filing a renewal application and upon payment of renewal and late fees. An entity whose license is lapsed for failure to renew must submit an application and meet all qualifications for initial licensure to engage in construction.

SECTION 40-11-260. Financial statements; net worth requirements.

(A) An applicant for a general contractor's license or a general contractor's license renewal who performs or offers to perform contracting work for which the total cost of construction is greater than \$5,000.00, and an applicant for license group revisions must provide an acceptable financial statement with a balance sheet date no more than twelve months before the date of the relevant application showing a minimum net worth for each license group as follows:

(1) Group One

- (a) bids and jobs not to exceed \$50,000.00 per job;
- (b) required net worth of \$10,000.00;
- (c) on initial application, an owner-prepared financial statement with an affidavit of accuracy;
- (d) on renewal, an owner-prepared financial statement with an affidavit of accuracy;

(2) Group Two

- (a) bids and jobs not to exceed \$200,000.00 per job;
- (b) required net worth of \$40,000.00;
- (c) on initial application, an owner-prepared financial statement with an affidavit of accuracy;
- (d) on renewal, an owner-prepared financial statement with an affidavit of accuracy;

(3) Group Three

- (a) bids and jobs not to exceed \$500,000.00 per job;
- (b) on initial application, a financial statement compiled by a licensed certified public accountant or a licensed public accountant in accordance with Generally Accepted Accounting Principles (GAAP), including all disclosures required by GAAP indicating a required net worth of one hundred thousand dollars;
- (c) on renewal, an owner-prepared financial statement with an affidavit of accuracy indicating a required net worth of seventy thousand dollars, or a financial statement compiled by a licensed certified public accountant or a licensed public accountant in accordance with GAAP, including all disclosures required by GAAP, and indicating a required net worth of one hundred thousand dollars;

(4) Group Four

- (a) bids and jobs not to exceed \$1,500,000.00 per job;
- (b) on initial application, a financial statement compiled by a licensed certified public accountant or a licensed public accountant in accordance with GAAP, including all disclosures required by GAAP indicating a required net worth of one hundred seventy-five thousand dollars;
- (c) on renewal, an owner-prepared financial statement with an affidavit of accuracy indicating a required net worth of one hundred fifty thousand dollars, or a financial statement compiled by a

licensed certified public accountant or a licensed public accountant in accordance with GAAP, including all disclosures required by GAAP, and indicating a required net worth of one hundred seventy-five thousand dollars;

(5) Group Five

- (a) bids and jobs unlimited;
- (b) required net worth of \$250,000.00;
- (c) on initial application, a financial statement audited by a licensed certified public accountant or a licensed public accountant in accordance with GAAP, including all disclosures required by GAAP;
- (d) on renewal, a financial statement reviewed by a licensed certified public accountant or a licensed public accountant in accordance with GAAP, including all disclosures required by GAAP;

(B) An applicant for a mechanical contractor's license or a mechanical contractor's license renewal who performs or offers to perform contracting work for which the total cost of construction is greater than five thousand dollars, and an applicant for license group revisions must provide an acceptable financial statement with a balance sheet date no more than twelve months before the date of the relevant application showing a minimum net worth for each license group as follows:

(1) Group One

- (a) bids and jobs not to exceed \$17,500.00 per job;
- (b) required net worth of \$3,500.00;
- (c) on initial application, an owner-prepared financial statement with an affidavit of accuracy;
- (d) on renewal, an owner-prepared financial statement with an affidavit of accuracy;

(2) Group Two

- (a) bids and jobs not to exceed \$50,000.00 per job;
- (b) required net worth of \$10,000.00;
- (c) on initial application, an owner-prepared financial statement with an affidavit of accuracy;
- (d) on renewal, an owner-prepared financial statement with an affidavit of accuracy;

(3) Group Three

- (a) bids and jobs not to exceed \$100,000.00 per job;
- (b) on initial application, a financial statement compiled by a licensed certified public accountant or a licensed public accountant in accordance with Generally Accepted Accounting Principles (GAAP), including all disclosures required by GAAP indicating a net worth of twenty thousand dollars;
- (c) on renewal, an owner-prepared financial statement with an affidavit of accuracy indicating a required net worth of ten thousand dollars, or a financial statement compiled by a licensed certified public accountant or a licensed public accountant in accordance with GAAP, including all disclosures required by GAAP, and indicating a required net worth of twenty thousand dollars;

