

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: House Bill 984 (Second Edition)

SHORT TITLE: Landscape/Irrigation Contractors

SPONSOR(S): Representatives Hill, Gibson, and Morris

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available (X)		
	<u>FY 2001-02</u>	<u>FY 2002-03</u>	<u>FY 2003-04</u>	<u>FY 2004-05</u>	<u>FY 2005-06</u>
REVENUES					
Special Fund	See Assumptions and Methodology				
EXPENDITURES					
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: NC Landscape/Irrigation Contractors' Licensing Board					
EFFECTIVE DATE: This act becomes effective January 1, 2002.					

BILL SUMMARY: Section 1 of this legislation repeals G.S. 89D-1 through 89D-10 that outlines the authorities and responsibilities of the NC Landscape Contractors' Registration Board (hereinafter called the existing Board). Section 2 amends Chapter 89D by outlining the authorities and obligations of the NC Landscape/Irrigation Contractors' Licensing Board (hereinafter called the proposed Board). The legislation first outlines the composition of the Board and related definitions. It then goes on to outline the application and licensing procedures, exemptions, penalties, and fees imposable under the proposed Board's authority. It also lists exemptions to the new licensing requirements and includes a grandfather clause and reciprocity language for contracts that are licensed, certified, or registered in another state or country.

ASSUMPTIONS AND METHODOLOGY: Among the powers granted the NC Landscape/Irrigation Contractors' Licensing Board under this legislation is the authority to impose and collect fees. The fees authorized in the legislation are the maximum fees that the proposed Board is allowed to impose. In essence, this legislation simply extends the

authority of the existing NC Landscape Contractors' Registration Board to include irrigation contractors. Therefore, the direct fiscal impact of the legislation results from fees collected from irrigation contractor licensing. The maximum allowable fees, and estimated collections are as follows:

Type of Fee	Maximum Fee	Anticipated Number of Collections	Estimated Collections
Application Fee	\$100	250	\$25,000
Examination Fee	\$100		\$0
License Renewal	\$100	200	\$20,000
Late Renewal Fee	\$50	150	\$7,500
License by Reciprocity	\$250	150	\$37,500
Corportate License	\$250	50	\$12,500
Duplicate License	\$25	5	\$125
		Total	\$102,625

The estimated increase in revenue from fees is approximately **\$102,625** annually. Estimates for the anticipated number of collections are provided by the existing NC Landscape Contractors' Registration Board. Currently, there are approximately 200-250 nationally certified irrigation contractors in the state. Certification is obtained by successfully completing the National Certified Irrigation Contractor Association Examination. Representatives from the existing Landscape Contractors' Board anticipate that the examination and certification of irrigation contractors will continue to be administered by the National Certified Irrigation Contractors' Association. Therefore, the NC Landscape Contractors' Registration Board does not anticipate that the proposed Board will collect any examination fees.

In addition, the Board expects to license more landscape contractors as a result of the grandfather clause. However, no data is available to estimate the revenue change. There would be an increase of some amount.

Representatives from the NC Landscape Contractors' Registration Board do not anticipate an increase in the existing fee schedule for the licensing of landscape contractors. However, the legislation does authorize the existing Board to impose fees greater than those that are currently collected. Therefore, the legislation has the potential impact of increasing revenues from currently licensed landscape contractors. The difference between current collections and the maximum estimated collections from the proposed fees results in the potential net increase in revenue. This maximum potential net increase is **\$54,720** annually. Due to the January 1, 2002 effective date, the fees from July 1, 2001 to December 31, 2001 would be

imposed using the existing fee schedule. Fees from the January 1, 2002 to June 30, 2002 would be imposed at the proposed fee schedule. Therefore, the prorated FY 2001-02 estimate for the potential increase is **\$27,360**. Current collections and potential collections are outlined in the following chart:

Type of Fee	Curr. Max Fee	Curr. Fees	# of Curr Coll	Curr Coll	Proposed Max Fee	Max Coll from Proposed Fees
Application Fee	\$50	\$50	104	\$5,200	\$100	\$10,400
Examination Fee	\$75	\$50	100	\$5,000	\$100	\$10,000
License Renewal	\$50	\$50	720	\$36,000	\$100	\$72,000
Late Renewal Fee	\$10	\$10	210	\$2,100	\$50	\$10,500
License by Reciprocity	n/a	n/a	0	\$0	\$250	\$0
Corportate License	n/a	n/a	0	\$0	\$250	\$0
Duplicate License	\$1	\$1	5	\$5	\$25	\$125
				\$48,305		\$103,025
				Net Difference		\$54,720

NOTE: The fees authorized in the legislation are the maximum fees that the proposed Board is allowed to impose. Revenue estimates in this fiscal note are based on these maximum fees, and reflect the maximum estimated collections.

FISCAL RESEARCH DIVISION 733-4910

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