Florida Senate - 2006

CS for SB 1894

 $\ensuremath{\textbf{By}}$ the Committee on Regulated Industries; and Senators Baker and Bennett

580-2434-06

1	A bill to be entitled	
2	An act relating to professional regulation by	
3	the Department of Business and Professional	
4	Regulation; amending s. 489.128, F.S.;	
5	providing that individuals performing certain	
6	construction contracting work are not	
7	considered unlicensed for purposes of contract	
8	enforceability; providing for retroactive	
9	application; amending s. 489.503, F.S.;	
10	exempting nationally recognized testing	
11	laboratories from certain alarm system	
12	contracting provisions; amending s. 489.505,	
13	F.S.; defining the term "nationally recognized	
14	testing laboratory"; amending s. 489.516, F.S.;	
15	exempting certain electrical and alarm system	
16	contractors from ordinances or codes of local	
17	governments or special districts requiring	
18	various types of recognition by certain	
19	national entities; authorizing local	
20	governments or special districts to require	
21	such contractors to provide certain	
22	documentation at the final inspection of an	
23	alarm system; reserving the authority of local	
24	governments and special districts to require	
25	compliance with the Florida Fire Prevention	
26	Code and NFPA No. 72; amending s. 489.532,	
27	F.S.; providing that individuals performing	
28	certain electrical and alarm system contracting	
29	work are not considered unlicensed for purposes	
30	of contract enforceability; providing for	
31	retroactive application; amending s. 468.385,	

1

1	F.S.; requiring an applicant for an auctioneer
2	license to submit fingerprints with the
3	application; revising information that must be
4	submitted with an application regarding the
5	applicant; amending s. 468.609, F.S.; providing
б	additional eligibility requirements for a
7	person to take the examination for
8	certification as a building code inspector or
9	plans examiner; revising a reference to the
10	organization administering certain
11	examinations; amending s. 468.617, F.S.;
12	authorizing certain limited certificateholders
13	to provide services to specified jurisdictions;
14	amending s. 468.619, F.S.; providing for the
15	application of the building code enforcement
16	officials' bill of rights to certain
17	disciplinary investigations and proceedings;
18	amending s. 468.621, F.S.; providing for
19	disciplinary proceedings for violations
20	involving failure to follow building code or
21	permit requirements, obstructing an
22	investigation, and accepting services at a
23	noncompetitive rate from any person whose work
24	is under the enforcement authority of the
25	official, under certain circumstances; amending
26	ss. 489.113 and 489.117, F.S.; exempting
27	certain contractors and specialty contractors
28	who are working under the supervision of a
29	property owner who is acting as his or her own
30	contractor from certification or registration
31	requirements; amending s. 468.627, F.S.;

1	providing requirements for continuing education
2	in ethics; removing provisions relating to an
3	option of taking an equivalency test in lieu of
4	taking core curriculum classes; amending s.
5	489.115, F.S.; requiring applicants for initial
6	issuance of a certificate or registration as a
7	contractor to submit to criminal history
8	records checks; authorizing the board to deny
9	licensure to certain applicants; specifying
10	matters the board must consider concerning
11	licensure; prohibiting the denial of licensure
12	based solely on a felony conviction or the
13	status of the civil rights of the applicant;
14	specifying that guidelines for determining
15	financial stability may include minimum
16	requirements for net worth, cash, and bonding;
17	providing that a portion of financial
18	requirements may be met by completing specified
19	coursework; providing an effective date.
20	
21	Be It Enacted by the Legislature of the State of Florida:
22	
23	Section 1. Paragraphs (a) and (b) of subsection (1) of
24	section 489.128, Florida Statutes, are amended to read:
25	489.128 Contracts entered into by unlicensed
26	contractors unenforceable
27	(1) As a matter of public policy, contracts entered
28	into on or after October 1, 1990, by an unlicensed contractor
29	shall be unenforceable in law or in equity by the unlicensed
30	contractor.
31	
	-

