

STORAGE NAME: h0443s1.brc
DATE: March 13, 1997

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
BUSINESS REGULATION AND CONSUMER AFFAIRS
BILL ANALYSIS & ECONOMIC IMPACT STATEMENT**

BILL #: CS/HB 443

RELATING TO: Firesafety

SPONSOR(S): Committee on Business Regulation & Consumer Affairs, and Representative Trovillion

STATUTE(S) AFFECTED: Sections 633.511 and 633.537, F.S.

COMPANION BILL(S): SB 1310 (s)

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) BUSINESS REGULATION AND CONSUMER AFFAIRS YEAS 6 NAYS 0
 - (2)
 - (3)
 - (4)
 - (5)
-

I. SUMMARY:

Chapter 633, F.S., concerns fire protection, and contains licensure requirements for five classifications (categories I, II, III, IV, and V) of fire protection system (a.k.a. "fire sprinkler") contractors, including requirements for 24 hours of continuing education (C.E.) annually.

A "Contractor V" is licensed to perform work on "underground piping for fire protection systems using water." Often, this very same contractor is *a/so* licensed as an Underground Utility and Excavation Contractor under chapter 489, F.S.

This bill reduces the C.E. requirement for persons licensed as a "Contractor V" to 14 hours. It also provides that completion of continuing education requirements approved for licensees under chapter 489, F.S., will be considered as also approved for complying with the Contractor V continuing education requirements, and *visa versa*. This provision is intended to "cross authorize" those continuing education classes that are approved for underground utility contractors (or other chapter 489, F.S., contractors who perform chapter 633, F.S., Contractor V work) as also being accepted as accomplishing compliance with the C.E. requirements for a Contractor V.

The bill also provides that continuing education completed within 18 months prior to the effective date of the bill will be acceptable for the continuing education requirements established by the bill. Finally, effective July 1, 1997, the bill changes the appointment authority for the Florida Fire Safety Board from the Governor to the State Fire Marshal.

It is estimated that the cost of implementation will be \$25,252 for the first year and \$27,670 for the second and subsequent years. The funding source is the Insurance Commissioner's Regulatory Trust Fund.

II. SUBSTANTIVE ANALYSIS:

A. PRESENT SITUATION:

Chapter 633, F.S., concerns fire protection, and contains licensure requirements for five classifications of fire protection system (a.k.a. "fire sprinkler") contractors, including requirements for 24 hours of continuing education (C.E.) annually.

There are five classifications of fire protection system contractors:

"Contractor I" means a contractor whose business includes the execution of contracts requiring the ability to lay out, fabricate, install, inspect, alter, repair, and service all types of fire protection systems, excluding preengineered systems.

"Contractor II" means a contractor whose business is limited to the execution of contracts requiring the ability to lay out, fabricate, install, inspect, alter, repair, and service water sprinkler systems, water spray systems, foam-water sprinkler systems, foam-water spray systems, standpipes, combination standpipes and sprinkler risers, all piping that is an integral part of the system beginning at the point where the piping is used exclusively for fire protection, sprinkler tank heaters, air lines, thermal systems used in connection with sprinklers, and tanks and pumps connected thereto, excluding preengineered systems.

"Contractor III" means a contractor whose business is limited to the execution of contracts requiring the ability to lay out, fabricate, install, inspect, alter, repair, and service CO2 systems, foam extinguishing systems, dry chemical systems, and Halon and other chemical systems, excluding preengineered systems.

"Contractor IV" means a contractor whose business is limited to the execution of contracts requiring the ability to lay out, fabricate, install, inspect, alter, repair, and service automatic fire sprinkler systems for detached one-family dwellings, detached two-family dwellings, and mobile homes, excluding preengineered systems and excluding single-family homes in cluster units, such as apartments, condominiums, and assisted living facilities or any building that is connected to other dwellings.

"Contractor V" means a contractor whose business is limited to the execution of contracts requiring the ability to lay out, fabricate, install, inspect, alter, repair, and service the underground piping for a fire protection system using water as the extinguishing agent beginning at the point at which the piping is used exclusively for fire protection and ending no more than 1 foot above the finished floor.

Often, a certificateholder of a Contractor V license is also licensed as an Underground Utility and Excavation Contractor under chapter 489, F.S. The licensee is required to complete continuing education courses for both licenses although the duties are similar in nature.

