

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 Infrastructure and Security

BILL: SB 422

INTRODUCER: Senator Perry

SUBJECT: Recreational Vehicles

DATE: January 24, 2020

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Proctor	Miller	IS	Pre-meeting
2.			IT	
3.			RC	

I. Summary:

SB 422:

- Defines “recreational vehicle” (RV) to mean a motor vehicle that is designed to provide temporary living quarters for recreational, camping, or travel use and that has its own propulsion or is mounted on or towed by another motor vehicle;
- Creates a separate liquefied petroleum (LP) gas-related license category for RV dealers and installers (category VII liquefied petroleum gas dispenser and recreational vehicle servicer);
- Makes it unlawful to practice in category VII without a license; and
- Requires applicants for a category VII licensure to:
 - Submit a \$20 nonrefundable examination fee; and
 - Pass a competency examination with a grade of 70 percent or above in each area tested.

Applicants for licensure under the new category VII will not pay an annual license fee.

The bill also provides that the Department of Agriculture and Consumer Services (DACS) may contract with a not-for-profit, industry-specific trade association to conduct the training and examinations for category I (LP gas dealer), II (LP gas dispenser), V (LP gas installer), and VII applicants.

According to DACS, the bill may have a negative recurring fiscal impact of \$30,000 for the department.¹ See Section V Fiscal Impact Statement for details.

The effective date of the bill is July 1, 2020.

¹ Florida Department of Agriculture and Consumer Services, Agency Analysis of SB 422 (Oct. 8, 2019).

II. Present Situation:

Liquefied Petroleum Gas

The DACS Bureau of Compliance is the primary agency charged with regulating the LP gas industry, including licensing, inspection, training, and examination requirements, in accordance with ch. 527, F.S. These responsibilities enable DACS to ensure that those persons engaged in LP gas-related business activities in this state are trained and that compliance with acceptable safety codes and standards is achieved statewide.²

LP gas is defined in statute as any material composed predominantly of any of the following hydrocarbons, or mixtures of the same:

- Propane;
- Propylene;
- Butanes (normal butane or isobutane); and
- Butylenes.³

Propane, the most widely used LP gas, is an energy source for hotels, restaurants, schools, hospitals, nursing homes, universities, private homes, recreational vehicles, agricultural and industrial facilities, and is used as an alternative fuel for vehicles.⁴

Business Licenses

Current law provides licensing requirements for businesses that engage in certain LP gas-related activities, including sales, installations, service and repair work, manufacture of equipment, and other miscellaneous activities. DACS is required to license applicants that it determines to be competent, qualified, and trustworthy. Violations for willfully operating without a license is a third degree felony.

The license categories and associated fees are as follows:

<i>License Categories</i>	<i>License Fee Per Year</i>
Category I LP gas dealer	\$400
Category II LP gas dispenser	\$400
Category III LP gas cylinder exchange unit operator	\$65
Category IV dealer in appliances and equipment	\$65
Category V LP gas installer	\$200

² Florida Department of Agriculture and Consumer Services, *Safe Dispensing of Propane, Propane Dispensing Unit Operator Training Manual*, <https://www.fdacs.gov/content/download/78592/file/Safe-Dispensing-of-Propane-Manual.pdf> (last visited January 22, 2020).

³ Section 527.01(1), F.S.

⁴ Florida Department of Agriculture and Consumer Services, *supra* note 2, at 4.

<i>License Categories</i>	<i>License Fee Per Year</i>
Category VI miscellaneous operator	\$200 ⁵

Licenses may elect to renew their license annually, biennially, or triennially, and are required to meet the same requirements and conditions, including fee amounts, for each licensed year. An expired license will become inoperative, and the fee for restoration of an expired license is equal to the original license fee, and must be paid before the licensee is allowed to resume operations.⁶

Training and Examinations

DACS is responsible for enforcing reasonable standards of competency, including, but not limited to, the training, licensure, testing, and qualifying of persons participating in the LP gas industry.⁷ DACS is also authorized to adopt rules that are:⁸

- In the interest of public health, safety, and welfare and to promote the safe handling of LP gas, equipment, and systems; and
- Reasonably necessary to assure the competence of persons to safely engage in the business of LP gas.

