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**H 1521 GENERAL BILL/CS/1ST ENG by Regulatory Reform; Kelly
(Similar S 1065, Compare CS/1ST ENG/H 1427, CS/H 1432,
CS/S 1135)**

Construction Industry Licensing Bd.; revises requirements for renewal of registrations & certificates; authorizes Professional Regulation Dept. to issue certain licenses. Amends 489.109, 115. Effective Date: 05/09/89.

03/28/89 HOUSE Prefiled

04/04/89 HOUSE Introduced, referred to Regulatory Reform; Appropriations -HJ 145

04/07/89 HOUSE Subreferred to Subcommittee on Technical and Consumer Services; On subcommittee agenda—Regulatory Reform, 04/10/89, 3:30 pm, 24-HOB

04/10/89 HOUSE Subcommittee Recommendation: Favorable as a proposed CS; On Committee agenda, pending subcommittee action—Regulatory Reform, 04/12/89, 1:15 pm, 21-HOB

04/12/89 HOUSE Preliminary Committee Action by Regulatory Reform: Favorable as a CS; Comm. Report: CS by Regulatory Reform -HJ 213; CS read first time -HJ 212; Now in Appropriations -HJ 213

04/13/89 HOUSE Withdrawn from Appropriations -HJ 219; Placed on Calendar; Placed on Special Order Calendar; Read second time; Read third time; CS passed; YEAS 116 NAYS 0 -HJ 221; Immediately certified -HJ 221

04/17/89 SENATE In Messages

04/19/89 SENATE Received, referred to Economic, Professional and Utility Regulation -SJ 194

04/25/89 SENATE Withdrawn from Economic, Professional and Utility Regulation; Substituted for SB 1065; CS passed as amended; YEAS 38 NAYS 0 -SJ 203

04/27/89 HOUSE In Messages

04/28/89 HOUSE Concurred -HJ 298; CS passed as amended; YEAS 103 NAYS 5 -HJ 299

04/28/89 Ordered engrossed, then enrolled

05/03/89 Signed by Officers and presented to Governor -HJ 371

05/09/89 Approved by Governor; Chapter No. 89-5; See also: CS/HB 1427 (Ch. 89-374) -HJ 417

NOTES: Above bill history from Division of Legislative Information's *FINAL LEGISLATIVE BILL INFORMATION, 1989 SESSIONS*. Staff Analyses for bills amended beyond final committee action may not be in accordance with the enacted law. Journal page numbers (HJ & SJ) refer to daily Journals and may not be the same as final bound Journals.

AS PASSED BY THE 1989 LEGISLATURE

STORAGE NAME: h1521s-f.rr
 DATE: June 5, 1989

HOUSE OF REPRESENTATIVES
 COMMITTEE ON REGULATORY REFORM
 FINAL STAFF ANALYSIS & ECONOMIC IMPACT STATEMENT

BILL #: CS/HB 1521

RELATING TO: Construction Contracting

SPONSOR(S): Committee on Regulatory Reform

EFFECTIVE DATE: Upon becoming a law

DATE BECAME LAW: May 9, 1989

CHAPTER #: 89-5, Laws of Florida

COMPANION BILL(S): SB 1065

OTHER COMMITTEES OF REFERENCE: (1) Appropriations
 (2)

I. SUMMARY:

CS/HB 1521 enables the Construction Industry Licensing Board to revise its license and registration renewal procedures.

A. PRESENT SITUATION:

Currently, individuals who hold licenses or registrations issued by the Construction Industry Licensing Board (CILB) must renew them every two years. The board projects that it will face a deficit situation in 1990.

B. EFFECT OF PROPOSED CHANGES:

Section 489.109, Florida Statutes, deals with registration and licensure fees and renewal procedures. CS/HB 1521 deletes all references to "biennial" (every two years) in section 489.109, Florida Statutes. Additionally, the bill deletes language specifying June 30 of each year as the date the renewal fees must be paid. In deleting these references, the statutes are left to refer only to a renewal period.

Section 489.115, Florida Statutes, deals with renewal procedures as well. CS/HB 1521 would create an exemption to those procedures. It retains the provision that an individual holding a license or registration must renew every 2 years. It then provides the exception, authorizing the department to issue a 3 year license to certificate holders (those holding state licenses) renewing for the three year period beginning July 1, 1989.

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DATE: June 5, 1989
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CS/HB 1521, Florida Statutes, also makes a technical correction in sub-section (6) of section 489.109, Florida Statutes. An individual is currently allowed to place his license or registration in an inactive status, during which time he may not engage in construction. During that time his renewal fee is assessed at a lower rate (not to exceed \$20.00). This bill describes that status as providing that an individual "may place his registration or certificate on voluntary inactive status", rather than "go on inactive status".

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring or First Year Start-Up Effects:

None

2. Recurring or Annualized Continuation Effects:

The DPR projects that without this bill the Construction Industry Licensing Board would have a deficit of \$205,563 on June 30, 1989. That deficit would continue until June 30, 1991, at which time the department would have a cash surplus of \$2,356,621.00. This bill creates a cash surplus of \$1,222,673.00 on June 30, 1989. The positive cash balance would be maintained, with the department having \$1,028,777 on hand on June 30 1991.