Presently, the appointment authority for the Florida Fire Safety Board resides with the Governor. The State Fire Marshal's Office indicates that no appointments have been made for several years and the board has fallen into a dormant state.

B. EFFECT OF PROPOSED CHANGES:

The bill amends s. 633.537, F.S., to reduce the hours of continuing education (C.E.) required of Fire Safety Contractor V's from 24 hours per year to 14 hours per year.

In addition, it provides that C.E. hours approved for a construction contractor licensee (under ch. 489, F.S.) will also be approved for compliance with the Contractor V (under ch. 633, F.S.) C.E. requirement (and visa versa).

Finally, it provides that the Fire Marshal, rather than the Governor, shall henceforth appoint members of the Florida Fire Safety Board.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

No.

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

Yes. Contractors in classification V will have 10 less hours of continuing education to complete in order to have their license renewed.

(3) any entitlement to a government service or benefit?

No.

b. If an agency or program is eliminated or reduced:

(1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

None.

(2) what is the cost of such responsibility at the new level/agency?

None.

(3) how is the new agency accountable to the people governed?

N/A

2. Lower Taxes:

- a. Does the bill increase anyone's taxes?

No.

- b. Does the bill require or authorize an increase in any fees?

No.

- c. Does the bill reduce total taxes, both rates and revenues?

No.

- d. Does the bill reduce total fees, both rates and revenues?

No.

- e. Does the bill authorize any fee or tax increase by any local government?

No.

3. Personal Responsibility:

- a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

No.

- b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

No.

4. Individual Freedom:

- a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

No.

- b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

No.

5. Family Empowerment:

a. If the bill purports to provide services to families or children:

(1) Who evaluates the family's needs?

N/A

(2) Who makes the decisions?

N/A

(3) Are private alternatives permitted?

N/A

(4) Are families required to participate in a program?

N/A

(5) Are families penalized for not participating in a program?

N/A

b. Does the bill directly affect the legal rights and obligations between family members?

No.

c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

(1) parents and guardians?

N/A

(2) service providers?

N/A

(3) government employees/agencies?

N/A

D. SECTION-BY-SECTION ANALYSIS:

Section 1. Effective July 1, 1997, amends s. 633.511(3), F.S., to change the appointment authority for the Florida Fire Safety Board from the Governor to the State Fire Marshal.

Section 2. Effective June 30, 1997, amends s. 633.537, F.S., to revise continuing education requirements for persons licensed as a Contractor V who have continuing education requirements imposed chapter 489, F.S. The bill reduces the number of continuing education requirements for those in Contractor V (of ch. 633, F.S.) from 24 to 14 hours, and recognizes as acceptable those continuing education courses approved by the Construction Industry Licensing Board for ch. 489, F.S., licensees who also perform activities requiring a Contractor V license (and visa versa).

Section 3. Provides that the bill shall become effective upon becoming a law.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

<u>Expenditures:</u>	1997-98
Department of Insurance and Treasurer Insurance Commissioner's Regulatory Trust Fund	\$3,230

2. Recurring Effects:

<u>Expenditures:</u>	1997-98	1998-99
Department of Insurance and Treasurer Salaries and Benefits (1 FTE) Expense	\$16,944 5,078	\$22,592 5,078

3. Long Run Effects Other Than Normal Growth:

None.

4. Total Revenues and Expenditures:

<u>Expenditures:</u>	1997-98	1998-99
Department of Insurance and Treasurer Insurance Commissioner's Regulatory Trust Fund	\$25,252	\$27,670

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

None.

2. Recurring Effects:

None.

3. Long Run Effects Other Than Normal Growth:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

Undeterminate.

2. Direct Private Sector Benefits:

Undeterminate.

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

Undeterminate.

D. FISCAL COMMENTS:

As provided by the Department of Insurance and Treasurer, the one FTE is for clerical assistance to conduct additional tracking and maintenance of the continuing education program.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate.

STORAGE NAME: h0443s1.brc

DATE: March 13, 1997

PAGE 8

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of a state tax shared with counties and municipalities.

V. COMMENTS:

None.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

A "strike everything after the enacting clause" amendment was adopted in committee which clarified the provisions relating to C.E. requirements, and that the Fire Marshal, rather than the Governor, shall henceforth appoint members of the Florida Fire Safety Board.

VII. SIGNATURES:

COMMITTEE ON BUSINESS REGULATION AND CONSUMER AFFAIRS:

Prepared by:

Legislative Research Director:

Gip Arthur

Lucretia Shaw Collins