(4) Group Four

- (a) bids and jobs not to exceed \$200,000.00 per job;
- (b) on initial application, a financial statement compiled by a licensed certified public accountant or a licensed public accountant in accordance with GAAP, including all disclosures required by GAAP indicating a net worth of forty thousand dollars;
- (c) on renewal, an owner-prepared financial statement with an affidavit of accuracy indicating a required net worth of twenty-five thousand dollars, or a financial statement compiled by a licensed

certified public accountant or a licensed public accountant in accordance with GAAP, including all disclosures required by GAAP, and indicating a required net worth of forty thousand dollars;

(5) Group Five

(a) bids and jobs unlimited;

(b) required net worth of \$200,000.00;

(c) on initial application, a financial statement audited by a licensed certified public accountant or a licensed public accountant in accordance with GAAP, including all disclosures required by GAAP;

(d) on renewal, a financial statement reviewed by a licensed certified public accountant or a licensed public accountant in accordance with GAAP, including all disclosures required by GAAP;

(C) In reviewing an entity's balance sheet to determine the net worth of the applicant or licensee, the board may consider:

(1) deviations from the standard accountant's report;

(2) notes to the financial statement;

(3) additional financial information submitted by the applicant or licensee for renewals;

(4) personal financial statements of an entity's principals for an entity with less than two year's operating experience.

(D) If a licensee desires to change to a higher license group as established in this section, the licensee must meet the financial statement and net worth requirements in the higher license group number as required in initial application.

(E) If the board has reasonable cause to believe that an entity has not maintained the minimum net worth for its group, the board may order the entity to submit additional financial information, and, if appropriate, may modify the entity's license to reflect the appropriate limitation group.

(F) Contractors licensed before April 1, 1999, must be licensed in the new group closest to their existing limitations until their license renewal date, at which time they must meet the financial requirements for license renewal set forth in this section.

SECTION 40-11-265. Contractors who leave the state with unpaid debts and subsequently return; notarized statement to board; board authority to deny or revoke license.

Notwithstanding any other provision of law, a person who is or has been licensed pursuant to the provisions of this chapter who leaves this State with unpaid debts and subsequently returns to the State and seeks to become licensed in this State again, or to do business again in this State under the authority of a still-valid license previously issued under this chapter, shall file with the board a signed, notarized statement listing (1) all outstanding debts the person, or any subsidiary of the person, owes with respect to having done business previously in this State and (2) all bankruptcies which the person, or any subsidiary of the person, has been involved in at any time and place. The board is authorized to refuse to issue a license to the person, and is also authorized to revoke the person's still-valid license, as the case may be, based upon the information contained in the signed, notarized statement required by this section.

SECTION 40-11-270. Licensee confined to limitations of license group; licenses in more than one classification; use of unlicensed subcontractors.

(A) A licensee is confined to the limitations of the licensee's license group and license classifications or subclassifications as provided in this chapter.

(B) Each person holding a license in the mechanical contractor subclassification of air conditioning, heating, or packaged equipment shall display the mechanical contractor license in a conspicuous manner at his principal place of business.

(C) All commercial vehicles, used by mechanical contractors licensed in the subclassification of air conditioning, heating, or packaged equipment exclusively in the daily operation of their business, shall have prominently displayed on them the mechanical contractor license number issued by the Department of Labor, Licensing and Regulation. Each invoice and proposal form also shall contain the mechanical contractor license number.

(D) An entity may apply for and be licensed in more than one classification or subclassification if all qualifications for licensure prescribed by this chapter have been met. An applicant may apply for a license in more than one classification or subclassification on the same application form.

(E) Licensees may utilize the services of unlicensed subcontractors to perform work within the limitations of the licensee's license group and license classification or subclassification; provided, the licensee provides supervision. The licensee is fully responsible for any violations of this chapter resulting from the actions of unlicensed subcontractors performing work for the licensee.

SECTION 40-11-280. Change in license classification.

A licensee desiring a change in license classification or subclassification or license group shall apply for revision on a form approved by the board. Existing bidding limitations remain in effect until the revision has been approved by the department. The board may assess a penalty authorized by law against a licensee who undertakes or offers to undertake an improvement exceeding the limitations of the licensee's group.

SECTION 40-11-290. Licensure of applicant holding license in another state.

The board may grant a license or certificate to an applicant holding a license or certificate in good standing in another state whose requirements for licensure and certification are equal to or greater than those required by this chapter if the board has authorized an exam waiver agreement with the State. An applicant may exempt the technical examination required for certification if the applicant can verify passing an examination in another state which is essentially the same as the examination required by the department regardless of the absence of a reciprocal agreement with that state. An applicant for certification or licensure under this section may be required to pass the South Carolina Code of Laws examination and must comply with all other licensing and certification requirements of this chapter.

