

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Committee on Innovation, Industry, and Technology

BILL: SB 604

INTRODUCER: Senator Pizzo

SUBJECT: Registered Contractor Licensing

DATE: March 19, 2019

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Kraemer</u>	<u>Imhof</u>	<u>IT</u>	<u>Favorable</u>
2.	_____	_____	<u>CA</u>	_____
3.	_____	_____	<u>RC</u>	_____

I. Summary:

SB 604 extends until November 1, 2021, the deadline for eligible electrical contractors, electrical specialty contractors, and alarm system contractors who are registered with the Department of Business and Professional Regulation (DBPR) and authorized to work in local jurisdictions, to apply for a certificate of competency from DBPR. Upon certification, such contractors may engage in their trade category throughout the state, with no geographic limitation. A similar deadline extension expired in 2015. The DBPR estimates there are approximately 1,501 currently registered contractors in the state who may be eligible to apply for certification during the extension period.¹ No mandatory licensure requirement is created by the availability to qualify as a certified contractor.

II. Present Situation:

Part II of ch. 489, F.S., dealing with electrical and alarm system contracting, sets forth requirements for qualified persons to be licensed if they have sufficient technical expertise in the applicable trade, and have been tested on technical and business matters.² The Electrical Contractors' Licensing Board (board) in the DBPR implements Part II of ch. 489, F.S.³

An electrical contractor is a person whose business includes the electrical trade field and who has the experience, knowledge, and skill to install, repair, alter, add to, or design, in compliance with law, electrical wiring, fixtures, and appliances, and any related part, which generates, transmits, or uses electrical energy, in compliance with applicable plans, specifications, codes, laws, and regulations.⁴ The term also includes any person, firm, or corporation that engages in the business

¹ See 2019 Agency Legislative Bill Analysis (Department of Business and Professional Regulation) for SB 604, Feb. 18, 2019 (on file with Senate Committee on Innovation, Industries, and Technology) at page 4.

² See s. 489.501, F.S.

³ See ss. 489.507 through 489.517, F.S., concerning the powers and duties of the board.

⁴ See s. 489.505(12), F.S.

of electrical contracting under an expressed or implied contract or that undertakes, offers to undertake, or submits a bid to engage in the business of alarm contracting.⁵

An alarm system contractor is a person whose business includes the execution of contracts requiring the ability, experience, science, knowledge, and skill to conduct all alarm services for compensation, for all types of alarm systems for all purposes.⁶ The term also includes any person, firm, or corporation that engages in the business of alarm contracting under an expressed or implied contract or that undertakes, offers to undertake, or submits a bid to engage in the business of alarm contracting.⁷ An alarm system contractor whose business includes all types of alarm systems for all purposes is designated as an “alarm system contractor I;” the practice area of an “alarm system contractor II” is identical except that it does not include fire alarm systems.⁸

The terms “registered alarm system contractor,” and “registered electrical contractor” mean those contractors who have registered with DBPR as part of meeting competency requirements for their trade category in the particular jurisdiction for which the registration is issued. Registered contractors may contract only in the jurisdiction for which the registration is issued.⁹

The term “certification” means the act by a contractor obtaining or holding a geographically unlimited certificate of competency from the DBPR.¹⁰ When an alarm system contractor is certified, the contractor possesses a certificate of competency, with some limitations as to the scope of work that may be undertaken, without any mandatory licensure requirement.¹¹ The term “certified electrical contractor” means an electrical contractor who possesses a certificate of competency.

To be certified a person must be 18 years of age, pass the certification examination, be of good moral character, and meet the eligibility requirements of s. 489.511(1)(b)3., F.S.

Unless an exemption applies, the term “contracting” means engaging in business as a contractor or performing electrical or alarm work for compensation and includes, but is not limited to, performance of the work that may be performed by electrical or alarm system contractors.¹² The attempted sale of contracting services and the negotiation or bid for a contract on these services also constitutes contracting. If the services offered require licensure or agent qualification, the

⁵ *Id.*

⁶ *See* s. 489.505(2), F.S.

⁷ *Id.*

⁸ *Id.*

⁹ *See* ss. 489.505(16), (21), and (22), F.S.

¹⁰ *See* ss. 489.505(4), (5), and (6), F.S.