1	(a) For purposes of this section, an individual is
2	unlicensed if the individual does not have a license required
3	by this part concerning the scope of the work to be performed
4	under the contract. A business organization is unlicensed if
5	the business organization does not have a primary or secondary
6	qualifying agent in accordance with this part concerning the
7	scope of the work to be performed under the contract. <u>For</u>
8	purposes of this section, if no state or local license is
9	required for the scope of work to be performed under the
10	contract, the individual performing that work shall not be
11	considered unlicensed.
12	(b) For purposes of this section, an individual or
13	business organization <u>may</u> shall not be considered unlicensed
14	for failing to have an occupational license certificate issued
15	under the authority of chapter 205. A business organization
16	\underline{may} shall not be considered unlicensed for failing to have a
17	certificate of authority as required by ss. 489.119 and
18	489.127. For purposes of this section, a business organization
19	entering into the contract may not be considered unlicensed
20	if, before the date established by paragraph (c), an
21	individual possessing a license required by this part
22	concerning the scope of the work to be performed under the
23	contract has submitted an application for a certificate of
24	authority designating that individual as a qualifying agent
25	for the business organization entering into the contract, and
26	the application was not acted upon by the department or
27	applicable board within the time limitations imposed by s.
28	120.60.
29	Section 2. Subsection (21) is added to section
30	489.503, Florida Statutes, to read:
31	489.503 ExemptionsThis part does not apply to:
	4

1 (21) Alarm system inspections, audits, or quality 2 assurance services performed by a nationally recognized testing laboratory that the Occupational Safety and Health 3 4 Administration has recognized as meeting the requirements of 29 C.F.R. s. 1910.7. 5 6 Section 3. Subsection (29) is added to section 7 489.505, Florida Statutes, to read: 8 489.505 Definitions.--As used in this part: 9 (29) "Nationally recognized testing laboratory" means an organization that the Occupational Safety and Health 10 Administration has legally recognized to be in compliance with 11 12 29 C.F.R. s. 1910.7 and that provides quality assurance, 13 product testing, or certification services. Section 4. Subsection (5) is added to section 489.516, 14 Florida Statutes, to read: 15 16 489.516 Qualifications to practice; restrictions; 17 prerequisites.--18 (5) Notwithstanding any other provision to the contrary, a certified electrical contractor, registered alarm 19 system contractor I, registered alarm system contractor II, or 2.0 21 alarm system contractor I or alarm system contractor II that 2.2 is a certified alarm system contractor is exempt from any 23 local law, ordinance, or code that requires a contractor to be listed or placarded by a nationally recognized testing 2.4 laboratory or to be certified by any regionally or nationally 25 recognized certification organization. However, a county, 26 27 municipality, or special district may require any such 2.8 electrical contractor or alarm system contractor to provide, at the final inspection of a fire alarm system, the 29 documentation required by NFPA No. 72, "National Fire Alarm 30 Code, " for installation and monitoring. This subsection does 31

1 not prohibit a county, municipality, or special district from 2 requiring compliance with the Florida Fire Prevention Code or with NFPA No. 72. 3 4 Section 5. Paragraph (a) of subsection (1) of section 489.532, Florida Statutes, is amended to read: 5 б 489.532 Contracts entered into by unlicensed 7 contractors unenforceable.--8 (1) As a matter of public policy, contracts entered into on or after October 1, 1990, by an unlicensed contractor 9 10 shall be unenforceable in law or in equity by the unlicensed 11 contractor. 12 (a) For purposes of this section, an individual is 13 unlicensed if the individual does not have a license required by this part concerning the scope of the work to be performed 14 under the contract. A business organization is unlicensed if 15 16 the business organization does not have a primary or secondary 17 qualifying agent in accordance with this part concerning the 18 scope of the work to be performed under the contract. For purposes of this section, if no state or local license is 19 required for the scope of work to be performed under the 2.0 21 contract, the individual performing that work shall not be 22 considered unlicensed. 23 Section 6. Sections 1 and 5 are intended to be remedial in nature and to clarify existing law. Sections 1 and 2.4 5 shall apply retroactively to all actions, including any 25 action on a lien or bond claim, initiated on or after, or 26 27 pending as of, July 1, 2006. If the retroactivity of any 2.8 provision of section 1 or section 5 or its retroactive application to any person or circumstance is held invalid, the 29 invalidity does not affect the retroactivity or retroactive 30 application of other provisions of sections 1 and 5. 31

