

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/CS/HB 1299
Registrations Issued by State Agencies

Streamlining the Issuance of Licenses, Certifications, and

SPONSOR(S): General Government Policy Council, Full Appropriations Council on Education & Economic Development, Horner

TIED BILLS:

IDEN./SIM. BILLS: SB 2378

| REFERENCE | ACTION | ANALYST | STAFF DIRECTOR |
|--|------------------|------------|----------------|
| 1) Insurance, Business & Financial Affairs Policy Committee | 13 Y, 0 N | Livingston | Cooper |
| 2) Full Appropriations Council on Education & Economic Development | 15 Y, 0 N, As CS | Topp | Voyles |
| 3) General Government Policy Council | 14 Y, 0 N, As CS | Livingston | Hamby |
| 4) | | | |
| 5) | | | |

SUMMARY ANALYSIS

The license process is one of the core functions performed by agencies in protecting the health, safety, and welfare of the public. The public recognizes the importance of a professional license as an indicator that the business or individual has met the minimum legal qualifications to perform services.

The bill requires the Governor to establish a "One-Stop Business Connect Workgroup" composed of:

Agency for Health Care Administration, Department of Business and Professional Regulation (workgroup chair), Department of Children and Family Services, Department of Health, Department of State, and Department of Revenue.

The bill requires the workgroup to:

- compile a complete, categorical inventory of all business licenses, certifications, and registrations required by each participating agency, including information regarding relevant laws and rules;
- analyze the business licensing, certification, and registration processes for each agency and identify processes that disrupt workflow and result in duplication, waste, unnecessary complexity, and errors and the root causes of those errors; and
- recommend the standardization and automation of business licensing, certification, and registration processes where appropriate

The bill requires the workgroup to submit a plan, by December 15, 2010, for establishing a "licensing portal," to the Governor, the President of the Senate, and the Speaker of the House of Representatives that identifies:

- business requirements and the costs associated with implementation of a technology solution for businesses and individuals that provides easy access to state business licensing, certification, and registration requirements through MyFlorida.com;
- clear system wide objectives, a governance structure, accountability measures, and an opportunity for stakeholders to make suggestions regarding the use of the licensing portal; and
- issues that need to be addressed before a technology solution is implemented; and
- issues to enable local governments to provide access by businesses through the state's business licensing portal.

The bill specifies that the workgroup be supported by staff from the participating agencies. It is anticipated that any fiscal impact will not be significant and will be absorbed from within the agencies current appropriations.

The effective date of the bill is upon becoming a law.

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

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HOUSE PRINCIPLES

Members are encouraged to evaluate proposed legislation in light of the following guiding principles of the House of Representatives

- Balance the state budget.
- Create a legal and regulatory environment that fosters economic growth and job creation.
- Lower the tax burden on families and businesses.
- Reverse or restrain the growth of government.
- Promote public safety.
- Promote educational accountability, excellence, and choice.
- Foster respect for the family and for innocent human life.
- Protect Florida's natural beauty.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present situation

MyFlorida.com is "The Official Portal of The State of Florida" and, in part, provides:

From architects to medical doctors to yacht brokers, Florida requires many professional activities to be state-licensed. This is a listing of regulated professions and businesses, including links to websites that allow you to lookup individual names, license numbers and more.¹

This site lists 327 categories of business activities that are licensed by the state.

The "Florida Statutes 2009 Definitions Index" prepared by the Division of Statutory Revision, includes twenty two categories of definitions for the term "license". The index lists thirteen separate definitions for the term "certificate." The term "registration" is identified by six different definitions.

Included in the index is a frequently referenced statutory definition in s. 455.01, F.S., under the general powers chapter of the Department of Business and Professional Regulation:

- 4) "License" means any permit, registration, certificate, or license issued by the department.

The "Administrative Procedure act," chapter 120, F.S., specifies under s. 120.52, F.S.:

(10) "License" means a franchise, permit, certification, registration, charter, or similar form of authorization required by law, but it does not include a license required primarily for revenue purposes when issuance of the license is merely a ministerial act.

(11) "Licensing" means the agency process respecting the issuance, denial, renewal, revocation, suspension, annulment, withdrawal, or amendment of a license or imposition of terms for the exercise of a license.

The license process is one of the core functions performed by agencies in protecting the health, safety, and welfare of the public. The public recognizes the importance of a professional license as an indicator that the business or individual has met the minimum legal qualifications to perform services. An accurate and reliable licensing system is also emphasized because fees, taxes, and fines are annually collected from licensees.

¹ <http://www.myflorida.com/licensee/>
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The license requirements are set in statute and amount to a different set of standards that apply to each activity, either for initial licensure or as a practitioner. For instance, some acts require an academic degree for licensure, while others allow a variety of paths, including qualification through experience, internship training, or other specific training.

The practice requirements for most, but not all, businesses require an examination. The practice requirements may require a multi-part examination which must be taken when available and usually includes several days of testing. Other professions are subject to less time consuming examinations, usually developed by the state or by a vendor through a contract with the state.