SECTION 40-11-300. Total cost of construction used to determine license group for project; work on project without required license.

(A) It is unlawful for an owner, a construction manager, a prime contractor, or another entity with contracting or hiring authority on a construction project to divide work into portions so as to avoid the financial or other requirements of this chapter as it relates to license classifications or subclassifications or license groups, or both. The total cost of construction must be used to determine the appropriate license group for a project.

(B) An entity or individual engaging in general or mechanical construction on a project without the required license or certificate must immediately withdraw from the construction project and may not act as a subcontractor on that construction project.

SECTION 40-11-310. Employee of entity barred from project subject to regulation or ownership by that entity.

No entity or employee of an entity who has the responsibility to regulate, inspect, approve, or certify construction shall engage in the construction of a project that is subject to regulation or ownership by that entity. This section does not apply to a member of the board when performing construction subject to this chapter or to contractors who are also performing construction management services for an owner.

SECTION 40-11-320. Construction managers; licensing requirements; complaint hearings; authority to assume role.

(A) A construction manager shall hold a South Carolina license in one or more of the following professional classifications:

- (1) the general or mechanical contractor license classification and license group that would otherwise be applicable to a sole prime contractor working on the construction project;
- (2) a registered engineer pursuant to Chapter 21 of this title who meets the financial requirements set forth in Section 40-11-260 that would otherwise apply to a sole prime contractor working on the construction project. The proper financial statement must be submitted at any time when requested by the board. Failure to submit a proper financial statement is considered a violation of this chapter;
- (3) An architect pursuant to Chapter 3 who meets the financial requirements set forth in Section 40-11-260 that would otherwise apply to a sole prime contractor working on the construction project. The proper financial statement must be submitted at any time when requested by the board. Failure to submit a proper financial statement is considered a violation of this chapter.

(B) An architect or engineer licensed in South Carolina who is monitoring the execution of design plans or who is performing as an on-site representative for construction quality control or quality assurance, or both, for a project owner is not a construction manager for the purposes of this section.

(C) An entity acting as a construction manager shall file a letter with the department designating one license being used to qualify for the practice of construction management pursuant to the requirements of this chapter. Complaints filed against construction managers who have qualified themselves as architects or engineers must be referred by the department to the appropriate board having jurisdiction over them. Those boards may impose disciplinary action and civil penalties as set forth in this chapter, or as otherwise provided by law. All other complaints filed against construction managers with a general contractor's license designation must be heard by the board and disciplinary action must be brought pursuant to this chapter. An entity's authority to practice as a construction manager may be revoked or suspended without other effect to the license held by that entity.

(D) The authority to assume the role of construction manager is granted to an entity holding a general or mechanical contractor's license or an architect's license or engineer's registration pursuant to the laws of this State. This authority does not permit architects and engineers to assume the role of general or mechanical contractors as defined in Section 40-11-20 unless properly licensed pursuant to this chapter. Construction managers may not perform design work themselves unless properly licensed as an architect or professional engineer. Entities performing construction themselves or holding construction contracts in their own name must be treated as general contractors or mechanical contractors, as appropriate, rather than construction managers for the purposes of this chapter, and must be licensed pursuant to the requirements of this chapter to perform that work. Construction managers may hire or terminate the various design professionals and prime contractors with the direction and approval of an owner.

SECTION 40-11-330. Joint venture bid.

Two or more licensed contractors may combine bids and submit a "Joint Venture Bid" if the contract does not exceed the highest license group limitations of the members in the joint venture. An unlicensed contractor may not be a party to a joint venture.

SECTION 40-11-340. Qualifications for acting as sole prime contractor.

An entity licensed under the classifications or subclassifications in Sections 40-11-410(1), (2), or (3) may act as a sole prime contractor on a project if forty percent or more of the work as measured by the total cost of construction falls under one or more of the licensee's license classifications or subclassifications. An entity licensed under the classifications or subclassifications in Section 40-11-410(4) and (5) may act as sole prime contractor if fifty-one percent or more of the work falls under one or more of the licensee's license classifications or subclassifications.

SECTION 40-11-350. Evidence of license as prerequisite to issuance of building permit; reporting violations.

