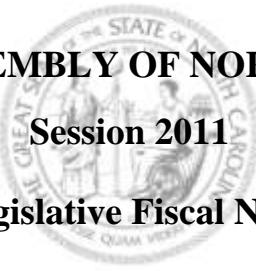


GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

Legislative Fiscal Note



BILL NUMBER: Senate Bill 405 (Second Edition)

SHORT TITLE: Amend Irrigation Contractors' Licensing Laws.

SPONSOR(S): Senators Hartsell and Brown

FISCAL IMPACT

Yes (X) No () No Estimate Available ()

FY 2011-12 FY 2012-13 FY 2013-14 FY 2014-15 FY 2015-16

REVENUES

SEE ASSUMPTIONS AND METHODOLOGY

EXPENDITURES

POSITIONS (cumulative):

PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: NC Irrigation Contractors' Licensing Board

EFFECTIVE DATE: This act becomes effective October 1, 2011.

BILL SUMMARY:

Senate Bill 405 amends GS 89G-1 by adding new definitions to the statute. It amends GS 89G-3 (providing exemptions from the provisions of GS Chapter 89G, Irrigation Contractors) to clarify that the exemption applies to a general contractor classified under GS 87-10(b) as a building contractor, a residential contractor, or a public utilities contractor using the contractor's own employees to perform work. It limits exempted public utilities contractors to persons performing only the activities described in GS 87-10(b)(3)a. The bill clarifies that the licensure exemption for any federal, state or local government performing irrigation construction or contracting work on public property only applies if the work is done by employees of those entities. It clarifies the term "irrigation construction or irrigation contracting" throughout, and directs the Revisor of Statutes to make conforming statutory changes as necessary.

The bill amends GS 89G-5(11) to clarify that the NC Irrigation Contractors' Licensing Board (Board) has the power to require licensees to file and maintain an adequate surety bond or letter of credit. It amends GS 89G-9(a) to clarify that any person who desires to continue to practice irrigation contracting or irrigation construction must apply for license renewal and submit the

required fees. It amends GS 89G-9(b), allowing the Board to suspend a licensee's license for 30 days (rather than lose) for failure to obtain continuing education units, with reinstatement after fee payment. The bill specifies that failure to request reinstatement and pay the fee will result in license forfeiture. It amends GS 89G-10(a) by decreasing the reinstatement fee to \$250 (previously \$500).

It enacts new GS 89G-6.1 to allow the Board to issue a license in the name of a corporation, limited liability company, partnership, or in an assumed or designated trade name if the respective conditions are met. The bill enacts new GS 89G-6.2 to allow the Board to issue a license to a nonresident individual or a foreign entity that meets all licensure requirements. It enacts GS 89G-9(c) to increase the length of mandatory license suspension from 30 to 60 days for failure to obtain required continuing education units. It enacts new GS 89G-11(b), allowing the Board to assess costs for disciplinary proceedings against an applicant or licensee.

ASSUMPTIONS AND METHODOLOGY:

The North Carolina Irrigation Contractors' Licensing Board was unable to estimate the number of licensees who pay a reinstatement fee annually. That fee amount would decrease from \$500 to \$250 under Senate Bill 405. They did state that this would impact a small number of the 900 individual licensees, therefore, yielding a minimal negative impact on revenues.

SOURCES OF DATA: North Carolina Irrigation Contractors' Licensing Board

TECHNICAL CONSIDERATIONS: None

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DATE: May 17, 2011



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