1 Section 7. Subsections (4) and (7) of section 468.385, Florida Statutes, are amended, present subsection (8) of that 2 section is renumbered as subsection (9), and a new subsection 3 (8) is added to that section, to read: 4 468.385 Licenses required; qualifications; 5 б examination. --7 (4) Any person seeking a license as an auctioneer must 8 pass a written examination approved by the board which tests his or her general knowledge of the laws of this state 9 relating to provisions of the Uniform Commercial Code which 10 that are relevant to auctions, the laws of agency, and the 11 12 provisions of this act. Each applicant must also file a 13 complete set of fingerprints taken by an authorized law enforcement officer. The department must submit the 14 fingerprints to the Department of Law Enforcement for state 15 processing and to the Federal Bureau of Investigation for 16 17 federal processing. The cost of processing shall be borne by 18 the applicant. (7)(a) Any auction that is subject to the provisions 19 of this part must be conducted by an auctioneer who has an 20 21 active license or an apprentice who has an active apprentice 2.2 auctioneer license and who has received prior written sponsor 23 consent. 2.4 (b) <u>A</u> No business <u>may not</u> shall auction or offer to 25 auction any property in this state unless it is licensed as an 26 auction business by the board or is exempt from licensure 27 under this act. Each application for licensure shall include 2.8 the names of the owner and the business, the business mailing 29 address and location, and any other information which the 30 board may require. The owner of an auction business shall 31

1 report to the board within 30 days of any change in this 2 required information. (8)(a) If an applicant for licensure is a sole 3 4 proprietorship, the application must identify the owner. If a 5 fictitious name is used, the applicant must furnish evidence 6 of compliance with fictitious-name provisions in s. 865.09. 7 (b) If an applicant is a partnership, corporation, 8 business trust, or other legal entity other than a sole proprietorship, the application must provide the name of the 9 10 partnership and its partners; the name of the corporation and its officers, directors, and stockholders who are also 11 12 officers or directors; the name of the business trust and its 13 trustees; or the name of any other form of legal entity and its members. If a fictitious name is used, the applicant must 14 furnish evidence of compliance with fictitious-name 15 provisions. If any information that is required to be stated 16 17 on the application changes, the applicant must, within 45 days 18 after any change, mail the correct information to the department. 19 (c) Any person licensed under this part whose license 2.0 21 has been revoked may not be an owner, partner, officer, 2.2 director, or trustee of an auction business for 5 years 23 following such revocation. The person is also ineligible to reapply for licensure for 5 years following such revocation. 2.4 (d) An applicant must furnish evidence of financial 25 responsibility, credit history, and business reputation in the 26 27 auction business. The board shall adopt rules that specify the 2.8 financial-responsibility grounds upon which the board may deny licensure and that define financial responsibility based upon 29 the applicant's credit history, ability to be bonded, and any 30 31

8

1 history of bankruptcy, insolvency proceedings, or assignment 2 of receivers. (e) The board may deny licensure to an applicant if 3 any owner, partner, officer, director, trustee, or member of 4 5 the applicant has committed an act or offense in any 6 jurisdiction which would constitute a basis for disciplinary 7 action under s. 468.389. Section 8. Subsection (2) and paragraph (a) of 8 subsection (5) of section 468.609, Florida Statutes, are 9 10 amended to read: 468.609 Administration of this part; standards for 11 12 certification; additional categories of certification.--13 (2) A person may take the examination for certification as a building code inspector or plans examiner 14 pursuant to this part if the person: 15 (a) Is at least 18 years of age. 16 17 (b) Is of good moral character. 18 (c) Meets eligibility requirements according to one of the following criteria: 19 20 1. Demonstrates 5 years' combined experience in the 21 field of construction or a related field, building code 22 inspection, or plans review corresponding to the certification 23 category sought; 2. Demonstrates a combination of postsecondary 2.4 education in the field of construction or a related field and 25 26 experience which totals 4 years, with at least 1 year of such 27 total being experience in construction, building code 2.8 inspection, or plans review; 3. Demonstrates a combination of technical education 29 30 in the field of construction or a related field and experience which totals 4 years, with at least 1 year of such total being 31 9

