

Regulatory Review Task Force and Cabinet Agency Recommendations

STATUTORY REFORMS

The list below is a compilation of proposed legislative recommendations made by the Governor's Regulatory Review Task Force (found in the November 2013 Executive Summary Report) or submitted to the Task Force by cabinet agencies. In December 2013, Governor Haley asked cabinet agencies, DHEC and LLR Boards to make many policy and regulatory reforms proposed by the Task Force or cabinet agencies, many of which will be or already are implemented. **Governor Haley is also asking for legislative support in the 2014 Legislative Session for the below list of statutory reforms proposed by the Task Force or cabinet agencies.**

Department of Labor, Licensing and Regulation:

In General:

1. Section 40-1-70 – Strengthen the LLR Director's review capability to allow her to veto proposed regulations prior to promulgation by a board, which could limit the passage of unnecessary, unduly burdensome or costly regulations. Current law only requires the LLR director to review proposed regulations prior to promulgation.

Contractors and Manufactured Housing:

2. Section 40-11-30 – Raise the limit for requiring contractors to be licensed from \$5,000 for a job to \$15,000 for a job, allowing small contractors to get business more easily.
3. Section 40-11-240(B)(4) – Remove the requirement for a contractor to provide LLR with a reference from a bank or other financial institution in order to qualify for licensure. This statute also requires a detailed statement of the entity's current financial condition therefore a bank reference is not necessary to determine the financial health of an entity.
4. Sections 40-59-20(7), 40-59-220(D), 40-59-240(B) – Eliminate the licensure and registration requirements for Specialty Contractors (e.g. electricians, plumbers). There are no minimum qualifications to get a specialty license, and therefore, the license not only gives consumers a false sense of security but also serves as an unnecessary burden to applicants.
5. Section 23-43-90 – Eliminate the redundancy that plans for Manufactured (or Modular) Houses be inspected by LLR when those plans are also inspected and approved by a third party inspection agency (i.e. an architect). Duplicative requirements, such as this, are an administrative burden to businesses and do not add any protections for the consumer.

Cosmetologists and Hair-Braiders:

6. Section 40-7-255 – Repeal the statute requiring that hair-braiders be registered, opening up the industry and eliminating unnecessary regulation. This is an LLR recommendation.

7. Section 40-13-20(1) – Repeal the statute requiring that rental booths be licensed in salons that are already licensed. The current licensing scheme for salons creates redundancies whereby the salon, itself, has to be licensed along with the cosmetologists, nail technicians, and estheticians who work at the salon, which is unnecessary and provides no extra protections to the consumer.

Massage/Bodywork:

8. Section 40-30-110 – Lower the education level for Massage/Bodywork Licenses from a high school diploma to 10th Grade to be in line with similar industries, such as Cosmetologists and Barbers.

Physical Therapists:

9. Section 40-45-270 – Allow licensed out-of-state physical therapists to practice in South Carolina for a limited time without having to obtain state licensure, which will help those professionals traveling in state with an athletic team or during a declared disaster.

Funeral Service:

10. Sections 40-19-265(C), 40-19-20(19), 40-19-20(12), 40-19-290 – Repeal the permitting requirements for retail sales outlets which sell caskets and other funeral merchandise. The Board of Funeral Service Standards has used and interpreted these statutes in a manner that appears not related to public safety as much as it might be construed as economic protectionism. The repeal of these statutes will ease the burden for small businesses or individuals that wish to make or sell low budget funeral merchandise.

Department of Insurance:

Small Employer Reinsurance Program:

11. Section 38-71-1410 – Repeal the Small Employer Reinsurance Program (SERP), which is no longer necessary after risk assuming carriers take on the full risk of small group enrollees. There are no longer enough small group enrollees to justify the continuance of this program.

Captive Insurance:

12. Section 38-90-160 – Amend the provisions to permit captive insurance companies to use an arbitration-like mechanism to resolve disputes. Currently, captive insurance companies must use the court system, which is expensive, inefficient, and not well suited to the close and sophisticated nature of captive insurance parties.