3. Long Run Effects Other Than Normal Growth:

None

4. Appropriations Consequences:

None

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring or First Year Start-Up Effects:

None

2. Recurring or Annualized Continuation Effects:

None

3. Long Run Effects Other Than Normal Growth:

None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

None

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2. Direct Private Sector Benefits:

None

3. Effects on Competition, Private Enterprise, and Employment Markets:

None

D. FISCAL COMMENTS:

III. LONG RANGE CONSEQUENCES:

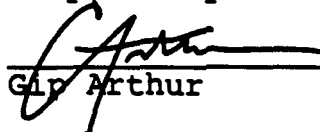
IV. COMMENTS:

The purpose of this bill is to establish a one-time three year licensure renewal period, that period to begin on July 1, 1989. That would allow the Construction Industry Licensing Board to remove itself from the deficit fiscal situation it currently projects for 1990, since the amount collected to cover 3 years would be greater than the amount it would collect for a 2 year period. The deficit is projected for only 1990, and with this bill no deficit would be projected for any year. It would then leave the department with staggered renewal dates. Renewal of registrants (local) would take place one year, with renewal of licensees (state-wide) the next. This would split the administrative costs involved in renewal procedures between each year, rather than loading them into a single year.

V. SIGNATURES:

SUBSTANTIVE COMMITTEE:

Prepared by:


G. Arthur

Staff Director:


Patrick L. "Booter" Imhof

SECOND COMMITTEE OF REFERENCE:

Prepared by:

Staff Director:

APPROPRIATIONS:

Prepared by:

Staff Director:

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REVISED: April 11, 1989BILL NO. SB 1065DATE: April 7, 1989Page 1

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

<u>ANALYST</u>	<u>STAFF DIRECTOR</u>	<u>REFERENCE</u>	<u>ACTION</u>
1. <u>Masterton</u>	<u>Krasovsky</u>	1. <u>EPUR</u>	<u>FAV/1 amend.</u>
2. _____	_____	2. _____	_____
3. _____	_____	3. _____	_____
4. _____	_____	4. _____	_____

SUBJECT: Construction Industry Licensing Board

BILL NO. AND SPONSOR: SB 1065 by Senator Kirkpatrick

I. SUMMARY:

A. Present Situation:

Chapter 489, part I, F.S., provides for regulation of various categories of construction contractors by the Construction Industry Licensing Board within the Department of Professional Regulation. The statute provides for the alternatives of certification, which means the contractor has met state requirements for licensure and may perform services on a state-wide basis; or registration, which means the contractor has met local requirements for licensure and is limited to performing services only within the local geographic area.

Currently, the statute provides for a biennial assessment of licensure renewal fees. As set forth in the statute, the maximum biennial renewal fee that may be assessed certified contractors is \$150, and the maximum biennial renewal fee that may be assessed registered contractors is \$100.

B. Effect of Proposed Changes:

The bill eliminates the requirement that licenses be renewed on a biennial basis. Instead, the bill provides for the department to establish, by rule, renewal periods not to exceed four years. In effect, the bill will allow the department to stagger the renewal of contractor licenses, rather than renewing all licenses every two years.

II. ECONOMIC IMPACT AND FISCAL NOTE:

A. Public:

As of March 5, 1989, the department reported 25,665 active certified contractors and 28,179 active registered contractors. The board has set the biennial renewal fee for certified contractors at \$125 and the biennial renewal fee for registered contractors at \$100. In implementing the bill's provisions, the department has stated that for the 1988-89 renewal cycle it will assess a \$196 three year renewal fee for certified contractors and a \$100 biennial renewal fee for registered contractors. The three year renewal fee for certified contractors works out to approximately \$3 per year more than the current biennial renewal fee.

B. Government:

According to the DPR, a staggered renewal will eliminate the operating deficit in the board's Professional Regulation Trust Fund account, caused by the current biennial renewal schedule. The increased revenues realized by issuing a three year license to certified contractors in 1988-89 and renewing registered contractor licenses in two years will affect the board's deficit as follows:

	<u>Current Revenue (without staggering)</u>	<u>Staggered Renewal</u>
<u>1988-89</u>		
Existing Trust Fund Balance	-\$1,973,603	-\$1,973,603
Anticipated Revenue	7,598,650	9,118,050
Anticipated Expenditures	5,830,610	5,921,774
Balance	- 205,563	1,222,673
<u>1989-90</u>		
Revenue	4,668,250	5,236,250
Expenditures	<u>5,652,107</u>	<u>5,686,187</u>
Balance	-\$1,189,420	772,736
<u>1990-91</u>		
Revenue	9,291,850	5,791,850
Expenditures	<u>5,745,809</u>	<u>5,535,809</u>
Balance	\$2,356,621	\$1,028,777

While the staggered renewal cycle results in a lower trust fund balance in 1990-91, it evens out the revenue stream to the department. It also results in an elimination of the deficit in the trust fund during the current fiscal year (1988-89) due to the increased revenues from the three year license to be issued to certified contractors in 1989.

III. COMMENTS:

None.

IV. AMENDMENTS:

#1 by EPUR:

Allows the department to issue a one time 3-year license to certificateholders for the July 1, 1989, renewal period, in lieu of the language in the bill authorizing the department to establish renewal periods of up to 4 years.