

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

Legislative Fiscal Note

BILL NUMBER: Senate Bill 405 (Fourth Edition)

SHORT TITLE: Amend Irrigation Contractors' Licensing Laws.

SPONSOR(S): Senators Hartsell and Brown

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
REVENUES					
NC Irrigation Contractors' Licensing Board					
	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
EXPENDITURES					
POSITIONS (cumulative):					
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: NC Irrigation Contractors' Licensing Board					
EFFECTIVE DATE: This act becomes effective October 1, 2012.					

BILL SUMMARY:

Senate Bill 405 (Fourth Edition) amends GS 89G-1 by adding new definitions to the statute.

It amends GS 89G-3 to add and redefine licensure exemptions for performing irrigation construction or irrigation contracting work.

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 in an assumed or designated trade name if the respective conditions are met. And it sets forth additional details and requirements for licenses and licensees.

It amends GS 89G-9(b), allowing the Board to suspend a licensee's license for 60 days (rather than lose) for failure to obtain continuing education units, with reinstatement after fee payment.

Specifies that failure to request reinstatement and pay the fee will result in the revocation of the license.

The bill amends GS 89G-10(a) to add and redefine the following fees. The license renewal fee is subdivided into the individual license fee and individual license renewal and the business entity or foreign entity license fee and business entity or foreign entity license renewal fee. A reinstatement fee of \$250 has been added.

Senate Bill 405 amends proposed subsection (b) to GS 89G-11 (disciplinary action) to clarify that the NC Irrigation Contractors' Licensing Board may also assess investigatory costs against an applicant or licensee.

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. House Bill 405 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 within the time provided would result in the revocation 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 405, 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

FISCAL RESEARCH DIVISION: (919) 733-4910

PREPARED BY: Brian Slivka

APPROVED BY:

Mark Trogdon, Acting Director
Fiscal Research Division

DATE: June 7, 2012



Signed Copy Located in the NCGA Principal Clerk's Offices