

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 Communications, Energy, and Public Utilities

BILL: SB 1312
 INTRODUCER: Senator Perry
 SUBJECT: Construction
 DATE: March 27, 2017 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Wiehle	Caldwell	CU	Favorable
2.			CA	
3.			RC	

I. Summary:

SB 1312 allows manufacture and sale of solar energy systems in Florida that meet the standards established by a “recognized certifying entity,” defining that term to mean any entity that certifies equipment that collects and uses incident solar energy pursuant to standards established by the National Renewable Energy Laboratory (NREL). However, NREL does not set such standards.

Additionally, the bill does the following:

- It requires the Department of Business and Professional Regulation (DBPR) to use \$150,000.00 from the surcharge assessed on building permits to fund, for the 2017-2018 fiscal year, the University of Florida’s School of Construction Management’s continuation of the Construction Industry Workforce Taskforce (CIWT).
- It prohibits local enforcement agencies from requiring payment of any additional fees, charges, or expenses associated with applying for permits if proof of licensure and insurance is provided and recorded.
- It requires the Florida Building Commission to amend the Florida Building Code-Energy Conservation to: eliminate duplicative commissioning reporting requirements for HVAC and electrical systems; authorize commissioning reports to be provided by a licensed design professional, electrical engineer, or mechanical engineer; and prohibit the adoption of American Society of Heating, Refrigerating and Air-Conditioning Engineers Standard 90.1-2007 s. 9.4.1.1(g).
- It prohibits a county, municipality, special taxing district, public utility, or private utility from: requiring a separate water connection for a fire sprinkler system for a one-family or two-family dwelling if the dwelling’s original water connection can meet the needs of the sprinkler system; or, except under specified circumstances, charging a water or sewer rate for a larger water meter for a one-family or two-family dwelling because of the installation of a fire sprinkler system above that which is charged to a one-family and two-family dwelling with a base meter.

- It prohibits a local government from requiring an owner of a residence to obtain a permit to paint the residence, regardless of whether the residence is owned by a limited liability company.
- It requires the Department of Education, in conjunction with the Department of Economic Opportunity, to create a study to implement the recommendations of the Construction Industry Workforce Task Force dated January 20, 2017. The Department of Education must provide the study to the Governor, the President of the Senate, and the Speaker of the House of Representatives before January 9, 2018.
- It requires CareerSource Florida, Inc., to fund construction training programs using existing federal funds awarded to the corporation for training, and to use the previous statewide Florida ReBuilds program as a implementation model for such programs.

The bill takes effect July 1, 2017.

II. Present Situation:

Solar Energy Systems

Florida Solar Energy Center

The statutes require that all solar energy systems¹ manufactured or sold in the state must meet standards established by the Florida Solar Energy Center (FSEC or center).² To accomplish this, the statutes require the FSEC to:

- Identify the most reliable designs and types of solar energy systems by consulting with people in research centers who are engaged in researching and experimenting with solar energy systems;
- Develop and promulgate standards for solar energy systems;
- Establish criteria for testing the performance of solar energy systems; and
- Maintain the necessary capability for testing or evaluating performance of solar energy systems.

FSEC may accept test results from other persons or entities if the tests are conducted according to the criteria established by the center and if the testing entity has no vested interest in the manufacture, distribution, or sale of solar energy systems.

FSEC also accepts standards and certifications for solar thermal products from the Solar Rating and Certification Program (SRCC)³ and the International Association of Plumbing and Mechanical Officials⁴ (IAPMO).⁵

¹ The term “solar energy systems” means equipment that collects and uses solar energy for water heating, space heating or cooling, or other applications which normally require a conventional source of energy such as petroleum products, natural gas, or electricity, and which performs primarily with solar energy. If solar energy is used only in a supplemental way, only those components that collect and transfer solar energy are included. Section 377.705(3)(b), F.S.

² Section 377.705(4), F.S.

³ SRCC produces solar thermal standards and certifications that are used globally. Solar Rating & Certification Corporation, *About Us – General*, <http://www.solar-rating.org/about/general.html>.

⁴ IAPMO certifies solar thermal products for use in North America. International Association of Plumbing and Mechanical Officials, *Solar Product Certification*, <http://www.iapmorg.org/Pages/SolarCertification.aspx> (last visited March 22, 2017).

⁵ Florida Solar Energy Center, *Testing and Certification*, <http://www.fsec.ucf.edu/En/certification-testing/index.htm>.

