

**STORAGE NAME:** h1907a.in

**DATE:** April 8, 1999

**HOUSE OF REPRESENTATIVES  
COMMITTEE ON  
INSURANCE  
ANALYSIS**

**BILL #:** HB 1907

**RELATING TO:** Fire prevention and control

**SPONSOR(S):** Representative Waters

**COMPANION BILL(S):** SB 2504 (i)

**ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:**

- (1) INSURANCE YEAS 10 NAYS 0
  - (2) GENERAL GOVERNMENT APPROPRIATIONS
  - (3)
  - (4)
  - (5)
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**I. SUMMARY:**

The State Fire Marshal is designated by the Insurance Commissioner. According to s. 633.01(3), F.S., the State Fire Marshal has the responsibility to minimize the loss of life and property in the state due to fire.

An organization or an individual engaged in servicing, recharging, testing, repairing, inspecting, or installing fire extinguishers or fire suppression systems must be licensed or permitted under s. 633.061, F.S. All fire extinguishers and fire suppression systems required by statute must be serviced by an organization or an individual licensed under chapter 633, F.S.

Beginning on January 1, 2000, licenses and permits for servicing fire extinguishers and fire suppression equipment issued by the State Fire Marshal would be valid for a two-year period, rather than a single calendar year. The fees would be adjusted to reflect the longer license or permit period.

The terms "servicing," "inspection," and "marking" would be defined in s. 633.021, F.S.

**Amendment**

On April 7, 1999, the Committee on Insurance adopted an amendment to HB 1907. See section VI of the analysis for a discussion of the amendment.

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II. SUBSTANTIVE ANALYSIS:

A. PRESENT SITUATION:

**STATE FIRE MARSHAL**

The State Fire Marshal is designated by the Insurance Commissioner. According to s. 633.01(3), F.S., the State Fire Marshal has the responsibility to minimize the loss of life and property in the state due to fire. The State Fire Marshal's responsibilities include the enforcement of all laws regarding the servicing, repairing, recharging, testing, marking, inspecting, installing, maintaining, and tagging of fire extinguishers and fire protection systems, and the training and licensing of persons engaged in those activities.

An organization or an individual engaged in servicing, recharging, testing, repairing, inspecting, or installing fire extinguishers or fire suppression systems must be licensed or a permitted under s. 633.061, F.S. All fire extinguishers and fire suppression systems required by statute must be serviced by an organization or an individual licensed under chapter 633, F.S.

**QUALIFICATIONS FOR LICENSES AND PERMITS**

Licenses

For an individual to be licensed by the State Fire Marshal to service, recharge, test, mark, inspect, or install fire extinguishers or fire suppression equipment, the applicant must:

- ◆ be registered as a Florida corporation;
- ◆ possess the proper equipment required to perform the services;
- ◆ provide proof of insurance;
- ◆ complete a training course approved by the State Fire Marshal; and
- ◆ pass a written examination developed and administered by the State Fire Marshal.

According to s. 633.061, F.S., the licensee is legally qualified to act for a business and must supervise all activities undertaken by the business.

A license issued by the State Fire Marshal is valid for one calendar year.

Permits

A person who services, recharges, repairs, installs, or inspects fire extinguisher or fire suppression equipment must possess a valid permit issued by the State Fire Marshal. A permit may not be issued unless the person has submitted an examination fee of \$50, completed a training course approved by the State Fire Marshal, and passed an examination developed by the State Fire Marshal.

A permit issued by the State Fire Marshal is valid for one calendar year.

**FEES FOR LICENSES AND PERMITS**

The State Fire Marshal charges fees for licensing and permitting.

<u>Activity</u>	<u>License fee</u>	<u>Permit fee</u>
service, recharge, repair, install, inspect, or conduct hydrostatic tests on all types of fire extinguishers	\$150	\$50
service, recharge, repair, install, or inspect all types of fire extinguishers, including recharging carbon dioxide units, and to conduct hydrostatic test on water, water	\$100	\$50

chemical, and dry chemical types  
of fire extinguishers only

service, recharge, repair, install, or inspect all types of fire extinguishers, except recharging carbon dioxide units, and to conduct hydrostatic tests on water, water chemical, and dry chemical types of extinguishers only	\$100	\$50
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service, repair, install, or inspect all types of fire suppression systems	\$125	\$65
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The State Fire Marshal charges \$10 to issue a duplicate license or permit or reflect a change of address.

According to the Division of State Fire Marshal there are currently 500 licensees and 1,700 permit holders in the state. Between July 1998 and February 1999, the State Fire Marshal had collected \$145,975 in fees. These funds are placed in the Insurance Commissioner's Regulatory Trust Fund, which had a balance of \$27 million in February 1999. The Insurance Commissioner's Regulatory Trust Fund is used to fund the Department of Insurance.

**B. EFFECT OF PROPOSED CHANGES:**

Beginning on January 1, 2000, licenses and permits issued by the State Fire Marshal would be for a two-year period, rather than a single calendar year. The fees would be adjusted to reflect the longer license or permit period. For example, under current law, if an individual applies for a permit for each year of a two year period to service, repair, install, or inspect all types of fire suppression systems, that individual would pay \$130 in fees. Under the proposed change, that individual would be permitted for a 2-year period and the cost would be \$120. The individual would save \$10.