1 experience in construction, building code inspection, or plans 2 review; or 3 4. Currently holds a standard certificate as issued by 4 the board and satisfactorily completes a building code inspector or plans examiner training program of not less than 5 6 200 hours in the certification category sought. The board 7 shall establish by rule criteria for the development and 8 implementation of the training programs :-9 5. Demonstrates a combination of technical education 10 in the field of building code inspection or plans review and experience which totals 2 years, with at least 1 year of such 11 12 total being experience in construction, building code 13 inspection, or plans review. The technical education portion of this requirement shall require proof of satisfactory 14 completion of a technical education program of not fewer than 15 400 hours in the chosen category of building code inspection 16 17 or plans review in the certification category sought with not fewer than 20 hours of the technical education program 18 covering ethics and professional standards. The board shall 19 coordinate with the Building Officials Association of Florida, 20 21 Inc., to establish by rule the development and implementation 2.2 of the technical education programs; or 23 6. Has completed, at a minimum, an associate degree program in construction management from an accredited 2.4 institution with a major in building code administration. 25 (d) After the Building Code Training Program is 26 established under s. 553.841, demonstrates successful 27 2.8 completion of the core curriculum approved by the Florida 29 Building Commission, appropriate to the licensing category 30 sought. 31

1	(5)(a) To obtain a standard certificate, an individual
2	must pass an examination approved by the board which
3	demonstrates that the applicant has fundamental knowledge of
4	the state laws and codes relating to the construction of
5	buildings for which the applicant has building code
6	administration, plans examination, or building code inspection
7	responsibilities. It is the intent of the Legislature that
8	the examination approved for certification pursuant to this
9	part be substantially equivalent to the examinations
10	administered by the <u>International Code Council</u> Southern
11	Building Code Congress International and the Council of
12	American Building Officials.
13	Section 9. Subsection (4) is added to section 468.617,
14	Florida Statutes, to read:
15	468.617 Joint building code inspection department;
16	other arrangements
17	(4) Nothing in this part prohibits any building code
18	inspector, plans examiner, or building code administrator
19	holding a limited certificate who is employed by a
20	jurisdiction within a statutorily defined small county from
21	providing building code inspection, plans review, or building
22	code administration services to another jurisdiction within a
23	statutorily defined small county.
24	Section 10. Subsection (10) is added to section
25	468.619, Florida Statutes, to read:
26	468.619 Building code enforcement officials' bill of
27	rights
28	(10) This bill of rights applies to disciplinary
29	investigations and proceedings against licenses issued under
30	this part and disciplinary investigations and proceedings
31	relating to the official duties of an enforcement official.
	11

1 This bill of rights does not apply to disciplinary 2 investigations and proceedings against other licenses that the enforcement official holds or disciplinary investigations and 3 4 proceedings unrelated to the enforcement official's official duties. 5 6 Section 11. Paragraphs (f) and (g) of subsection (1) 7 of section 468.621, Florida Statutes, are amended, and 8 paragraphs (k) and (l) are added to that subsection, to read: 468.621 Disciplinary proceedings.--9 10 (1) The following acts constitute grounds for which the disciplinary actions in subsection (2) may be taken: 11 12 (f) Making or filing a report or record which the 13 certificateholder knew knows to be false, or knowingly inducing another to file a false report or record, or 14 knowingly failing to file a report or record required by state 15 or local law, or knowingly impeding or obstructing such 16 17 filing, or knowingly inducing another person to impede or 18 obstruct such filing. 19 (g) Failing to properly enforce applicable building 20 codes or permit requirements within this state which the 21 certificateholder knew were applicable or by committing 22 willful misconduct, gross negligence, gross misconduct, 23 repeated negligence, or negligence resulting in a significant danger to life or property. 2.4 (k) Obstructing an investigation or providing or 25 inducing another to provide forged documents, false forensic 26 27 evidence, or false testimony to a local or state board or 2.8 member thereof or to a licensing investigator. (1) Accepting labor, services, or materials at no 29 30 charge or at a noncompetitive rate from any person who performs work that is under the enforcement authority of the 31

