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89-258

H 392 GENERAL BILL/CS/1ST ENG by Governmental Operations; Morse (Compare CS/S 482) Administration Division/Established; revises organization & structure of Insurance Dept.; establishes Administration Division within Business Reg. Dept.; establiabes Administration Division within Prof. Reg. Dept. & provides for director; provides for continuation & transfer of rules re certain divisions within Insurance Dept. Amends 20.13, 16, 30. Effective Date: 07/03/89. 02/23/89 HOUSE Prefiled 02/28/89 HOUSE Referred to Governmental Operations; Appropriations 04/04/89 HOUSE Introduced, referred to Governmental Operations; Appropriations -HJ 45; On Committee agenda -Governmental Operations, 04/06/89, 3:30 pm, 314-HOB-For ratification of referral to subcommittee 04/21/89 HOUSE On subcommittee agenda-Governmental Operations, 04/25/89, 3:45 pm, 314-HOB 04/25/89 HOUSE Subcommittee Recommendation: Favorable with 4 amendments; On Committee agenda, pending subcommittee action-Governmental Operations, 04/27/89, 8:30 am, 314-HOB 04/27/89 HOUSE Preliminary Committee Action by Governmental Operations: Favorable as a CS 05/02/89 HOUSE Comm. Report: CS by Governmental Operations -HJ 338; CS read first time -HJ 333; Now in Appropriations -HJ 338 05/10/89 HOUSE Withdrawn from Appropriations -HJ 449; Placed on Calendar 05/19/89 HOUSE Placed on Special Order Calendar 05/24/89 HOUSE Read second time -HJ 605; Read third time; CS passed; YEAS 114 NAYS 0 -HJ 607 05/24/89 SENATE In Messages 05/25/89 SENATE Received -SJ 457; Substituted for CS/SB 482; CS passed as amended; YEAS 38 NAYS 0 -SJ 462; Immediately certified -SJ 462 05/25/89 HOUSE In Messages 06/03/89 HOUSE Concurred; CS passed as amended; YEAS 99 NAYS 12 -HJ 1551 06/03/89 Ordered engrossed, then enrolled 06/20/89 Signed by Officers and presented to Governor 07/03/89 Approved by Governor; Chapter No. 89-258

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. STORAGE NAME: h0392-f.go DATE: July 6, 1989

HOUSE OF REPRESENTATIVES COMMITTEE ON GOVERNMENTAL OPERATIONS FINAL STAFF ANALYSIS & ECONOMIC IMPACT STATEMENT

BILL #: CS/HB 392

RELATING TO: Division creation and reorganization in the Departments of Business Regulation, Professional Regulation, and Insurance

SPONSOR(S): Committee on Governmental Operations and Representative Morse

EFFECTIVE DATE: July 1, 1989 or upon becoming law, whichever occurs later

DATE BECAME LAW: July 3, 1989

CHAPTER #: 89-258, Laws of Florida

COMPANION BILL(S): SB 482 (identical)

OTHER COMMITTEES OF REFERENCE: (1) Appropriations

(2)

I. SUMMARY:

A. SHORT SUMMARY:

Currently, the general administrative duties (which include personnel, finance and accounting, and general services) of the Department of Business Regulation (DBR) are within the Office of the Secretary. There also exists a Division of General Regulation within the department, which has basically been inactive since 1980.

In the Department of Professional Regulation (DPR), there exists the Bureau of Administrative Services, which reports directly to the Assistant Secretary of the department. This bureau is responsible for the administrative functions of the Finance and Accounting, Personnel, and Office Operations sections.

This bill renames the Division of General Regulation within DBR the Division of Administration, a name which more accurately reflects the administrative duties that the DBR proposes to transfer to this division.

This bill also reclassifies the Bureau of Administrative Services within DPR as the Division of Administration and provides for the creation of a division director.

This bill renames the two divisions within Insurance to reflect more accurately the duties they have underataken, it provides for several positions to be created to assist the insurance commissioner, and it gives rule-making authority to the STORAGE NAME: h0392-f.go DATE: July 6, 1989 ' PAGE 2

department to change the names of the divisions within the department.

B. PRESENT SITUATION:

Department of Business Regulation

Currently, the administrative functions (personnel, finance and accounting, purchasing, data processing, budgeting, and general services) of the Department of Business Regulation (DBR) are within the Office of the Secretary of the department and report directly to the Secretary.