The following fees would be charged for a 2-year license or permit:

<u>Activity</u>	<u>Proposed biennial license fee</u>	<u>Proposed biennial permit fee</u>
service, recharge, repair, install, inspect, or conduct hydrostatic tests on all types of fire extinguishers	\$250	\$90
service, recharge, repair, install, or inspect all types of fire extinguishers, including recharging carbon dioxide units, and to conduct hydrostatic test on water, water chemical, and dry chemical types of fire extinguishers only	\$150	\$90
service, recharge, repair, install, or inspect all types of fire extinguishers, except recharging carbon dioxide units, and to conduct hydrostatic tests on water, water chemical, and dry chemical types of extinguishers only	\$150	\$90
service, repair, install, or inspect all types of fire suppression systems	\$200	\$120

The Division of the State Fire Marshal estimates that the biennial licensing period would negatively impact the Insurance Commissioner's Regulatory Trust Fund by \$35,000 to \$40,000.

The terms "servicing," "inspection," and "marking" would be defined in s. 633.021, F.S.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

N/A

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

N/A

(3) any entitlement to a government service or benefit?

N/A

b. If an agency or program is eliminated or reduced:

(1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

N/A

(2) what is the cost of such responsibility at the new level/agency?

N/A

(3) how is the new agency accountable to the people governed?

N/A

2. Lower Taxes:

a. Does the bill increase anyone's taxes?

N/A

b. Does the bill require or authorize an increase in any fees?

N/A

c. Does the bill reduce total taxes, both rates and revenues?

N/A

d. Does the bill reduce total fees, both rates and revenues?

Yes. The total fees charged for a 2-year license or permit from the State Fire Marshal would be less than the fees that are currently charged for a 2-year period for an annual license or permit.

e. Does the bill authorize any fee or tax increase by any local government?

N/A

3. Personal Responsibility:

- a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

N/A

- b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

N/A

4. Individual Freedom:

- a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

N/A

- b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

N/A

5. Family Empowerment:

- a. If the bill purports to provide services to families or children:

- (1) Who evaluates the family's needs?

N/A

- (2) Who makes the decisions?

N/A

- (3) Are private alternatives permitted?

N/A

- (4) Are families required to participate in a program?

N/A

- (5) Are families penalized for not participating in a program?

N/A

- b. Does the bill directly affect the legal rights and obligations between family members?

N/A

- c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

(1) parents and guardians?

N/A

(2) service providers?

N/A

(3) government employees/agencies?

N/A

D. STATUTE(S) AFFECTED:

Amends s. 633.061 and s. 633.021, F.S.

E. SECTION-BY-SECTION ANALYSIS:

**Section 1.** Amends s. 633.061, F.S., to authorize a biennial license or permit for those who service fire extinguishers or fire suppression systems. The fees for licenses and permits would be adjusted to reflect the longer licensing period.

**Section 2.** Amends s. 633.021, F.S., to define the terms “servicing,” “inspection,” and “marking.”

**Section 3.** Provides for an effective date of January 1, 2000.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

According to the Department of Insurance, the fiscal impact of HB 1907 would be:

1. Non-recurring Effects:

	<u>FY 99-00</u>	<u>FY 00-01</u>	<u>FY 01-02</u>
Insurance Commissioner’s Regulatory Trust Fund (Programming changes to adapt existing system to a biennial system)	(\$10,000)	0	0

2. Recurring Effects:

	<u>FY 99-00</u>	<u>FY 00-01</u>	<u>FY 01-02</u>
Insurance Commissioner’s Regulatory Trust Fund (permitting revenues)	\$110,000	(\$145,000)	\$110,000

3. Long Run Effects Other Than Normal Growth:

N/A

4. Total Revenues and Expenditures:

	<u>FY 99-00</u>	<u>FY 00-01</u>	<u>FY 01-02</u>
Insurance Commissioner’s Regulatory Trust Fund	\$100,000	(\$145,000)	(\$110,000)

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

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1. Non-recurring Effects:

N/A

2. Recurring Effects:

N/A

3. Long Run Effects Other Than Normal Growth:

N/A

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

N/A

2. Direct Private Sector Benefits:

Those individuals that have licenses or permits to service fire extinguishers and fire suppression equipment would pay less in fees for licenses and permits and be permitted for a longer period.

3. Effects on Competition, Private Enterprise and Employment Markets:

N/A

D. FISCAL COMMENTS:

N/A

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

N/A

B. REDUCTION OF REVENUE RAISING AUTHORITY:

N/A

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

N/A

V. COMMENTS:

N/A

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

On April 7, 1999, the Committee on Insurance adopted an amendment offered by Representative Waters.

Amendment #1 provides that the biennial licensing period proposed in the bill would begin on January 1, 2000 and that all licenses would expire on December 31 of each odd numbered year. The fee for a license or permit issued for one year or less would be 50 percent of the biennial fee. Each licensee or permit holder would be required to complete at least 32 hours of continuing education courses every 4 years. The definitions for the terms "servicing," "inspection," and "marking" would be removed from the bill.

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VII. SIGNATURES:

COMMITTEE ON INSURANCE:

Prepared by:

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