A building official, or other authority charged with issuing building or other similar permits, of a county, municipality, or subdivision of a county or municipality shall refuse to issue a permit for an undertaking which would classify the applicant as a contractor under this chapter unless the applicant has furnished evidence that the applicant is either licensed as required by this chapter or exempt from the requirements of this chapter. A building official, or other authority charged with issuing building or other similar permits, shall report to the department the name and address of an entity believed to have violated this chapter by bidding or contracting for work which is regulated under this chapter.

SECTION 40-11-360. Exemptions from application of chapter; content of posters to be distributed to building permit offices.

(A) This chapter does not apply to:

- (1) an entity which installs fire sprinkler systems if the entity is licensed under Chapter 45 of Title 23, or burglar and fire alarm systems if the entity is licensed under Chapter 79 of Title 40;
- (2) The installation of finished products, materials, or articles of merchandise that are not fabricated into and do not become a permanent fixed part of the structure. Work requiring licensure must be installed by a licensed contractor;
- (3) Construction, alteration, improvement, or repair carried on within the limits of a site, the title to which is in the name United States of America or with respect to which federal law supersedes this chapter;
- (4) Contractors performing construction work for the South Carolina Department of Transportation pursuant to that department's prequalification requirements with the exception of public/private partnerships performing work pursuant to Section 57-3-200;
- (5) An owner of residential property who improves the property or who builds or improves structures or appurtenances on the property if he does the work himself, with his own employees, or with licensed contractors; provided that the structure, group of structures, or appurtenances, including the improvements, are intended for the owner's sole occupancy or occupancy by the owner's family and are not intended for sale or rent, and provided further, that the general public does not have access to this structure. In an action brought under this chapter, proof of the sale or rent or the offering for sale or rent of the structure by the owner-builder within two years after completion or issuance of a certificate of occupancy is prima facie evidence that the project was undertaken for the purpose of sale or rent and is subject to the penalties provided in this chapter. As used in this item, "sale" or "rent" includes an arrangement by which an owner receives compensation in money, provisions, chattel, or labor from the occupancy, or the transfer of the property or the structures on the property;
- (6) An owner of non-owner occupied property who improves the property or who builds or improves structures of less than five thousand square feet or other appurtenances on the property, either by himself or with the owner's employees, if all structural and mechanical work is performed by licensed contractors regardless of the cost of construction and if the property is not sold for two years after completion of the improvements. For purposes of this item, "structural" means foundation, pier, load-bearing partition, perimeter wall, internal wall exceeding ten feet in height, roof, floor, and any other work deemed by the board to be structural. "Mechanical" means work described in Section 40-11-410(5);
- (7) An owner constructing a farm building or portable storage building with less than five thousand square feet of floor space and used only for livestock or storage;
- (8) Public owners performing all or a portion of any work on a project themselves as long as the work performed falls within the limitations of a License Group 3 General Contractor or a License Group 4 Mechanical Contractor, as adjusted by an inflation factor reflecting the Department of Labor's Consumer Price Index.

(9) Renovations and maintenance projects of the South Carolina Department of Corrections whereby all labor is supplied from that department's own labor forces.

(10) The South Carolina Public Service Authority when performing maintenance and renovations to existing facilities and when performing work in accordance with Section 40-11-410(4)(n).

(11) The installation, repair, or maintenance of signs of billboards; provided, however, an electrical license is required to perform a final connection to a branch circuit conductor. The installation or modification of a branch circuit conductor is not considered a part of the installation, repair, or maintenance of a sign or billboard.

(B) The board shall distribute posters to each building permit office in the State requesting that the posters be placed in a conspicuous location to be read by applicants. The posters shall state the following:

"The South Carolina Contractor's Licensing Act requires general and mechanical construction to be performed by licensed contractors. Both the owner and the contractor are subject to penalties for violations of the law. Work performed on projects is exempt from this requirement only for the following reasons:

(1) The total cost of construction is less than \$5,000.00;

(2) The property will be used solely by the owner and his immediate family as a residence for a period of at least two years;

(3) For nonresidential projects, work performed by the owner is limited to nonstructural and non-mechanical portions of the project, or;

(4) The project is a farm building or portable storage building less than five thousand square feet used only for livestock or storage.

All other work must be performed by properly licensed contractors. All persons directly employed by the owner to perform work on the project are subject to state and federal laws covering occupational safety, family and medical leave, workers' compensation, social security, income tax withholding, and minimum wage requirements. Work performed must comply with all applicable laws, ordinances, building codes, and zoning regulations."

SECTION 40-11-370. License required to use term "licensed contractor"; engaging in construction under assumed name; enforcement of contract.

(A) It is unlawful to use the term "licensed contractor" or to perform or offer to perform general or mechanical construction without first obtaining a license as required by this chapter.

