Contractor Licensing

HB 735 Pre-emption of Local Licensing to the State





Our Vision:

To Be the Standard for Public Service in America

Contractor Licensing and the PCCLB



We oversee licensing,

administration, records management, and contractor license investigations of the Pinellas County Construction Licensing Board.

We <u>license contractors</u> to ensure that those working in the County have the skills to perform their work. We <u>monitor contractors' liability and workers' compensation insurance</u> to reduce risk to consumers and protect workers.

We <u>enforce Florida and County statutes and ordinances</u>, including arbitrating building code disputes, amending codes and <u>protecting the Coastal Construction Control Line</u>.

The PCCLB has been licensing contractors, enforcing construction licensing law and protecting citizens in Pinellas County since 1973. We are now celebrating our 50th year.



Local Licensing History



- PCCLB currently has 18 Specialty License Classifications dating back as early as 1988
- Approx. 1,400 locally licensed contractors, all of whom:
 - Proved requisite construction experience
 - Provided background and credit history
 - Paid for, studied for and passed a trade examination and business law exam with 70% or more
 - Were awarded a certificate of competency license to allow them to practice their trade – some in highly skilled trades – in Pinellas County
 - Licensed as early as 1982 (39 years ago) and the most recent in December 2021
 - Are working compliant with construction licensing law including proper general liability and workers' compensation insurance



Eliminating Local Specialty Licensing



- HB 735 The Pre-emption of Local Occupational Licensing signed into law June 30, 2021 eliminates all local specialty licensing effective <u>July 1, 2023</u>
- HB 735 contradicts the rights granted to PCCLB under 75-489, Laws of Florida, aka "The Special Act" that gives PCCLB unique countywide authority to:
 - Issue licenses, establish license classifications and register contractors in most construction trades
 - Require municipal and County building departments to confirm a contractor's license status before issuing a building permit
- HB 735 confirms our continuing right to grant "journeymen" (or apprentice) licenses, eliminating one journeyman classification
 - Dictates the fees we charge journeymen to apply and renew their licenses to \$25 (currently \$75 to apply, \$35 to renew)

The Impact on Specialty Contractors



- 18 specialty licenses will be eliminated affecting approx. 1,400 contractors
- Eliminating the specialty license does not eliminate the requirement to acquire a building permit under the Florida Building Code
- 3 classifications do not generally require permits for work in Pinellas County
 - Painting Specialty (416 contractors), Tile and Marble Specialty (195 contractors) and most work performed by Cabinet Specialty (66 contractors)
 - It is expected that their work may continue without impact
- Some work performed by Finish Carpentry Specialty does not require a permit
 - Windows, doors, and stairs require a permit in most jurisdictions (247 contractors impacted)
- Permitting is inconsistent across jurisdictions for 4 classifications
 - Fence Erection (43 contractors), Flatwork Masonry (101 contractors), Paving Specialty (50 contractors), Plaster/Stucco (65 contractors) may be impacted depending on the nature and location of work

Additional Impacts



- 78 contractors in 4 classifications may be eligible to upgrade to the State Specialty Structure certification*
 - Including Awning Specialty (4 contractors), Garage Door (30 contractors), Shutter/Open Protection (12 contractors) and Veneer Specialty Contractors (32 contractors) (*Not all will qualify)
- 6 specialties generally require permits for most work (due to the work being structural and/or due to windload risk) and will be prohibited from pulling building permits anywhere in the County
 - Carpentry (77 contractors), Natural Gas (2 contractors), NonElectrical Sign (56 contractors), Pile Driving (1 contractor), Structural Masonry (50 contractors), and Structural Steel (8 contractors)
- 8 specialties are licensed by both the County and the State
 - Locally licensed contractors in state specialties need to register with the state or become Statecertified to continue work in the trade; 284 contractors may be eligible*
- 1 journeyman classification will be eliminated / 4 journeymen classifications continue

Economic Impact in Pinellas County



3 Levels of Economic Impact in and on Pinellas County

- Loss of revenue to the PCCLB estimate provided to legislative team of approx. \$1 million over 3 years
- As many as 550 contractors will be prohibited from pulling building permits and will lose the ability to work in their trade*
- Most of these specialty contractors are small business owners, all are entrepreneurs

*What are Contractors' Options?

- Upgrade their skills
- Become a W2 employee of an eligible contractor
- Find a contractor to "qualify" their business for a fee, most frequently in violation of Florida licensing law, and increasing prices to consumers
- Work without a permit (a violation of Florida licensing law)



Helping Contractors Prepare for Change



- We will assist contractors who may be eligible to upgrade their license to the State Specialty Structure Contractor, and
- Provide assistance to locally licensed contractors in state specialties who need to register with the state or become state certified to work
 - Providing affidavits of licensure, letters of good standing and links to resources to assist in the application process
- We will work with the municipalities to identify where/if permitting inconsistencies can be eliminated
 - Building officials roundtable, the first of planned quarterly meetings, scheduled to start January 2022
- Propose waiting to July 1, 2023 (state mandated date) to make changes effective in Pinellas County

PCCLB Continues to Register Contractors



- Locally licensed contractors represent approx. 11% of total contractors registered at PCCLB
- We will continue to:
 - Register and annually renew more than 13,000 state certified contractors and locally licensed contractors in state classifications
 - Monitor contractors' general liability and workers' compensation insurance and exemption
 - Enforce construction licensing laws and Pinellas County ordinances with respect to unlicensed contracting
 - Investigate citizen complaints against licensed contractors and to sanction contractors who do not perform to the standards required of their trade
 - Hold public hearings to hear technical amendments to the Florida Building Code
 - Arbitrate building code disputes and protect the Pinellas County Coastal Construction Control Line