

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** CS/HB 187 Streamlining the Issuance of Licenses, Certifications, & Registrations Issued by State Agencies

**SPONSOR(S):** Business & Consumer Affairs Subcommittee, Horner and others

**TIED BILLS:** **IDEN./SIM. BILLS:** SB 798

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Business & Consumer Affairs Subcommittee	14 Y, 0 N, As CS	Whittington	Creamer
2) Government Operations Appropriations Subcommittee	10 Y, 0 N	Topp	Topp
3) Economic Affairs Committee			

### SUMMARY ANALYSIS

CS/HB 187 establishes "Florida's One-Stop Business Connect Act". The purpose of the act is to streamline and automate the state's processes for issuing business licenses, certifications, and registrations to individuals who start and operate businesses.

The bill requires the Governor to direct the secretaries or agency heads, or their designees, of seven state agencies to work jointly to review all state requirements for starting, licensing, and operating a business in the state. They must also examine the feasibility of establishing an online connection that provides a single point of entry for businesses to complete business transactions with the state. It also encourages other agencies that interact with businesses to participate.

The Governor is required to submit a report and recommendations to the President of the Senate, and Speaker of the House of Representatives for establishing a single online portal for accessing state requirements for starting, licensing, and operating a business.

The bill will have an insignificant negative fiscal impact on the affected state agencies.

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

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

##### Current 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.<sup>1</sup>

This site lists 365 categories of business activities that are licensed by the state.

The "Florida Statutes 2010 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.

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.

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<sup>1</sup> <http://www.myflorida.com/licensee/>

## Proposed Changes

The bill requires the Governor to direct the secretary or agency head, or his or her designee, to work jointly to review all state requirements for starting, licensing, and operating a business and examine the feasibility of establishing an online connection that provides a single point of entry for businesses to complete business transactions with the state, 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, and the Agency for Enterprise Information Technology.

Other agencies that interact with businesses are encouraged to participate. This includes, but is not limited to, the Department of Financial Services and the Department of Agriculture and Consumer Services.

The bill requires, to the extent funds are available within the participating agencies' budgets, the agencies 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 Governor to submit a report and recommendations, by December 15, 2011, for establishing a single online portal for accessing state requirements for starting, licensing, and operating a business to the President of the Senate, and the Speaker of the House of Representatives.

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;<sup>2</sup>

The bill specifies:

It is the intent of the Legislature that the state review all state requirements for starting, licensing, and operating a business and examine the feasibility of establishing an online connection that is easily accessible through one of the state's official portals and that provides an efficient and effective online, self-service method for an individual to access state requirements for starting, licensing, and operating a business.

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<sup>2</sup> These categories are only a partial listing of review determinations.

**B. SECTION DIRECTORY:**

Section 1. Requires the Governor to direct the secretary or agency head, or his or her designee, to work jointly to review all state requirements for starting, licensing, and operating a business and examine the feasibility of establishing an online connection that provides a single point of entry for businesses to complete business transactions with the state. Provides the Governor must submit a report to the President of the Senate and the Speaker of the House of Representatives.

Section 2. Provides an effective date of upon becoming a law.

**II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

**A. FISCAL IMPACT ON STATE GOVERNMENT:**

1. Revenues:

None.

2. Expenditures:

The bill will have an insignificant negative fiscal impact on the affected state agencies. The bill provides that, "to the extent funds are available within the participating agencies' budgets," the agencies will meet the requirements of the bill.

**B. FISCAL IMPACT ON LOCAL GOVERNMENTS:**

1. Revenues:

None.

2. Expenditures:

None.

**C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:**

Indeterminate. If an online business portal is ultimately established, it could provide efficiencies to individuals in the private sector.

**D. FISCAL COMMENTS:**

**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:**

#### **IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES**

On March 15, 2011, the Business and Consumer Affairs Subcommittee adopted one amendment, as follows:

Amended the bill to require Governor to direct the secretary or agency head, or his or her designee, to work jointly to review all state requirements for starting, licensing, and operating a business and examine the feasibility of establishing an online connection that provides a single point of entry for businesses to complete business transactions with the state instead of establishing a workgroup. It further amended the bill to require the Governor, instead of the workgroup, to submit to the President of the Senate and the Speaker of the House of Representatives a report and recommendations for establishing a single online portal for accessing state requirements for starting, licensing, and operating a business. It amended out of the bill what the Governor's report must identify.

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