(B) It is unlawful to engage in construction under a name other than the exact name which appears on the license issued pursuant to this chapter. "Engaging in construction" includes marketing, advertising, using site signs, and submitting contracts. This requirement does not include advertising on vehicles, which may use an abbreviated version of the license name so long as the advertising is not misleading.

(C) An entity which does not have a valid license as required by this chapter may not bring an action either at law or in equity to enforce the provisions of a contract. An entity that enters into a contract to engage in construction in a name other than the name that appears on its license may not bring an action either at law or in equity to enforce the provisions of the contract.

SECTION 40-11-380. Notification of bankruptcy of licensee.

A licensee who, voluntarily or involuntarily, is subjected to any provision of the laws of bankruptcy shall notify the board within fifteen days and provide any and all information pertinent to the bankruptcy that the board may require.

SECTION 40-11-390. Unlicensed entities engaging in general or mechanical construction prior to April 1, 1999.

An entity which, as of April 1, 1999, is engaging in general or mechanical construction without a license but in compliance with prior law, and which has been doing so for two years, shall receive a Group 1 license upon application and demonstration of financial status.

SECTION 40-11-400. Qualifying party certificates.

The department shall issue qualifying party certificates to an individual serving as a qualifying party. The department shall transfer qualifying party certification under the license classifications or subclassifications in effect as of March 31, 1999, to the license classifications or subclassifications created by this chapter so that no qualifying party shall have to meet additional requirements to continue certification under a particular license classification or subclassification. A certification transferred pursuant to this section remains in effect until it is canceled, revoked, or expires. This section does not allow a qualifying party to qualify for certification in a license classification or subclassification based on ancillary work included under the building license classification or subclassification. Qualifying party certification may be transferred only for those activities which are specifically included in both.

SECTION 40-11-410. License classifications and subclassifications.

The following license classifications are in effect:

(1) "General Contractors-Building" which includes commercial, industrial, institutional, modular, and all other types of building construction, including residential structures. This license classification includes all work under the subclassifications of Wood Frame Structures-Class II, Interior Renovation, Masonry, Pre-engineered Metal Buildings, General Roofing, and Structural Shapes.

Licensees under this classification may perform ancillary work, including grading, associated with the building or structure which the licensee has been engaged to construct. However, if a project includes work performed under a Mechanical Contractor subclassification or any of these license subclassifications, the licensee must have a license for this work or use a contractor licensed in the appropriate license classification or subclassification to perform the work: Swimming Pools, Bridges, Boring and Tunneling, Water and Sewer Lines, Pipe Lines, Railroad Lines, Specialty Roofing, Marine, Water and Sewer Plants, and Asphalt Paving.

(2) "General Contractors-Highway" which includes work under these subclassifications:

(a) "Bridges" which include bridge construction and repairs, railroad trestles and overpasses, and work under the subclassifications of Boring and Tunneling, Concrete, Marine, and Railroad Lines.

(b) "Concrete Paving" which includes the construction, rehabilitation and repair of concrete streets, roads, highways, driveways, parking lots, airport runways and aprons, and concrete work incidental thereto including, but not limited to, sidewalks, curbs, medians, and barrier walls. This subclassification also includes work under the subclassification of Grading.

(c) "Asphalt Paving" which includes asphalt paving, repairs and rehabilitation of streets, roads, highways, parking lots, airport runways and aprons, concrete including, but not limited to, curbs, gutters, and concrete or asphalt paving of storm sewers, and includes paving with sealers, geotextile fabrics, slurry seals, and surface treatments incidental thereto. This subclassification also includes work under the subclassification of Grading.

(d) "Grading" which includes the soil preparation and rehabilitation of streets, roads, highways, railroad beds, building sites, parking lots, and storm sewers. This subclassification also includes work under the subclassification of Highway Incidental.

(e) "Highway Incidental" which includes highway work for grooving, milling, rehabilitating, and installing guardrails, gutters, highway signs, pavement marking, and painting.

(3) "General Contractors-Public Utility" which includes work under these subclassifications:

(a) "Pipe Lines" which includes the construction, installation, alteration, maintenance, and repair of systems for the transmission or distribution of petroleum fuels, petroleum distillates, natural gas, chemicals, and slurries through pipeline from one station to another including all excavating, trenching, backfilling and installation of booster stations and equipment and installation and replacement of tanks connected to the

system. This subclassification does not include the piping and tanks for the dispensing of any petroleum product at retail.