1 enforcement official and who is not an immediate family member 2 of the enforcement official. The term "immediate family member" includes a spouse, child, parent, sibling, 3 4 grandparent, aunt, uncle, or first cousin of the person or the 5 person's spouse or any person who resides in the primary 6 residence of the enforcement official. 7 Section 12. Subsection (2) of section 489.113, Florida 8 Statutes, is amended to read: 489.113 Qualifications for practice; restrictions.--9 10 (2) No person who is not certified or registered shall engage in the business of contracting in this state. However, 11 12 for purposes of complying with the provisions of this chapter, 13 a person who is not certified or registered may perform construction work under the supervision of a person who is 14 certified or registered, or under the supervision of the 15 property owner who is acting as his or her own contractor 16 17 pursuant to s. 489.103(7), if provided that the work is within 18 the scope of the supervisor's license and provided that the person being supervised is not engaged in construction work 19 that which would require a license as a contractor under any 20 21 of the categories listed in s. 489.105(3)(d)-(o). This 22 subsection does not affect the application of any local 23 construction licensing ordinances. To enforce this subsection: 2.4 (a) The department shall issue a cease and desist 25 order to prohibit any person from engaging in the business of 26 27 contracting who does not hold the required certification or 2.8 registration for the work being performed under this part. 29 For the purpose of enforcing a cease and desist order, the 30 department may file a proceeding in the name of the state 31

13

1 seeking issuance of an injunction or a writ of mandamus 2 against any person who violates any provision of such order. 3 (b) A county, municipality, or local licensing board 4 created by special act may issue a cease and desist order to prohibit any person from engaging in the business of 5 6 contracting who does not hold the required certification or 7 registration for the work being performed under this part. 8 Section 13. Paragraph (e) of subsection (4) of section 489.117, Florida Statutes, is amended to read: 9 10 489.117 Registration; specialty contractors.--(4) 11 12 (e) Any person who is not required to obtain 13 registration or certification pursuant to s. 489.105(3)(d)-(o) may perform specialty contracting services for the 14 construction, remodeling, repair, or improvement of 15 single-family residences, including a townhouse as defined in 16 17 the Florida Building Code, without obtaining a local professional license if such person is under the supervision 18 of a certified or registered general, building, or residential 19 contractor or is under the supervision of the property owner 20 21 who is acting as his or her own contractor pursuant to s. 22 489.103(7). As used in this paragraph, supervision shall not 23 be deemed to require the existence of a direct contract between the certified or registered general, building, or 2.4 residential contractor and the person performing specialty 25 contracting services. 26 27 Section 14. Subsections (5) and (6) of section 2.8 468.627, Florida Statutes, are amended to read: 468.627 Application; examination; renewal; fees.--29 30 (5) The certificateholder shall provide proof, in a form established by board rule, that the certificateholder has 31 14

1 completed at least 14 classroom hours of at least 50 minutes 2 each of continuing education courses during each biennium since the issuance or renewal of the certificate, including 3 the specialized or advanced coursework approved by the Florida 4 5 Building Commission, as part of the Building Code Training б Program established pursuant to s. 553.841, appropriate to the 7 licensing category sought. A minimum of 2 of the required 14 8 classroom hours must be on ethics relating to professional standards of practice, duties, and responsibilities of the 9 10 certificateholder. The board shall by rule establish criteria for approval of continuing education courses and providers, 11 12 and may by rule establish criteria for accepting alternative 13 nonclassroom continuing education on an hour-for-hour basis. (6) Each certificateholder shall provide to the board 14 proof of completion of the core curriculum courses, or passing 15 the equivalency test of the Building Code Training Program 16 17 established by s. 553.841, within 2 years after commencement 18 of the program. Continuing education hours spent taking such core curriculum courses shall count toward the number required 19 for license renewal. A licensee who passes the equivalency 20 21 test in lieu of taking the core curriculum courses shall 22 receive full credit for core curriculum course hours. 23 Section 15. Present subsection (6) of section 489.115, Florida Statutes, is renumbered as subsection (7) and amended, 2.4 25 present subsection (7) of that section is renumbered as 26 subsection (8), and a new subsection (6) is added to that 27 section, to read: 2.8 489.115 Certification and registration; endorsement; 29 reciprocity; renewals; continuing education .--(6) An applicant for initial issuance of a certificate 30 or registration shall submit to a criminal history records 31 15

