

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2013

Legislative Fiscal Note

BILL NUMBER: Senate Bill 71 (Second Edition)

SHORT TITLE: Amend Irrigation Contractors Licensing Laws.

SPONSOR(S): Senator Tucker

FISCAL IMPACT

(\$ in dollars)

Yes No No Estimate Available

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
North Carolina Irrigation Contractors' Licensing Board					
Revenues:	50,000	50,000	50,000	50,000	50,000
NET IMPACT	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000

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

EFFECTIVE DATE: Sections 9(a) and 9(b) of this act are effective when this act becomes law.
The remainder of this act becomes effective October 1, 2013.

TECHNICAL CONSIDERATIONS:
None

BILL SUMMARY:

Senate Bill 71 (Second Edition) amends GS 89G-1 by adding definitions to the Irrigation Contractors statute for the following terms: business entity, foreign corporation, foreign entity, foreign limited liability company, foreign partnership, and nonresident individual.

It amends GS 89G-3 (providing exemptions from the provisions of GS Chapter 89G, Irrigation Contractors) to clarify 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. The bill further amends GS 89G-3 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 when the contractor uses the contractor's own employees to perform work. It limits exempted public utilities contractors to performing only the activities described in GS 87-10(b)(3)a.

The bill clarifies that the exemption applies to a full-time employee of a homeowners' association who maintains or repairs an irrigation system owned by the association and located within the planned community's common elements as defined in GS 47F-1-103.

Senate Bill 71 (Second Edition) adds an exemption for any unlicensed person or entity who subcontracts with a North Carolina licensed irrigation contractor where the work is entirely performed by the licensed contractor in accordance with the provisions of GS Chapter 89G.

It 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 (was, surety bond).

The bill 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 for a business entity using an assumed or designated trade name if the respective conditions are met. And it sets forth additional details and requirements for licensing of nonresident individuals and foreign entities.

The bill amends GS 89G-9 to require the Board to suspend a licensee's license for 60 days for failure to obtain the required ten continuing education units per year (penalty was forfeiture of the license). It also provides for reinstatement of the license upon completion of the required continuing education and payment of the reinstatement fee. Specifies that failure to (1) meet the education requirements, (2) request reinstatement, or (3) pay the fee will result in license forfeiture.

The bill clarifies the fees schedule in GS 89G-10(a) and deletes the fee for corporate license and adds a fee of \$250 as a reinstatement fee.

It enacts new GS 89G-11(b), allowing the Board to assess costs for disciplinary proceedings, including investigatory costs, against an applicant or licensee.

Senate Bill 71 (Second Edition) makes other conforming changes. It clarifies the term irrigation construction or irrigation contracting throughout, and directs the Revisor of Statutes to make conforming statutory changes as necessary. It adds a section to allow certain irrigation contractors who meet specified conditions related to years of experience and who submit an application for licensure before October 1, 2013, to receive a license without taking the examination. The bill directs the Board to notify the North Carolina Cooperative Extension of the exemption from the exam requirement for experienced irrigation contractors as quickly as is practical upon the effective date of this section.

Except as otherwise indicated, this act is effective October 1, 2013.

ASSUMPTIONS AND METHODOLOGY:

G.S. 89G-9(b) currently states that failure to obtain continuing education units shall result in the forfeiture of a license. Senate Bill 71 would eliminate that language and allow for the Board to

suspend a license for 60 days for failure to obtain continuing education units. Then, upon completion of the required continuing education and payment of the reinstatement fee, the Board shall reinstate the license. Failure to meet the education requirements, to request a reinstatement of the license, or to pay the reinstatement fee would result in forfeiture of the license.

The North Carolina Irrigation Contractors' Licensing Board estimates approximately five licensees per year might fall under the conditions set above. Rather than paying a \$100.00 Application Fee and a \$200.00 Examination Fee to regain their license, licensees would be able to pay the \$250.00 reinstatement fee. This would eliminate needing to retake the examination, but would still require the licensee to complete the required continuing education units.

Also, the bill would 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 specific conditions are met. While there was a Corporate License Fee set in G.S. 89G-10(a), nowhere in the statutes was the Board given the ability to license a business entity. The North Carolina Irrigation Contractors' Licensing Board estimates approximately 500 business entities, which would be eligible to be licensed under Senate Bill 71, would opt to have their business entity licensed. Those 500 business entities would pay a \$100.00 licensure fee, yielding a \$50,000 yearly increase in fee collections.

SOURCES OF DATA:

North Carolina Irrigation Contractors' Licensing Board

TECHNICAL CONSIDERATIONS: None

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DATE: March 19, 2013



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