

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

Date: March 12, 1998 Revised: _____

Subject: Fire Protection Contractors

	<u>Analyst</u>	<u>Staff Director</u>	<u>Reference</u>	<u>Action</u>
1.	<u>Emrich</u>	<u>Deffenbaugh</u>	<u>BI</u>	<u>Favorable/CS</u>
2.	_____	_____	<u>WM</u>	<u>Withdrawn</u>
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____

I. Summary:

Chapter 633, F.S., establishes the regulatory and operational framework for fire protection for the state. The chapter designates the head of the Department of Insurance as the State Fire Marshal and contains licensure requirements for five classifications of fire protection system contractors (categories I, II, III, IV, V - a.k.a. “fire sprinkler contractors”), including requirements for 24 hours of continuing education (C.E.) *annually* for each licensee in the first four classifications, and for 14 hours in the fifth classification. Currently, fire protection contractors must renew their license every year.

The Committee Substitute for Senate Bill 818 makes the following changes:

- (1) Provides that licensees shall be required to renew their license every 2 years, rather than every year.
- (2) Provides that Contractors I, II, and III shall be required to complete 32 hours of C.E. every 2 years, rather than 24 hours every year.
- (3) Provides that Contractors IV and V shall be required to complete 14 hours of C.E. every 2 years, rather than every year.
- (4) Changes the renewal fee from \$150 every year to \$250 every 2 years. This means a reduction in renewal revenues of approximately \$25,000 every 2 years. However, the department should also experience a similar reduction in costs incurred, due to the fact that they would be processing renewals only once every 2 years rather than twice every 2 years.

- (5) Provides that for that initial renewal subsequent to the effective date of this act, the number of C.E. hours required shall be half (16 or 7, depending on the classification) of what will be required in the future.

There are approximately 500 licensed fire protection contractors in Florida.

This bill substantially amends ss. 633.524, 633.537, and 633.60 of the Florida Statutes.

II. Present Situation:

Pursuant to chapter 633, F.S., the head of the Department of Insurance is designated as the State Fire Marshal and, as such, carries out the duties of fire protection and control through the Division of State Fire Marshal. Under this chapter, the division licenses *five* classifications of fire protection system (a.k.a. "fire sprinkler") contractors. There are approximately 500 licensed fire protection contractors in Florida. These five license categories are outlined as follows:

"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.

Requirements for renewal of a license include 24 hours of continuing education (C.E.) annually for each licensee in the first four classifications, and 14 hours in the fifth classification. Currently, fire protection contractors must renew their license on July 1 of each year at a cost of \$150 per license. Most licensees at other state agencies (the Department of Business and Professional Regulation and the Department of Health) require renewal every 2 years rather than every year, basically as a cost-saving strategy. Often, a certificate holder 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 that can be applied to or transferred from one license to the other. Construction contractors are required to have 14 hours of C.E. before renewing their *biennial* license.

Section 1. Amends s. 633.524, F.S., to provide that the biennial renewal for fire protection contractors' fee shall be \$250, rather than having an annual renewal fee of \$150.

Section 2. Amends s. 633.537, F.S., to provide that:

- (1) The fire protection contractor license shall expire after 2 years (rather than 1);
- (2) An inactive license expires after 2 years, rather than 3;
- (3) Contractors I, II, and III shall be required to complete 32 hours of C.E. every 2 years, rather than 24 hours every year;
- (4) Contractors IV and V shall be required to complete 14 hours of C.E. every 2 years, rather than every year;
- (5) For Contractor IV's, the 14 C.E. hours must encompass the appropriate National Fire Protection Association fire sprinkler documentation prior to renewal;
- (6) Any C.E. courses approved for any of the classifications of a fire protection contractor shall be considered as approved for any licensees under the CILB;
- (7) For that initial renewal (June 30, 1998) subsequent to the effective date of this act, the number of C.E. hours required shall be half of what will be required in the future for a biennial licensure.

Section 3. Amends s. 633.60, F.S., to make a technical change to reflect moving from annual to biennial renewal.

Section 4. Provides that the act shall take effect upon becoming a law.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The effect of this bill is to reduce the cost of license renewal fees because licensees would pay \$250 every 2 years instead of paying \$150 every year.

C. Government Sector Impact:

There are approximately 500 licensed fire protection contractors in Florida. The reduction in license renewal fees will decrease revenues to the Insurance Commissioner's Regulatory Trust Fund by approximately \$25,000. However, it would appear that the department can expect to save a similar amount by having to perform only one renewal cycle every 2 years, rather than two during that same period.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