(b) "Water and Sewer Plants" which includes all classifications and subclassifications necessary for the construction of water treatment and wastewater treatment facilities. However, if a project includes work to be performed under any of these license subclassifications, the licensee must either have a license to perform this work or use a contractor licensed in the appropriate license classification or subclassification to perform the work: Bridges, Railroad Lines, Specialty Roofing, and Mechanical work.

(c) "Water and Sewer Lines" which includes construction work on water mains, water service lines, water storage tanks, sewer mains, sewer lines, lift stations, pumping stations and appurtenances to water storage tanks, lift stations, pumping stations, pavement patching, backfill, and erosion control as a part of construction, and which includes connection at the building of all lines to the appropriate lines contained in commercial structures, installation and repair of a project involving manholes, the laying of pipe for storm drains and sewer mains, all necessary connections, and excavation and backfilling, and concrete work incidental thereto.

Contractors in this license subclassification in license groups three, four, and five may install fire protection sprinkler system underground mains to a flanged outlet 1'-0" above the finished floor in compliance with National Fire Protection Association Standard 24. However, shop drawings must be submitted and approved by the State Fire Marshal with a copy of the approved drawings going to the licensed fire sprinkler contractor. Flushing and testing certificates must be delivered to the authority having jurisdiction and the performing licensed fire sprinkler contractor performing. General contractors in this license subclassification may not engage in water and sewer line work from the right-of-way to a residential structure unless the entity is a subcontractor to a licensee holding a plumbing subclassification.

(4) "General Contractors-Specialty" which includes work under these subclassifications:

(a) "Boring and Tunneling" which includes the construction of underground or underwater passageways with diameters in excess of ninety-six inches or lengths in excess of three hundred fifty feet by digging or boring through and under the earth's surface, including the bracing and compacting of passageways to make them safe for the purpose intended. This subclassification includes the preparation of ground surfaces at points of ingress and egress. Underground structures less than ninety-six inches in diameter or less than three hundred fifty feet in length are considered normal excavation.

(b) "Concrete" which includes all work in connection with concrete forming and placing; assembling of forms, molds, slipforms and pans; centering, trenching, excavating, backfill, and grading in connection with concrete construction; construction of sidewalks, driveways, curbs, medians, and barrier walls; and installing of embedded items essential to or comprising an integral part of concrete or concrete construction including reinforcing elements and accessories including, but not limited to, concrete chimneys, floors, piers, and foundations when using concrete rebar and other materials common to the concrete industry. This subclassification does not include the General Contractor-Highway- Bridge license subclassification or the construction of streets, roads, parking lots, and highways.

(c) "Interior Renovation" which includes installing, remodeling, renovations, and finishes of acoustical ceiling systems and panels, load-bearing and nonload-bearing drywall partitions, lathing and plastering, flooring (excluding carpet) and finishing, interior recreational surfaces, window and door installation, and installation of fixtures, cabinets, and millwork; and which also includes fireproofing, insulation, lining, painting, partitions, sandblasting, interior wall covering, and waterproofing. This subclassification does not include alterations to load-bearing portions of a structure.

(d) "Marine" which includes all water activities to construct seawalls, bulkheads, docks, piers, wharves, and other water structures including, but not limited to, pile driving, boat slips, and boardwalks. Licensees under this classification may perform ancillary work including fill and grading. This license subclassification does not include structures within the scope of the General Contractor-Building classification.

(e) "Masonry" which includes the installation, with or without the use of mortar or adhesives, of brick, concrete block, gypsum partition tile, pumice block, fire clay products, rough cut and dressed stone, marble panels or slate units, structural glazed tile or block, glass brick or block, solar screen tile or block, or other units and products common to the masonry industry.

(f) "Pre-engineered Metal Buildings" which includes the construction of pre-engineered metal buildings not exceeding forty feet in width with no single structural span exceeding forty feet in length, and consisting of no more than a concrete floor slab, metal frame, metal roof, metal sidewalls, and building insulation.

(g) "Railroad Lines" which includes the installation and repair of railroad lines, including setting ties, tie plates, rails, rail connectors, frogs, switch plates, switches, and signal markers. This subclassification does not include grading, trestles, or overpasses.

(h) "General Roofing" which includes the installation and repair of roofs and roof decking on commercial, industrial, and institutional structures requiring materials that form a water-tight and weather-resistant surface. This license subclassification is limited to shingles, clay and concrete tile, slate, wood-shake roofing, metal roofing, and asphalt-rolled roofing.

