

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 1001 Construction Contracting
SPONSOR(S): Representative Evers
TIED BILLS: **IDEN./SIM. BILLS:** SB 2304

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>Trades, Professions, & Reg. Business (Sub)</u>	<u>9 Y, 0 N</u>	<u>Livingston</u>	<u>Liepshutz</u>
2) <u>Business Regulation</u>	<u></u>	<u></u>	<u></u>
3) <u></u>	<u></u>	<u></u>	<u></u>
4) <u></u>	<u></u>	<u></u>	<u></u>
5) <u></u>	<u></u>	<u></u>	<u></u>

SUMMARY ANALYSIS

Construction contracting, is regulated under part I of chapter 489, F.S. With certain statutory exemptions, construction contractors are regulated by the Construction Industry Licensing Board (CILB) within the DBPR. Contractors must either be certified (i.e., licensed by the state to contract statewide), or registered (i.e., licensed by a local jurisdiction and registered by the state to contract work within the geographic confines of the local jurisdiction only).

Exemption from licensure currently exists for the sale and installation of construction materials that are not fabricated into and do not become a permanent fixed part of the structure, such as awnings.

The CILB is statutorily divided into two divisions, I and II. Division I has jurisdiction over the regulation of general contractors, building contractors, and residential contractors. Division II has jurisdiction over the remaining contractors under the CILB, including plumbing contractors, air conditioning contractors and mechanical contractors.

The bill exempts the construction activity of installing garage doors from licensure requirements, similar to the exemption currently authorized for the installation of awnings.

The bill expands the scope of work for Class A and B air conditioning & heating contractors so that they will be able to disconnect and reconnect propane and natural gas fuel lines when installing replacements of air conditioning and heating systems in buildings. For mechanical contractors, the bill expands the scope of work to allow them to install LP gas fuel lines, in addition to the natural gas fuel lines within buildings that they already can install under existing law. The section also expands the scope of work for plumbers to include LP gas line installations. Currently, plumbers can install natural gas lines.

The bill does not appear to have a fiscal impact on state or local governments.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

STORAGE NAME: h1001a.br
DATE: March 11, 2004

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. DOES THE BILL:

- | | | | |
|--------------------------------------|------------------------------|-----------------------------|---|
| 1. Reduce government? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. Lower taxes? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. Expand individual freedom? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. Increase personal responsibility? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. Empower families? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

B. EFFECT OF PROPOSED CHANGES:

Present situation

Construction contracting, is regulated under part I of chapter 489, F.S. With certain statutory exemptions from licensure, construction contractors are regulated by the Construction Industry Licensing Board (CILB) within the DBPR. Contractors must either be certified (i.e., licensed by the state to contract statewide), or registered (i.e., licensed by a local jurisdiction and registered by the state to contract work within the geographic confines of the local jurisdiction only).

When a contractor only engages in a sub-set of activities that constitute a license category, then he is said to be engaging in specialty contracting. The state only certifies a small number of specialty contractors pursuant to statute and agency rules. It is an option for a contractor to become licensed in one of those specialty contracting categories at the state level. An example, of one of the state level specialty contracting categories is "drywall" construction. The benefit of being licensed for a specialty at the state level is that the license is valid statewide and, therefore, avoids the need to be licensed in each jurisdiction separately.

When a sub-set of activities (specialty) is not one of the few sub-sets licensed at the state level, and a permit is required at the local level for a project, then a local specialty license is usually adequate to "pull" a permit, as long as the specialty license covers the activities necessary to do the project. A state certification or registration in a state level license category whose scope of activities encompasses the specialty sub-set of activities would also be sufficient to pull the permit.

Exemption from licensure currently exists for the sale and installation of construction materials that are not fabricated into and do not become a permanent fixed part of the structure, s. 489.103(6), F.S. Awnings are statutorily cited as an example of such an exempt product.

The CILB is statutorily divided into two divisions, I and II. Division I has jurisdiction over the regulation of general contractors, building contractors, and residential contractors. Division II has jurisdiction over the remaining contractors under the CILB, including plumbing contractors, air conditioning contractors and mechanical contractors.

The "scope of work" for which licensure is required is specified in statute by definition. Each definition of the various professions is known as the "practice act" for that profession and establishes the guidelines for licensure of the individual practitioners.

Effect of proposed changes

HB 1001 is a construction contracting bill that addresses several of the "scope of work" descriptions of activities that define the various licensing classifications of chapter 489, F.S.

Section 1 of the bill exempts the construction activity of installing garage doors from licensure requirements, similar to the exemption currently authorized for the installation of awnings.

Section 2 of the bill expands the scope of work for Class A and B air conditioning & heating contractors so that they will be able to disconnect and reconnect propane and natural gas fuel lines when installing replacements of air conditioning and heating systems in buildings. For mechanical contractors, the bill expands the scope of work to allow them to install LP gas fuel lines, in addition to the natural gas fuel lines within buildings that they already can install under existing law. The section also expands the scope of work for plumbers to include LP gas line installations. Currently, plumbers can install natural gas lines.

Section 3 is the effective date - July 1, 2004.

C. SECTION DIRECTORY:

NA

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

NA

2. Expenditures:

NA

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

No significant economic impact is anticipated.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

NA

2. Other:

None.

B. RULE-MAKING AUTHORITY:

NA

C. DRAFTING ISSUES OR OTHER COMMENTS:

None noted.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES