

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: CS/SB 1328

SPONSOR: Comprehensive Planning Committee and Senator Constantine

SUBJECT: Construction Practices Review

DATE: March 2, 2004 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Oxamendi</u>	<u>Imhof</u>	<u>RI</u>	<u>Favorable</u>
2.	<u>Cooper</u>	<u>Yeatman</u>	<u>CP</u>	<u>Fav/CS</u>
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

The Committee Substitute (CS) makes a legislative finding that the possibility exists for an increase in the prevalence of construction flaws and a decrease in the quality of building and home construction because of the increasing rate of home construction.

The CS provides that it is the legislative intent that the review required by this act will increase the quality of construction and the effectiveness of home inspections while providing protection for builders, inspectors, and consumers.

The CS requires that beginning July 1, 2004, the commission must conduct or contract for a review of current construction practices in this state for the purpose of formulating recommendations concerning how to improve the quality of construction and the effectiveness of home inspections, while promoting the safety, accountability, and affordability of construction.

The CS requires that the commission make a written report of its findings to the Governor, President of the Senate, and Speaker of the House by January 15, 2005. The report must include any recommendations for proposed legislation that the commission considers appropriate and necessary.

This CS would take effect July 1, 2004.

This CS creates an unnumbered section of the Florida Statutes.

II. Present Situation:

The unified, statewide Florida Building Code (code) provides a single set of documents to direct public and private building throughout the state.¹ It establishes minimum safety standards for the design and construction of buildings by addressing such issues as structural integrity; mechanical, plumbing, electrical, lighting, heating, air conditioning, ventilation, fireproofing, and exit systems; safe materials; energy efficiency; and accessibility by persons with physical disabilities. In doing so, these regulations protect lives and property, promote innovation and new technology, and help ensure economic viability through the availability of safe and affordable buildings and structures.²

The Florida Building Commission (commission) is responsible for developing and maintaining the code in accordance with the latest technology. The commission is also responsible for evaluating local code amendments, maintaining consistent interpretation of the code, overseeing code education and training, and conducting state product approval.³ The commission is located within the Department of Community Affairs for administrative purposes, and consists of 23 members who are appointed by the governor and confirmed by the Senate.⁴

County and municipal governments are the primary agents responsible for enforcement of the code.⁵ Section 553.80(1), F.S., provides that

“...each local government and each legally constituted enforcement district with statutory authority shall regulate building construction and, where authorized in the state agency's enabling legislation, each state agency shall enforce the Florida Building Code required by this part on all public or private buildings, structures, and facilities...”

Local officials inspect buildings at various phases of construction, and upon final inspection, grant a certificate of occupancy for the structure. Local officials employed as Building Code Administrators, Building Inspectors, and Plans Examiners are certified pursuant to Part XII of ch. 468, F.S.

Orlando Sentinel and WESH-News Channel 2 Investigation

The Orlando Sentinel and WESH-News Channel 2 conducted a yearlong investigation into the quality of new-home construction in Orange, Seminole, Lake, Osceola, Polk, and Volusia counties. They were aided in their investigation by engineering students from the University of Central Florida, who helped inspect 406 homes that had been built in 2001. The inspections were conducted between April and October, 2003. These homes were randomly selected from the approximately 18,000 home built in those six counties during 2001.

¹ s. 553.73, F.S.

² *Development of the Florida Building Code*, March 2000, by the Florida Department of Community Affairs, p. 1.

³ Part IV, ch. 553, F.S.

⁴ s. 553.74, F.S.

⁵ s. 553.79(1), F.S. In limited circumstances, employees of a local school board, a community college board, or a university may be authorized to conduct inspections of buildings and to enforce the code.

The investigation, which was chronicled in an eight-part series in the Orlando Sentinel between October 31 and November 11, 2003, documented a range of problems with the quality of new-home construction in Central Florida.

The survey found widespread problems in the construction of homes in the Orlando area. It found cracking in walls and concrete slabs, window and door problems, finishing, heating and cooling problems, mold in ductwork and air handlers, roofing flaws and poor drainage.⁶

According to the Orlando Sentinel's report, industry experts believe that these problems could result in higher maintenance costs, lower resale values, and "a worn and faded-looking housing stock."⁷

The builders involved disagreed heatedly with the findings of the survey. In the survey, production or tract builders built 41 percent of the homes inspected. A spokesman for some of these builders indicated the builders were concerned because the inspections were not conducted by certified individuals.⁸

III. Effect of Proposed Changes:

Section 1. This CS creates an unnumbered section of the Florida Statutes. Subsection (1) makes the legislative finding that, due to the increasing rate of home construction, the possibility exists for an increase in the prevalence of construction flaws and a decrease in the quality of building and home construction.

The CS provides that it is the legislative intent that the review required by this act will increase the quality of construction and the effectiveness of home inspections while providing protection for builders, inspectors, and consumers.

This CS does not address a particular building practice, specialty, or standard.

Subsection (2) of the CS requires that beginning July 1, 2004, the commission must conduct or contract for a review of current construction practices in this state for the purpose of formulating recommendations concerning how to improve the quality of construction and the effectiveness of and home inspections, while promoting the safety, accountability, and affordability of construction.

The CS requires the commission to conduct or contract for the research that supports the purpose of this bill. It requires that the commission conduct hearings and other activities that it considers essential in fulfilling this purpose.

Subsection (3) requires that the commission make a written report of its findings to the Governor, President of the Senate, and Speaker of the House by January 15, 2005. The report must include any recommendations for proposed legislation that the commission considers appropriate and necessary.

⁶ Orlando Sentinel Eight-Part Series: *Building Homes: Building Problems*, October 31, 2003 through November 11, 2003.

⁷ Orlando Sentinel Eight-Part Series: *Building Homes: Building Problems*, October 31, 2003, page A8.

⁸ Orlando Sentinel, *Angry Builders Object to New-Homes Survey*, November 2, 2003.

Section 2. This bill would take effect July 1, 2004.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

The CS requires that beginning July 1, 2004, the Florida Building Commission must conduct or contract for a review of current construction practices in this state for the purpose of formulating recommendations concerning how to improve the quality of construction and the effectiveness of building and home inspections.

The Department of Community Affairs estimates that the costs of the review by the Florida Building Commission will be \$120,000 for FY 2004/5.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