¹¹ *See* s. 489.505(7), F.S., which describes the limitations on the scope of a certificate of competency as those circuits originating in alarm control panels, equipment governed by the Articles 725, 760, 770, 800, and 810 of the National Electrical Code, Current Edition, and National Fire Protection Association Standard 72, Current Edition, as well as the installation, repair, fabrication, erection, alteration, addition, or design of electrical wiring, fixtures, appliances, thermostats, apparatus, raceways, and conduit, or any part thereof not to exceed 98 volts (RMS), when those items are for the purpose of transmitting data or proprietary video (satellite systems that are not part of a community antenna television or radio distribution system) or providing central vacuum capability or electric locks. RMS is the abbreviation for “root mean square,” a statistical term defined as the square root of mean square. *See* <http://www.practicalphysics.org/explaining-rms-voltage-and-current.html> (last visited Mar. 14, 2019).

¹² *See* s. 489.505(9), F.S.; *see also*, ss. 489.505(2) and (12), F.S., for the various services that may be performed, and ss. 489.503(1) through (24) for the persons and types of work that are exempted from the term “contracting.”

offering, negotiation for a bid, or attempted sale of these services requires the corresponding licensure.¹³

The term “specialty contractor” means a contractor whose scope of practice is limited to a specific category of electrical or alarm system contracting, such as residential electrical contracting, maintenance of electrical fixtures, and fabrication, erection, installation, and maintenance of electrical advertising signs.¹⁴

Section 489.514, F.S., requires the board to issue certification allowing an electrical, electrical specialty or alarm system contractor to engage in the specified trade category throughout the state, upon:

- Receipt of a completed application;
- Payment of the appropriate fee; and
- Evidence that he or she qualifies for the certification in a trade category based on:
 - Having a valid registered local license;
 - Passing an approved written examination;
 - Having a minimum of five years’ contracting experience in the applicable trade category (with an active license and excluding probationary periods);
 - Never having had a contractor’s license revoked, and during the last five years, not having had a suspended license or been assessed a fine in excess of \$500; and
 - Meeting all required insurance and financial responsibility requirements.¹⁵

The board has established a \$200 fee for applications for certification of registered contractors.¹⁶

III. Effect of Proposed Changes:

SB 604 extends until November 1, 2021, the deadline for eligible electrical contractors, electrical specialty contractors, and alarm system contractors who are registered with the Department of Business and Professional Regulation (DBPR) and authorized to work in local jurisdictions, to apply and qualify for a certificate of competence. Once certified, such contractors may engage in their trade category throughout the state, with no geographic limitation. A similar extension expired in 2015.¹⁷ The DBPR estimates there are approximately 1,501 currently registered contractors in the state and approximately 303 inactive registered contractors who may be eligible to apply for certification during the extension period.¹⁸

¹³ See s. 489.505(9), F.S.

¹⁴ See s. 489.505(19), F.S.

¹⁵ See s. 489.515(1)(b), F.S., which provides that an applicant must submit satisfactory evidence of workers’ compensation insurance or an acceptable exemption issued by DBPR, public liability and property damage insurance in amounts determined by the board, and evidence of financial responsibility, credit, and business reputation of either the contractor or the business sought to be qualified for certification.

¹⁶ See s. 489.109, F.S., and Fla. Admin. Code R. 61G6-8.001 (2019).

¹⁷ See ch. 2013-193, s. 11, Laws of Florida, which extended the deadline to apply for certification to November 1, 2015 from November 1, 2004.

¹⁸ See 2019 Agency Legislative Bill Analysis (Department of Business and Professional Regulation) for SB 604, Feb. 18, 2019 (on file with Senate Committee on Innovation, Industries, and Technology) at page 4.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Registered contractors may voluntarily choose to apply for certification for the required \$200 fee, if engaging in their trade category throughout the state, with no geographic limitation.

C. Government Sector Impact:

The DBPR estimates as many as 1,501 active registered contractors and 303 inactive registered contractors have the required experience and may voluntarily choose to apply and qualify for a certificate of competence.¹⁹ According to the DBPR, if all such eligible contractors apply for certification and pay the required \$200 application fee, the total associated fees collected could be approximately \$360,800.²⁰

VI. Technical Deficiencies:

None.

¹⁹ *Id.*

²⁰ *Id.*

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 489.514 of the Florida Statutes.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