In 2009, the Office of Program Policy Analysis & Government Accountability (OPPAGA) reported that FSEC had a 2-year backlog for testing and certifying solar energy systems, adversely affecting both manufacturers and citizens.⁶ However, in 2011, OPPAGA reported that the FSEC had eliminated the backlog and testing times were down to 129 days due to streamlined testing procedures.⁷

National Renewable Energy Laboratory and Incident Solar Energy

The National Renewable Energy Laboratory (NREL) conducts research on solar photovoltaics, concentrating solar power, and solar grid and systems integration,⁸ and gives industry an opportunity to commercialize NREL-developed energy technologies and products through licensing options.⁹ However, NREL does not publish or set standards for solar energy systems.

Construction Industry Workforce Taskforce Recommendations

In 2016, the Legislature created the “Construction Industry Workforce Taskforce” (CIWT) to address the construction industry labor force shortage in the state.¹⁰ The CIWT proposed a list of recommendations to remediate the shortage of construction industry workers, including the following recommendations for the Legislature.

- Expand the definition of a Local Educational Agency (LEA), as used in apprenticeship programs in Florida, to include institutions other than public schools, such as private training organization (for profit and nonprofit), labor unions, industry trade associations, or other community based organizations.
- Create a legislative study to consider the appropriateness of moving apprenticeship programs from the Department of Education (DOE) to the Department of Economic Opportunity (DEO), and to address and clarify how current apprenticeships are funded from the state to the LEAs and what options the LEAs have in how they spend apprenticeship funding.
- Require DOE to recognize the National Center for Construction Education and Research (NCCER) curriculum, or other comparable national curriculum, as eligible for high school credits, college credits, and state supported scholarships (e.g., bright futures).
- Provide additional state Career and Technical Education (CTE) support to be directed towards K-12 programs so that “shop” or other construction related programs are added back into CTE programs.
- Extend for 4 additional years the “sunset” timeframe for CIWT and provide funding of \$100,000 per year and a mechanism to obtain matching funds to continue to coordinate

⁶ OPPAGA, Report No. 09-17, Florida Solar Energy Center Conducts Research and Development; Legislature Could Direct Fee Increases and Drop Certification Requirement, p. 1 (March 2009)

<http://www.oppaga.state.fl.us/MonitorDocs/Reports/pdf/0917rpt.pdf>.

⁷ OPPAGA, Report No. 11-19, The Florida Solar Energy Center Eliminated the Backlog for Testing and Certification and Reduced its Reliance on State Funds, p. 1 (September 2011)

<http://www.oppaga.state.fl.us/MonitorDocs/Reports/pdf/1119rpt.pdf>.

⁸ National Research Energy Laboratory, *Solar Research*, <https://www.nrel.gov/solar/>.

⁹ National Research Energy Laboratory, *Negotiable Technology Licensing*, <https://www.nrel.gov/workingwithus/licensing.html>.

¹⁰ ch. 2016-129, Laws of Fla.

CIWT. Funding will be used to continue data collection and analysis, ongoing economic impact studies, and subsequent strategies, implementation planning, and follow up.

- Direct CareerSource Florida, Inc. (CSF) to set aside existing federal training dollars for construction training programs using the previous state-wide Florida reBuilds Initiative (FRI) as an implementation model.
- Provide funding from the existing Department of Business and Professional Regulation (DBPR) “Building Permit Surcharge” trust fund that is dedicated to better code compliance through the recruitment and training of a qualified workforce.
- Allow for an alternative instructor certification process through the DOE that does not require certification through an LEA.
- Create a joint legislative audit committee to review compliance regarding use of building permit fees beyond the scope of supporting the building department activities.
- Support The Building Officials Association of America, Inc. in the development of initiatives to further opportunities for potential building code enforcement professionals.¹¹

III. Effect of Proposed Changes:

Section 1 amends s. 377.705, F.S., on the Florida Solar Energy Center. The bill defines “recognized certifying entity” to mean any entity that certifies equipment that collects and uses incident solar energy pursuant to standards established by NREL. It exempts solar energy systems certified pursuant to NREL standards from the requirements, standards, and criteria for the performance of solar energy systems developed by FSEC. It allows manufacture and sale of solar energy systems in this state that meet the standards established by a recognized certifying entity. NREL does not set standards.