(i) "Specialty Roofing" which includes the installation and repair of roofs and roof decking on commercial, industrial, and institutional structures requiring materials that form a water-tight and weather-resistant surface. This license subclassification includes all work under the General Roofing license subclassification and other types of roofing not specifically included in the general roofing license subclassification.

(j) "Structural Framing" which includes the installation, repair, or alteration of metal or composite structural members for buildings or structures, including riveting, welding, and rigging. This subclassification also includes work under the subclassification of Structural Shapes.

(k) "Structural Shapes" which includes the installation, repair, or alteration of metal or composite shapes, tubing, pipes and bars, including minor field fabrication as may be necessary.

(l) "Swimming Pools" which includes the construction, service, and repair of all commercial and institutional swimming pools and spas, including concrete, gunite, plastic, vinyl-lined, and fiberglass pools and spas; pool decks, walkways, tiling, and coping; and the installation of all equipment, including pumps, filters, and chemical feeders, water and gas service lines from the point of service to the pool equipment, wiring from the pool equipment to the first readily accessible disconnect, pool piping, fittings, backflow prevention devices, waste lines, and other integral parts of a swimming pool or spa.

(m) "Wood Frame Structures" which include framing, roofing, siding, or flooring for wood-framed structures in excess of five thousand feet used for housing livestock, storage, or processing, when such structures are not used for habitation or office facilities.

(n) "Public Electrical Utility" which includes the installation, replacement, alteration, and repair of transmission lines on or off public rights-of-way, including erection of poles, guying systems, tower line erection, street lighting, and outside lighting of all voltages and all underground systems, including ducts for signal communication and similar installations, transformers, circuit breakers, capacitors, primary metering devices, and other related equipment not used in connection with this subclassification. A contract that contains electrical work above fifty volts must be performed by a licensed public utility-electrical or mechanical-electrical contractor. This subclassification does not cover athletic field lighting, stadium lighting, or lighting which is not on public easements or rights-of-way.

(o) "Boiler installation" which includes those who are qualified to install, repair, and service boilers and boiler piping including the boiler auxiliary equipment, controls, and actuated machinery and dryer rolls. To qualify for this subclassification, a person must pass a technical examination administered by the board or must be the holder of the American Society of Mechanical Engineers (ASME) 'S' stamp or hold the National Board of Boiler and Pressure Vessel Inspectors (NBBPVI) 'R' stamp and meet the requirements for licensure according to this chapter.

(p) "Glass and Glazing" which includes, but is not limited to, commercial, residential, industrial, institutional, modular, and all other types of glass and glazing construction. The construction is limited to selection, cutting, assembling, and installing all makes and kinds of glass for windows, sash and doors, metal frames, ornamental decorations, mirrors, and tub and shower enclosures. This license classification includes all work under the subclassifications of renovation, structural shapes, and architectural aluminum glazing systems which include aluminum entrance doors and frame systems, entrance and egress hardware, curtain wall systems, sliding doors/mall fronts, overhead glazing systems, and architectural window systems and accessories. Contractors engaged solely in residential construction must be licensed or registered with the South Carolina Residential Builders' Commission and are not required to have this classification. The board may require an applicant to pass an examination before licensure as provided by this chapter.

(5) "Mechanical Contractors" which includes work under these subclassifications:

(a) "Air Conditioning" which includes the installation, replacement, alteration, and repair of air conditioning equipment and systems which consist of a number of components necessary to produce conditioned air for environmental heating or cooling, or both, within buildings. Hot water or steam heating systems or components are not included under this classification.

(b) "Heating" which includes installation, replacement, alteration, and repair of heating equipment and systems in buildings which require the use of high or low pressure steam vapor or hot water including all piping, ducts, and mechanical equipment within, adjacent to, or connected with a building and the installation of necessary gas lines if any of this equipment is gas-fired.

(c) "Packaged Equipment" (air conditioning-heating packaged equipment limited to twenty-five tons cooling and five hundred thousand BTU/HR heating per unit) which includes the installation, replacement, alteration, or repair of air conditioning equipment and systems which consist of a number of components necessary to produce conditioned air for environmental heating or cooling, or both, within buildings, including types of heating systems and any size package equipment; and the installation, alteration, and repair of ventilation systems, including duct work, air filtering devices, water treatment devices, pneumatic or electrical controls, or control piping; thermal and acoustical insulation, vibration isolation materials and devices, liquid fuel piping and tanks, water and gas piping from service and heating circuits and air handling systems, including gas-fired furnaces and space heaters; and factory-assembled single package units and split type direct expansion equipment, including heat pumps. This subclassification does not include installing, replacing, altering, or repairing hot water or steam heating systems or components.