Within the DBR there also exists the Division of General Regulation, which has basically been inactive since 1980. This division, at one time, regulated electronic repair dealers, court reporters, business agents of labor unions, yacht and ship brokers and collection agencies. The regulation of electronic repair, repair dealers, yacht and ship brokers, and collection agencies were all repealed upon sunset review. Yacht and ship brokers regulation was subsequently reinstated in 1988 and placed in the Division of Florida Land Sales, Condominiums and Mobile Homes. Regulation of court reporters and the business agents were transferred to other state agencies.

Department of Professional Regulation

The Bureau of Administrative Services within the Department of Professional Regulation (DPR) was created in 1987 as part of a reorganization effort undertaken by the Secretary.

The bureau is composed of and is directly responsible for three sections:

- * <u>Finance and Accounting Section</u> processes all revenue generated and expenses allocated for the department and its boards, and handles all invoices, payroll processing, and accounting records.
- * <u>Personnel Section</u> handles recruitment, employee benefits, classification of positions, employee relations, payroll actions, training and maintenance of personnel, and attendance and leave records.
- * Office Operations Section is responsible for purchasing, property control, central supply, mail room operations, the duplication center, and matters pertaining to building maintenance. It also functions as the Safety and Loss Control Center for the agency and handles energy conservation. In addition, Office Operations monitors the agency's compliance with the Small and Minority Business Enterprise Act of 1985.

The bureau has currently been operating, both administratively and organizationally, as a division. The section chiefs report directly to the bureau chief, who in turns reports to the STORAGE NAME: h0392-f.go DATE: July 6, 1989 PAGE 3

Assistant Secretary of the department.

The bureau is also responsible for leasing of buildings for the nine regional offices throughout the state. At the present time, the bureau is coordinating the move of the entire department to the Northwood Centre in Tallahassee.

C. EFFECT OF PROPOSED CHANGES:

This bill would rename the Division of General Regulation within DBR the Division of Administration. This new name more accurately reflects the administrative duties which the DBR proposes to transfer to the newly-named division. The DBR currently has an Assistant Secretary of Administration, who will be assigned the additional role of division director.

In addition, this bill would reclassify the Bureau of Administrative Services as the Division of Administration and the chief of the bureau would be reclassified as a division director.

Both departments feel that these reclassifications bring the departments into compliance with the organizational structure of the executive branch as described in s. 20.04, Florida Statutes. In addition, these name changes allow the departments to rename subunits to be consistent with other state departments.

D. SECTION-BY-SECTION ANALYSIS:

Section 1 -- Renames the Division of General Regulation in the Department of Business Regulation as the Division of Administration.

Section 2 -- Reclassifies the Bureau of Administrative Services as the Division of Administration and provides for the creation of a division director.

Section 3 -- Provides an effective date.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

- A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:
 - 1. Non-recurring or First Year Start-Up Effects:

None. Any costs incurred as a result of this legislation will be absorbed by the departments.

2. Recurring or Annualized Continuation Effects:

None. Any costs incurred as a result of this legislation will be absorbed by the departments.

3. Long Run Effects Other Than Normal Growth:

None.

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- Appropriations Consequences:
 Not applicable.
- B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:
 - <u>Non-recurring or First Year Start-Up Effects:</u> Not applicable.
 - <u>Recurring or Annualized Continuation Effects:</u> Not applicable.
 - Long Run Effects Other Than Normal Growth: Not applicable.
- C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:
 - <u>Direct Private Sector Costs</u>: Not applicable.
 - 2. <u>Direct Private Sector Benefits:</u>

Not applicable.

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

Not applicable.

D. FISCAL COMMENTS:

None.

III. LONG RANGE CONSEQUENCES:

The issue addressed by this bill is not addressed in the State Comprehensive Plan.

IV. <u>COMMENTS:</u>

The issue addressed in this bill is generally consistent with the Issues Conference Policy Statement, which state that "agencies should be given the incentives and flexibility needed to maximize the use of resources."

V. <u>END-OF-SESSION UPDATE:</u>

CS/HB 392 passed the House on 5/24/89, and was amended on the Senate Floor to include language relating to the Department of Insurance. These amendments rename two divisions within Insurance to more accurately reflect the duties within these divisions, provide for the STORAGE NAME: h0392-f.go DATE: July 6, 1989 PAGE 5

> creation of several positions which will assist the Insurance Commissioner, and give rule-making, instead of statutory, authority to the department to change the names of its divisions.