According to the DACs website, training is required for all employees of an LP gas-related business, and refresher training must be conducted at three-year intervals.⁹

In addition, any person applying for a license to engage in category I (LP gas dealer), II (LP gas dispenser), or V (LP gas installer) activities must prove competency by passing a written examination administered by DACS or its agent.¹⁰

Qualifiers

Each category I (LP gas dealer), II (LP gas dispenser), or V (LP gas installer) licensee is required to employ a full-time employee who has received a qualifier certificate from DACS. Qualifiers are required to function in a supervisory capacity, and a separate qualifier must be present for every ten employees.

⁵ Section 527.02, F.S.

⁶ Section 527.03, F.S.

⁷ Section 527.055(1)(b), F.S.

⁸ Section 527.06

⁹ Florida Department of Agriculture and Consumer Services, *LP Gas Training*, <https://www.fdacs.gov/Business-Services/LP-Gas-Inspection/LP-Gas-Training> (last visited January 22, 2020).

¹⁰ Section 527.0201(1), F.S.

An applicant for a qualifier certificate must:

- Be employed by a category I (LP gas dealer), II (LP gas dispenser), or V (LP gas installer) licensee;
- Submit to DACS a nonrefundable \$20 examination fee; and
- Pass a competency examination with a grade of 70 percent or above in each area tested.

Qualifier registration expires three years after the date of issuance. Qualifiers must renew their qualification 30 calendar days before expiration, upon:

- Application to DACS;
- Payment of a \$20 renewal fee; and
- Documentation of the completion of a minimum of 16 hours of approved continuing education courses, as defined by DACS rule, during the previous three-year period.

Persons failing to renew before the expiration date must reapply and take a qualifier competency examination in order to reestablish qualifier status.¹¹

Master Qualifiers

In addition to the qualifier requirements, each category I (LP gas dealer) and V (LP gas installer) licensee is required to have a manager, owner, or employee at each licensed location who has received a master qualifier certificate from DACS. The master qualifier must be a manager, owner or someone otherwise primarily responsible for overseeing the operations of the licensed location and must provide documentation to DACS.

An applicant for a master qualifier certificate must:

- Be employed by a category I (LP gas dealer) or V (LP gas installer) licensee;
- Submit to DACS a nonrefundable \$30 examination fee.
- Have been a registered qualifier for at least three years immediately preceding the application; and
- Pass a master qualifier competency examination with a grade of 70 percent or above in each area tested.¹²

Master qualifier registration expires three years after the date of issuance. Master qualifier registration renewals may be renewed by submitting to DACS:

- Proof of employment;
- Payment of a \$30 certificate renewal fee;
- Documentation of the completion of a minimum of 16 hours of approved continuing education courses, as defined by department rule, during the previous three-year period.¹³

¹¹ Section 527.0201(1)-(4), F.S.

¹² Section 527.0201(5), F.S.

¹³ Section 527.0201(5)(c), F.S.

Recreational Vehicle Dealers or installers

Propane is widely used in RVs to regulate temperature, cook meals, provide hot water, and refrigerate food. Typically, motorized RVs have a fixed propane tank and towable RVs have a removable propane tank.¹⁴ In Florida, the refilling, repairing, or replacing of propane gas and equipment must be completed by a properly trained employee of a licensed LP gas-related business.¹⁵

Prior to July 2018, RV dealers and installers were classified separately in Florida law as a “category IV LP gas dispenser and recreational vehicle servicer,” and were defined as:

“any person engaging in the business of operating a liquefied petroleum gas dispensing unit for the purpose of serving liquid product to the ultimate consumer for industrial, commercial, or domestic use, and selling or offering to sell, or leasing or offering to lease, apparatus, appliances, and equipment for the use of liquefied petroleum gas, and whose services include the installation, service, or repair of recreational vehicle liquefied petroleum gas appliances and equipment.”

RVs were defined as:

“a motor vehicle designed to provide temporary living quarters for recreational, camping, or travel use, which has its own propulsion or is mounted on or towed by another motor vehicle.”

