

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 1001 w/CS 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>33 Y, 0 N w/CS</u>	<u>Livingston</u>	<u>Liepshutz</u>
3) _____	_____	_____	_____
4) _____	_____	_____	_____
5) _____	_____	_____	_____

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 Department of Business and Professional Regulation (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).

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

The bill authorizes the Board of Landscape Architecture to adopt rules to allow landscape architects to electronically sign and seal plans and documents. The changes track current authorization language for engineers, surveyors, and mappers.

The bill creates a licensure exemption under s. 489.103, F.S., to clarify that an individual licensed or permitted under chapter 633, F.S., by the State Fire Marshal's office to install a pre-engineered fire suppression system does not also have to be licensed as a contractor under chapter 489, F.S., by the DBPR.

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: h1001b.br.doc
DATE: March 17, 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 – scope of work

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.

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 the individual practitioners.

Landscape Architects - electronic seals

Currently, chapter 471, F.S. regulates the practice of engineering and chapter 472, F.S., regulates the practice of land surveying and mapping. The regulatory scheme for the two groups is similar. Both

professions are regulated by statutorily created boards, and individuals must meet licensure requirements in order to legally practice their profession. For both professions, the statutes state that the boards shall prescribe, by rule, a form of seal to be used by practitioners.

Fire suppression - licensing

Section 633.061, F.S., relates to fire suppression equipment and licensure to install or maintain the equipment. Subsection (1) states,

it is unlawful for any organization or individual to engage in the business of servicing, repairing, recharging, testing, marking, inspecting, installing, or hydrotesting any fire extinguisher or pre-engineered system in this state except in conformity with the provisions of this chapter. Each organization or individual that engages in such activity must possess a valid and subsisting license issued by the State Fire Marshal.

This subsection specifically requires a Class D license to service, repair, recharge, hydrotest, install, or inspect all types of pre-engineered fire extinguishing systems.

Subsection (2) requires a pre-engineered permit. "Pre-engineered permittee" is defined to mean a person who is limited to the servicing, recharging, repairing, installing, or inspecting of all types of pre-engineered fire extinguishing systems. Each individual actually performing the work or inspecting fire extinguishers or pre-engineered systems must possess a permit issued by the State Fire Marshal. Permittees are limited as to specific type of work performed to allow work no more extensive than the class of license held by the licensee under whom the permittee is working.

Effect of proposed changes

Construction – scope of work

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

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 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.

Landscape Architects - electronic seals

This bill amends s. 481.321, F.S., pertaining to seals which are affixed to official landscape architect documents, to allow for the use of electronic seals in addition to the traditional physical seals on paper. The bill authorizes the Board of Landscape Architecture to adopt rules to allow landscape architects to electronically sign and seal plans and documents. This section is also amended to specify that after a landscape architect's certificate of registration has expired, the landscape architect cannot legally use electronic seals. Once a landscape architect's seal has expired or been revoked or suspended, the landscape architect must surrender the seal to the executive director of the board and confirm to the executive director the cancellation of the electronic signature. The changes track current authorization language for engineers, surveyors, and mappers.

Fire suppression - licensing

The bill creates a licensure exemption under s. 489.103, F.S., to clarify that an individual licensed or permitted under chapter 633, F.S., by the State Fire Marshal's office to install pre-engineered fire

suppression systems does not also have to be licensed as a contractor under chapter 489, F.S., by the DBPR.

C. SECTION DIRECTORY:

Section 1. Amends s. 481.321, F.S., to authorize the Board of Landscape Architecture to adopt rules to allow landscape architects to electronically sign and seal plans and documents.

Section 2. Reenacts s. 481.325, F.S., to incorporate a reference thereto.

Section 3. Amends s. 489.103, F.S., to clarify that an individual licensed or permitted by the State Fire Marshal's office to install a pre-engineered fire suppression system does not also have to be licensed as a contractor by the DBPR.

Section 4. Amends s. 489.105, F.S., to expand the scope of work for Class A and B air conditioning and heating contractors so that they will be able to disconnect and reconnect propane and natural gas lines; to expand the scope of work to allow mechanical contractors to install LP gas lines; and to expand the scope of work for plumbers to include LP gas line installations.

Section 5. Effective date - July 1, 2004.

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:

The bill authorizes the Board of Landscape Architecture to adopt rules to allow landscape architects to electronically sign and seal plans and documents.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None noted.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

The CS:

Removes the licensure exemption specified in the original bill for the construction activity of installing garage doors. Current requirements for licensure would apply.

Authorizes the Board of Landscape Architecture to adopt rules to allow landscape architects to electronically sign and seal plans and documents.

Clarifies that an individual licensed or permitted under chapter 633, F.S., by the State Fire Marshal's office to install a pre-engineered fire suppression system does not also have to be licensed as a contractor under chapter 489, F.S., by the DBPR.