Licensure requirements that apply to a particular practice will inevitably affect the application and licensure process. The time frame between the initial license application and the actual issuance of the license may vary as a result of the requirements applicable to that particular business activity.

Effect of proposed changes

The bill requires the Governor to establish a "One-Stop Business Connect Workgroup" composed of, at a minimum, the secretary or agency head, or his or her designee, of the following state agencies:

Agency for Health Care Administration, Department of Business and Professional Regulation, Department of Children and Family Services, Department of Health, Department of State, and Department of Revenue.

The Secretary of Business and Professional Regulation is designated as the chair of the workgroup. The mission statement of the DBPR is "*License Efficiently, Regulate Fairly.*"²

The bill also recognizes other agencies may have useful expertise and specifies that the workgroup seek consultation with these other agencies, such as the "Agency for Enterprise Information Technology."

The bill requires the workgroup to:

- compile a complete, categorical inventory of all business licenses, certifications, and registrations required by each participating agency, including information regarding relevant laws and rules;
- analyze the business licensing, certification, and registration processes for each agency and identify processes that disrupt workflow and result in duplication, waste, unnecessary complexity, and errors and the root causes of those errors; and
- recommend the standardization and automation of business licensing, certification, and registration processes where appropriate.

The bill requires the workgroup to submit a plan, by December 15, 2010, for establishing the licensing portal to the Governor, the President of the Senate, and the Speaker of the House of Representatives. The bill requires the workgroup plan to identify:

- business requirements and the costs associated with implementation of a technology solution for businesses and individuals that provides easy access to state business licensing, certification, and registration requirements through MyFlorida.com;
- clear system wide objectives, a governance structure, accountability measures, and an opportunity for stakeholders to make suggestions regarding the use of the licensing portal;
- issues that need to be addressed before a technology solution is implemented; and
- issues to enable local governments to provide access by businesses through the state's business licensing portal.

² <http://www.myfloridalicense.com/dbpr/index.html>

Additionally, section 20.051, F.S., in part, provides:

To achieve maximum efficiency and effectiveness of government as intended by s. 6, Art. IV of the State Constitution, and to promote quality management and accountability as required in s. 19, Art. III of the State Constitution, all programs, functions, and entities must be reviewed by the executive and the legislative branches. Reviews must determine whether the function, program, or entity:

- serves a beneficial purpose to state agencies in improving the effectiveness and efficiency of the operations of the state and
- is situated within an organizational structure that promotes its efficient and effective administration and does not duplicate activities conducted in other agencies of the state;³

The bill specifies:

It is the intent of the Legislature that by July 1, 2012, the state establish an online connection that is easily accessible through the state's official portal, "MyFlorida.com," and that provides an efficient and effective online, self-service method for an individual to access state requirements for starting and operating a business

Once the state's online business licensing connection is available, it is the intent of the Legislature that local governments have the opportunity to make local requirements for starting and operating a business accessible in a similar manner through the state's portal, "MyFlorida.com."

B. SECTION DIRECTORY:

Section 1. Creates the "Florida's One-Stop Business Connect Act" and requires the Governor to create a work group to recommend a plan to implement a technology solution that provides businesses and individuals with access to state requirements for business licenses, certifications, and registrations; provides for future participation by local governments.

Section 2. Effective date – upon becoming a law.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

See Fiscal Comments.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Indeterminate.

³ These categories are only a partial listing of review determinations.

D. FISCAL COMMENTS:

The bill specifies that the workgroup be supported by staff from the participating agencies. The bill specifies that “to the extent that funds are available within the participating agencies’ budgets, the workgroup may use services of consultants.” It is anticipated that any fiscal impact will not be significant and will be absorbed from within the agencies current appropriations.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

This bill does not appear to require counties or municipalities to take an action requiring the expenditure of funds, does not appear to reduce the authority that counties or municipalities have to raise revenue in the aggregate, and does not appear to reduce the percentage of state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

NA

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES

On March 18, 2010, the Full Appropriations Council on Education and Economic Development adopted two amendments, as follows:

- Amended the date that the One-Stop Business Connect Workgroup’s report is due to the Governor, Senate President and Speaker of the House of Representatives from February 15, 2011 to December 15, 2010.
- Amended the date from July 1, 2014 to July 1, 2012 that the Legislature intends that, “the state establish an online connection that is easily accessible through the state’s official portal, MyFlorida.com, and that provides an efficient and effective online, self-service method for an individual to access state requirements for starting and operating a business”.

The bill was reported favorably and the analysis has been updated to reflect the committee substitute.

On April 9, 2010, the General Government Policy Council adopted two amendments and passed the bill as a CS/CS. This analysis has been updated to reflect the CS/CS.

- Adds issues to enable local governments to provide access by businesses through the state’s business licensing portal to the list of recommendations of the workgroup.
- Adds a statement of intent to specify that once the state’s online business licensing connection is available, local governments also adopt requirements for starting and operating a business accessible in a similar manner through the state’s portal.