In order to engage in LP gas-related activities, category IV (LP gas dispenser and recreational vehicle servicer) businesses were required to obtain licensure from DACS by meeting all applicable requirements within the chapter of law governing the LP gas industry, including training, examination, initial and renewal license fees, insurance coverage, and qualifiers.¹⁶

However, legislation passed during the 2018 Legislative Session that became effective July 2018, resulted in the category IV (LP gas dispenser and recreational vehicle servicer) license type being deleted from statute.¹⁷ According to DACS, the changes were sought to meet current business practices, to simplify the registration process and to streamline the regulatory structure.

Since July 2018, depending on the type of work being performed, a RV dealer/installer is now required to obtain either a category I (LP gas dealer), II (LP gas dispenser), or V (LP gas installer) license, and meet all applicable licensing and examination requirements in order to operate lawfully in the state. Current law does not provide a separate LP gas license category specifically for RV dealers and installers.

¹⁴ Winnebagolife, *An Easy Guide to Finding Propane for Your RV*, <https://winnebagolife.com/2019/05/finding-propane-for-your-rv> (last visited January 22, 2020).

¹⁵ See ch. 527, F.S.

¹⁶ See ch. 527, F.S. (2017).

¹⁷ Ch. 2018-84, Laws of Fla.

According to DACS, RV dealers and installers are required to obtain a category V (LP gas installer) license, and if the RV dealer/installer also dispenses LP gas, a category II (LP gas dispenser) license must also be obtained. In lieu of multiple licenses, RV dealers and installers may obtain a category I (LP gas dealer) license that allows them to perform both service and dispensing functions.¹⁸

According to DACS, there are 50 licensed RV dealers and installers in the state.¹⁹

III. Effect of Proposed Changes:

The bill creates a separate LP gas business license category for RV dealers and installers, makes it unlawful for such businesses to practice without a license, and requires the businesses applying for licensure under the new category VII to:

- Submit to DACS a nonrefundable \$20 examination fee; and
- Pass a competency examination with a grade of 70 percent or above in each area tested.

The bill also provides DACS with specific authority to “contract with a not-for-profit, industry-specific trade association to conduct the training and examinations required for this section.” This would allow DACS to contract with a trade association representing LP gas businesses for the training and examinations required for category I, II, V, and the proposed category VII.

The bill creates the "category VII liquefied petroleum gas dispenser and recreational vehicle servicer" LP gas license and defines these entities as a person who operates a liquefied petroleum gas dispensing unit to serve liquid product to a consumer for industrial, commercial, or domestic use, and sells or offers to sell, or leases or offers to lease, apparatus, appliances, and equipment for the use of liquefied petroleum gas, and whose services include the installation, service, or repair of recreational vehicle liquefied petroleum gas appliances and equipment.

The bill does not provide for payment of an annual license fee for the newly created category VII license.

The bill also defines an RV to mean a motor vehicle that is designed to provide temporary living quarters for recreational, camping, or travel use and that has its own propulsion or is mounted on or towed by another motor vehicle.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

¹⁸ *Supra* note 1, p. 1 (Oct. 8, 2019).

¹⁹ *Supra* note 1, p. 3 (Oct. 8, 2019).

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

There is no fee for a category VII license. Currently, a LP gas licensee working at an RV business is paying either \$400 for a category I (LP gas dealer) license or up to \$600 for both a category V (LP gas installer) license (\$200) and a category II (LP gas dispenser) license (\$400). Depending upon the work being performed, a licensee would save between \$200 and \$600 every year by being licensed under category VII.²⁰

C. Government Sector Impact:

Those obtaining a category VII license (rather than a category I, II, or V license, or any combination thereof) would no longer pay any license fees.²¹ According to DACS, the bill may have a negative recurring fiscal impact of \$30,000 on the department's revenues.²²

VI. Technical Deficiencies:

None.

VII. Related Issues:

The DACS provided the following additional comment:

“Pursuant to changes made during the 2018 Legislative Session (ch. 2018-84, L.O.F.), the number of LP gas license types was reduced from sixteen specialty licenses to the six current license types to remove confusion for licensees and to reduce the burden on the DACS to maintain testing and consistency over so many license areas. If enacted, the proposed bill could signal a reversal of course by

²⁰ *Id.*

²¹ *Id.*

²² *Supra* note 1, p. 2 (Oct. 8, 2019).

creating a special license with limited requirements for a small segment of the RV industry.”²³

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 527.01, 527.0201, and 527.02

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.

²³ *Supra* note 1, p. 4 (Oct. 8, 2019).