1	check to determine moral character. If the applicant has been
2	convicted of a felony, the board may deny licensure to the
3	applicant based upon the severity of the crime, the
4	relationship of the crime to contracting, or the potential for
5	public harm. The board shall also, in denying or approving
б	licensure, consider the length of time since the commission of
7	the crime and the rehabilitation of the applicant. The board
8	<u>may not deny licensure to an applicant based solely upon a</u>
9	felony conviction or the applicant's failure to provide proof
10	of restoration of civil rights.
11	(7)(6) An initial applicant shall, along with the
12	application, and a certificateholder or registrant shall, upon
13	requesting a change of status, submit to the board a credit
14	report from a nationally recognized credit agency that
15	reflects the financial responsibility of the applicant or
16	certificateholder or registrant. The credit report required
17	for the initial applicant shall be considered the minimum
18	evidence necessary to satisfy the board that he or she is
19	financially responsible to be certified, has the necessary
20	credit and business reputation to engage in contracting in the
21	state, and has the minimum financial stability necessary to
22	avoid the problem of financial mismanagement or misconduct.
23	The board shall, by rule, adopt guidelines for determination
24	of financial stability <u>, which may include minimum requirements</u>
25	for net worth, cash, and bonding for Division I
26	certificateholders of no more than \$20,000 and for Division II
27	certificateholders of no more than \$10,000. Fifty percent of
28	the financial requirements may be met by completing a 14-hour
29	financial responsibility course approved by the board.
30	Section 16. This act shall take effect July 1, 2006.
31	

Florida Senate - 2006 580-2434-06

CS for SB 1894

COMMITTEE SUBSTITUTE FOR
<u>Senate Bill 1894</u>
The CS provides that if no state or local license is required for the scope of work to be performed under the contract, the individual performing the work shall not be considered unlicensed.
The CS prescribes conditions under which certain business organizations will be insulated from being deemed unlicensed under the construction contracting law and the electrical/alarm system contracting law.
It provides an exemption from the regulatory provisions governing electric/alarm system contractors (part II of ch. 489, F.S.,) for inspections, audits or quality-assurance
services that are performed by a nationally recognized testing laboratory recognized by the Occupational Safety and Health
Administration as meeting certain federal regulatory requirements.
It exempts certain certified or registered electrical or alarm
system contractors from any local law, ordinance, or code that requires a contractor to be listed or placarded by a
nationally recognized certification organization.
It requires that applicants for licensure as auctioneers file a complete set of fingerprints for submittal to the Florida Department of Law Enforcement and the Federal Bureau of
Investigation, and pay the cost of processing.
It requires that a license application identify the owner, and furnish evidence of compliance with fictitious name provisions if the business is a sole proprietorship and uses a fictitious
name.
It requires that a business applicants provide to the Florida Board of Auctioneers the name of the partnership and its
partners, the name of the corporation and its officers, directors, and stockholders who are also officers or directors, the name of the business and its trustees.
It provides for a five-year disgualification from licensure as
an auctioneer or apprentice, or as holding an ownership interest in an auction business, for any person whose license
has been revoked. The bill requires that the applicant provide a statement of financial responsibility, credit
history, and business reputation in the auction business to the department.
It provides that the department may deny licensure to an
applicant if any owner, partner, officer, director, trustee, or member of the applicant has committed an act or offense in any invisit for that would constitute a basis for discipling
any jurisdiction that would constitute a basis for discipline of a licensed auctioneer.
It permits an applicant to qualify for licensure as a building code inspector or plans examiner if he or she demonstrates a combination of technical education in the field of building 17

1 2 3	code inspection or plans review and experience which totals two years with at least 1 year of the experience in construction, building code inspection, or plans review with no fewer than 20 hours of technical education in ethics and professional standards.
4	It requires that the certification examinations for building
5	code enforcement officials be substantially similar to the examinations administered by the International Code Council.
6	It permits building code enforcement officials employed by small counties to provide building code services to another
7	small county.
8	The bill amends the building code enforcement official's bill of rights to limit the application of the bill of rights to disciplinary investigations and proceedings against licenses
9	under part XII of ch. 468, F.S., and to disciplinary investigations and proceedings against licenses under part XII
10	of ch. 468, F.S., and to disciplinary investigations and proceedings relating to the official duties of an enforcement
11	Administrators and Inspectors Board to discipline building
12	code enforcement officials.
13	It prohibits an enforcement official from accepting labor, services, or materials for free or at a noncompetitive rate
14	from any person, except immediate family members, who performs work that may be under his or her official enforcement
15	authority. It also requires a minimum of two hours continuing education in ethics.
16	
17	
18	
19	
20	
21	
22	
23	
24	
25	
26	
27	
28	
29	
30	
31	