VI. SIGNATURES:

SUBSTANTIVE COMMITTEE: Prepared by:

La. asal Barnett

SECOND COMMITTEE OF REFERENCE: Prepared by:

Staff Director: Barry K1

Staff Director:

APPROPRIATIONS: Prepared by:

Staff Director:

BILL NO. CS/SB 482

DATE: <u>April 26, 1989</u>

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SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

ANALYST	STAFF DIRECTOR		REFERENCE	ACTION
1. <u>Heffner</u> 2. <u>Tinney</u> 3 4	Krasovsky Stengle	1. 2. 3. 4.	EPUR GO AP	<u>Fav/2 amends.</u> Fav/CS
SUBJECT:			BILL NO. AND	SPONSOR:
Governmental Reorganization; Departments of Professional and Business Regulation			CS/SB 482 by Governmental Operations and Senator Crenshaw	

I. SUMMARY:

A. Present Situation:

Chapter 20, F.S., provides the organizational structure of state agencies which comprise the executive branch of government. Heads of executive agencies are prohibited by s. 20.04, F.S., 1988 Supp., from reallocating duties and functions specifically assigned by law to a specific unit of the department. Further, no department has authority to establish additional divisions, except as provided by law. The law additionally requires that new bureaus, sections, and subsections of departments be established only after proper recommendation from the Department of Administration and approval by the Executive Office of the Governor.

Section 20.30, F.S., 1988 Supp., sets forth the organizational structure of the Department of Professional Regulation (DPR). The department is presently statutorily authorized to establish divisions of Examination and Licensure, Professions, Medical Quality Assurance, Real Estate, and Regulation. Under the present organizational structure of DPR, the Bureau of Administrative Services is assigned to the office of the Secretary of the department. The bureau houses a personnel office, an office of operation services, and an office for finance and accounting. According to DPR, the Bureau of Administrative Services assists the other units of the department with policy development and interpretation of rules and regulations, provides administrative support and direction, and is responsible for leasing building space for DPR offices located throughout the state. Similar functions are performed in other state agencies, in most cases, by a <u>division</u>.

Chapter 455, F.S., sets forth the general provisions relating to the Department of Professional Regulation and its duties and responsibilities to regulate professions and occupations under its jurisdiction. Currently, DPR regulates over 40 professions and occupations, and oversees 29 professional boards, as well as the Florida Real Estate Commission.

Section 20.16, F.S., 1988 Supp., sets forth the organizational structure of the Department of Business Regulation (DBR). The section establishes the Division of Alcoholic Beverages and Tobacco, the Division of Florida Land Sales, Condominiums, and Mobile Homes, the Division of General Regulation, the Division of Hotels and Restaurants, and the Division of Pari-mutuel Wagering. The Division of General Regulation in the Department of Business Regulation provides the same basic services to that department as does the Bureau of Administrative Services in the Department of Professional Regulation.

Because of the many regulatory functions assigned to DBR, its duties are dispersed throughout the statutes. The

DATE: <u>April 26, 1989</u>

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responsibility of the department with respect to alcoholic beverages is contained in chs. 561, 562, and 563, F.S. The duties of the department to regulate condominiums is contained in ch. 718, F.S.; the duties for regulation of hotels and restaurants is provided in ch. 509, F.S.; the duty to inspect elevators is contained in ch. 399, F.S.; and the responsibility to regulate pari-mutuel wagering for dogracing, horseracing, and jai alai is contained in chs. 550 and 551, F.S.

B. Effect of Proposed Changes:

The Department of Professional Regulation would be authorized to establish a Division of Administration, and to assign a director to head the new division. Additionally, the name of the Division of General Regulation in the Department of Business Regulation would be changed to the Division of Administration.

- II. ECONOMIC IMPACT AND FISCAL NOTE:
 - A. Public:

None.

B. Government:

None.

The Department of Professional Regulation states that it will transfer the current positions and salaries from the Bureau of Administrative Services to the new division without the need for additional positions or capital outlay expenses.

The Department of Business Regulation states that it will not incur any expense in changing the name of the Division of General Regulation.

III. COMMENTS:

None.

IV. <u>AMENDMENTS:</u>

None.