



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number:	H. 3968	Introduced on March 13, 2017
Author:	Sandifer	
Subject:	Criminal Background Check of POLA Applicants	
Requestor:	Senate Labor, Commerce, and Industry	
RFA Analyst(s):	Stein	
Impact Date:	April 13, 2017	

Estimate of Fiscal Impact

	FY 2017-18	FY 2018-19
State Expenditure		
General Fund	\$0	\$0
Other and Federal	\$171,258	\$152,758
Full-Time Equivalent Position(s)	5.00	0.00
State Revenue		
General Fund	\$17,126	\$15,276
Other and Federal	\$171,258	\$152,758
Local Expenditure	\$0	\$0
Local Revenue	\$0	\$0

Fiscal Impact Summary

This bill will not have an expenditure impact on the General Fund or Federal Funds, but will have an expenditure impact on Other Funds in the amount of \$171,258 beginning in FY 2017-18 and \$152,758 each year thereafter. However, license, investigation, and examination fees collected by the various boards administered by the Department of Labor, Licensing and Regulation (LLR) are expected to offset the estimated expenditures.

This bill will have a revenue impact on the General Fund, as Proviso 81.3 of the FY 2016-17 Appropriations Act requires LLR to remit ten percent of expenditures annually to the General Fund. This amounts to revenue of \$17,126 in FY 2017-18 and \$15,276 each year thereafter.

Explanation of Fiscal Impact

Introduced on March 13, 2017

State Expenditure

This bill deletes the statutory provision prohibiting a professional regulatory board from refusing to issue a license solely because of a prior criminal conviction. The bill adds that a board may refuse (or cancel, fine, suspend, revoke or restrict) an authorization to practice if based on consideration of many factors including the applicant's record of prior convictions or if granting authorization would pose a threat to public health, safety, or welfare. The bill lists other factors that should be considered before denying an applicant a professional license such as fraudulent, deceitful, and unethical behaviors; also a sex crime committed against a child or a crime that directly relates to the applicant's profession or occupation. The bill requires initial applicants to submit to a state background check and a national criminal record check for the purpose of

determining an applicant's eligibility for licensure. Costs associated with these record checks must be borne by the applicant. The bill lists the seventeen boards to which this section applies.

Department of Labor, Licensing and Regulation. This bill would require multiple boards to review criminal background checks and gather a variety of additional information before granting or denying each applicant's request for licensure. The department estimates that five additional administrative assistants would be needed. First year expenditures are estimated at \$171,258 including \$152,158 for salaries and employer contributions, \$600 for operating expenses, and \$18,500 for computers and office equipment.

State Revenue

The Department of Labor, Licensing and Regulation is required, pursuant to Section 40-1-50(D) to adjust fees biennially to ensure that fee revenue is sufficient, but not excessive, to cover expenses of each respective board. Therefore, the expenditure estimates of \$171,258 in the first year of operation, and \$152,758 each year thereafter will be offset by subsequent fee adjustments made to cover any shortfalls in revenue collections from multiple professional and occupational license fees.

Pursuant to Proviso 81.3 of the FY 2016-17 Appropriations Act, the Department of Labor, Licensing and Regulation is required to remit annually to the General Fund an amount equal to ten percent of expenditures. Consequently, General Fund remittances are estimated at \$17,126 in FY 2017-18 and \$15,276 each year thereafter.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director