Section 2 amends s. 553.721, F.S., on the surcharge assessed on building permits at the rate of 1.5 percent of the permit fees. The surcharge is for DBPR’s use in administering and enforcing the Florida Building Code. The bill requires DBPR to fund \$150,000.00 in the 2017-2018 fiscal year to the University of Florida’s School of Construction Management for the continuation of the CIWT.

Section 3 amends s. 553.80, F.S., on building code enforcement to prohibit local enforcement agencies from requiring payment of any additional fees, charges, or expenses associated with applying for permits if proof of licensure and insurance is provided and recorded.

Section 4 creates s. 553.9081, F.S., to require the Florida Building Commission to amend the Florida Building Code-Energy Conservation to:

- Eliminate duplicative commissioning reporting requirements for HVAC and electrical systems;¹²

¹¹ University of Florida, FLORIDA CONSTRUCTION WORKFORCE TASKFORCE 9-10 (January 27, 2017), <http://www.cce.ufl.edu/projects/current-projects/construction-workforce-taskforce/reports/>.

¹² Section C408 of the 5th edition of the Code (Energy Conservation) requires a commercial building to receive a commissioning report prior to receiving a passing mechanical final inspection. The report covers testing of heating, ventilation, air conditioning, and lighting systems. The commissioning report includes:

- A commission plan which includes: a description of the activities to be accomplished, including the personnel intended to accomplish the activities; a listing of the equipment, appliances, or systems to be tested, and a

- Authorize commissioning reports to be provided by a licensed design professional, electrical engineer, or mechanical engineer; and
- Prohibit the adoption of American Society of Heating, Refrigerating, and Air-Conditioning Engineers Standard 90.1-2007 s. 9.4.1.1(g).¹³

Section 5 amends s. 633.208, F.S., on minimum firesafety standards. The bill prohibits a county, municipality, special taxing district, public utility, or private utility from:

- Requiring a separate water connection for a fire sprinkler system for a one-family or two-family dwelling if the dwelling's original water connection can meet the needs of the sprinkler system; and
- Charging a water or sewer rate for a larger water meter for a one-family or two-family dwelling because of the installation of a fire sprinkler system above that which is charged to a one-family and two-family dwelling with a base meter. However, if the installation of fire sprinklers in a one-family or two-family dwelling requires the installation of a larger water meter, only the difference in actual cost between the base water meter and the larger water meter may be charged by the water utility provider.

Section 6 prohibits a local government from requiring an owner of a residence to obtain a permit to paint the residence, regardless of whether the residence is owned by a limited liability company.

Section 7 requires the Department of Education, in conjunction with the Department of Economic Opportunity, to create a study on how to implement the recommendations of the Construction Industry Workforce Task Force dated January 20, 2017. The Department of Education must provide the study to the Governor, the President of the Senate, and the Speaker of the House of Representatives before January 9, 2018.

Section 8 CareerSource Florida, Inc. is required to fund construction training programs using existing federal funds awarded to the corporation for training, and to use the previous statewide Florida ReBuilds program as a implementation model for such programs.

The bill takes effect July 1, 2017.

description of the tests to be performed; the functions to be tested; conditions under which the test will be performed; and measurable criteria for performance.

- A preliminary report of tests and results, which must identify: deficiencies found during testing that have not been corrected; and tests that cannot be performed because of climate conditions and the conditions required to perform the tests.
- A final report which includes: test results; disposition of deficiencies found during testing; and a test procedure used for repeatable testing outcomes.

¹³ The American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) is a society founded in 1894 that focuses on improving building systems, energy efficiency, indoor air quality, and refrigeration through research publishing, continuing education and standards. AHSRAE's energy conservation standard for buildings that are not low rise residential buildings is Standard 90.1-2016 (Standard 90). Section 9.4.1.1(g) of Standard 90 requires that the general lighting power in an enclosed area of a building must automatically reduce by 50 percent within twenty minutes of all occupants leaving the area.

IV. Constitutional Issues:**A. Municipality/County Mandates Restrictions:**

Not Applicable. The bill does not appear to require counties or municipalities to spend funds or take action requiring the expenditures of funds; reduce the authority that counties or municipalities have to raise revenues in the aggregate; or reduce the percentage of state tax shared with counties or municipalities.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

The bill may: reduce certain contractor permitting fees; reduce homeowners' water meter costs; and increase the purchases of residential fire sprinkler systems.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 377.705, 553.721, 553.80, 553.9081, and 633.208.

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.