(d) "Electrical" which includes the installation, alteration, or repair of wiring-related electrical material and equipment used in the generating, transmitting, or utilization of electrical energy less than six hundred volts, including all overhead electrical wiring on public rights-of-way for signs and street decorations and all underground electrical distribution systems of less than six hundred volts serving private properties. This subclassification also includes, but is not limited to, installing, altering, and repairing, panels, controls, conductors, conduits, cables, devices, plates, electric ceilings, control wiring; and electric heating, lighting fixtures, lamps, general outside lighting, underground and overhead feeder distribution systems for services, and related components or work necessary to provide a complete electrical system and installing window or through-the-wall air conditioning units not to exceed three HP or three tons where no piping is necessary. Under this subclassification, general outside lighting is limited solely to within property lines and not on public easements or rights-of-way. A contract that contains electrical work above fifty volts must be performed by a contractor licensed under this subclassification or a licensed public electrical utility contractor. This license subclassification includes installing, altering, and repairing all lighting on private property, athletic fields, stadiums, parking lots, and the design, installation, and servicing of fire alarm systems.

(e) "Lightning Protection Systems" which includes installation, replacement, alteration, or repair of necessary lightning protection conduction, cables, rods, points, anchors, fastening devices, labels, ground clamps, braces, and all related component parts necessary for a complete lightning protection system.

(f) "Plumbing" which includes the installation, replacement, alteration, and repair of all plumbing including solar water heating when performed solely within property lines and not on public easements or rights-of-way except to make connections to water meters or sewer taps as allowed by the utility owner; and the installation, alteration, and repair of all piping, fixtures, and appliances related to water supply, including pressure vessels and tanks, and excluding municipal or related water supply systems; venting and sanitary drainage systems for all fluid and semi-fluid and organic wastes; roof leaders; water-conditioning equipment; piping and equipment for swimming pools; and installation of a system of pipes, fittings, fixtures, drains, and all necessary component parts upon the premises or in a building to supply water to buildings and to convey sewage or other waste products from buildings. If this equipment is gas-fired, the necessary gas lines may be installed under this subclassification used in connection with this subclassification. Plumbing contractors in license groups three, four, and five are not required to be licensed under Chapter 45, Title 23 to install standpipe systems, including water hose connections, water hose cabinets, and related branch lines if the water hoses do not supply water to automatic fire protection sprinklers.

(g) "Pressure and Process Piping" which includes the installation, maintenance, repair, alteration, or extension of a system of piping, tubing, vessels, containers, pumps, apparatus, and appurtenances in connection with pressure piping used for circulation, transporting, holding, or processing of gas, vapor, fluid, liquid, semi-liquid, or any combination of these. However, boilers, boiler piping, piping used to convey potable water, sanitary sewage, liquefied petroleum, manufactured or natural gas or refrigeration, air conditioning and comfort heating piping are not included in this subclassification.

(h) "Refrigeration" which includes the installation, replacement, alteration, and repair of refrigeration equipment and systems used for processing, storage, and display of food products and other perishable commodities and commercial, industrial, and manufacturing processes requiring refrigeration, excluding comfort air conditioning. This subclassification also includes work on systems including related equipment for temperature, safety, and capacity controls, thermal insulation, vibration isolation materials and devices, water treatment devices, construction and installation of walk-in refrigeration boxes, liquid fuel piping and tanks, water and gas piping from equipment to service connection, and testing and balancing of refrigeration equipment and systems. An entity licensed under the air conditioning subclassification may also do work under this subclassification.

SECTION 40-11-420. Who acquires building permit; list of licensed contractors performing work on project.

(A) Building permits, when required by law, must be obtained by the sole prime contractor in the name appearing on that entity's contractor's license.

(B) When there is more than one prime contractor working with a construction manager, the building permit must be obtained by the construction manager in the name appearing on that entity's professional license, and the construction manager must list on the building permit application the names and license numbers of all known licensed contractors performing work on the project. The construction manager must also be identified as such on the permit application by name, license number, and type of license he holds.

(C) If there is more than one prime contractor and no construction manager or if the owner is performing work pursuant to Section 40-11-360(A)(5),(6), or (7), the owner must obtain the building permit and must list on the building permit application the name and license number of all licensed contractors performing work on the project.

SECTION 40-11-430. Severability.

If a provision of this chapter or the application of a provision to a person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this chapter which can be given effect without the invalid provision or application, and to this end the provisions of the chapter are severable.