

FHBA

IMPROVING FLORIDA'S

BUILDING INDUSTRY

Jeremy Stewart
President

Rusty Payton
CEO / Chief Lobbyist

Kari Hebrank
Lobbyist

Felix Beukenkamp
Governmental Affairs Chair

Douglas Buck
Governmental Affairs Director

Joe Belcher
Building Code Consultant

Robin Erb
Legislative Assistant



GOAL: To modify the Florida Building Code development process to minimize unnecessary code changes to control rising construction costs.

Filed Legislation: SB 7000 by Senator Lee; HB 901 by Representative McClain

BUILDING CODE PROCESS

Current law requires the Florida Building Commission to scrap Florida's existing construction code, and start the code development process with the newest model code promulgated by the International Code Council (ICC). The Florida Building Commission considers hundreds of amendments (over 600 were considered for the 6th Edition of the Code) to make the model code more appropriate for Florida. Current law places the burden of proof on those who disagree with the ICC code to advocate why something in the ICC should be changed or removed. Every other legislative or regulatory process in Florida requires that entities seeking to change current law must justify the change.

SB 7000 and HB 901 simply change the code development process to align with how Florida routinely does business. These bills establish that Florida's existing code will serve as the base code, where the ICC model code will be reviewed and those items relevant to Florida can be justified and added accordingly.

Another approach is to change the code cycle from 3 to 5 years, in addition to removing the automatic sunset of Florida specific amendments and create a Residential Technical Advisory Committee to review the impact of code changes on residential construction. This approach reduces the frequency of code changes and creates a process for greater input by residential builders.

A photograph of a construction worker in a white shirt and dark pants, wearing a hard hat, working on a corrugated metal roof. The worker is using a hammer. The background shows a blue sky with some clouds. The image is partially obscured by a red overlay on the right side.

WORKERS' COMPENSATION REFORM

FHBA supports Workers' Compensation legislation, which not only stabilize rates, but will result in rate reduction. The recent Florida Supreme Court decision directly impacts the construction industry more than other business sectors. Construction is the most expensive Workers' Compensation category in Florida. A 14.5% increase hits our industry hard.

Unfortunately, an increase in construction costs directly impact consumers as well. For every \$1,000 home price increase, over 10,000 Floridians are unable to purchase a median priced home. If the Legislature refuses to address Workers' Compensation Reform this year, many Floridians will be priced out of the American Dream.

Any reform bill must rein in attorney fees and protect personal information of injured workers. By striking at these two provisions, FHBA believes significant savings for both consumers and the construction industry can be realized.


GOAL: Reduce rate increases resulting from recent Florida Supreme Court decisions primarily focused on attorney fees and protect personal information of injured workers.

Filed Legislation: SB 1582 by Senator Bradley; HB PCB IBS 17-01 by House Banking and Insurance Subcommittee and SB 1008 by Senator Perry; HB 1107 by Representative Albritton.

NOTICE AND RIGHT TO CURE

Notice and Right to Cure (Construction Defects) Proposed Legislation Chapter 558, Florida Statutes

- Advances public policy of encouraging contractor and insurance carrier participation in Chapter 558, F.S., process, reducing burden on judiciary and expediting construction defect repairs.
- Ensures all responsible parties participate in adjudicating defect claims by requiring contractor to notify subcontractors. Current law states a contractor “may” notify subcontractors of notice by the owner of alleged defects—our proposal changes the “may” to a “must.”
- Requires mandatory notice to and acknowledgment from homeowners of the risks and benefits of accepting or rejecting repair offers by requiring homeowner to sign the notice to contractor and rejection of offer to repair.
- Requires the claimant or his or her agent to attend the inspection to identify the location of the alleged construction defects.
- Adds mandatory, non-binding pre-suit mediation to the Chapter 558 process for implicated parties (homeowners, contractors, suppliers and insurance carriers).



GOAL: Restore the original objective of the act to provide an opportunity for the contractor to remedy a homeowners concerns and avoid litigation.

Filed Legislation: SB 1164 by Senator Passidomo;
HB 1271 by Representative Trumbull

TASK FORCE ON AFFORDABLE HOUSING

GOAL: Assure the inclusion of a residential contractor on the Task Force

Filed Legislation: SB 854 by Senator Brandis; HB 1013 by Representative Newton

The FHBA supports the creation of a Task Force focusing on affordable housing issues. Exploring the issues of land use regulation impacts on affordable housing, how the ever changing building code impacts affordable housing and the effectiveness of the state's low-income tax housing tax credit are all worthy issues to explore. The FHBA advocates the inclusion of more private sectors builders and financiers as Task Force members. As drafted, these bills rely too heavily on Governmental personnel who do not experience the pressures of risking financial capital when building a community.

HOME OWNERS ASSOCIATIONS

GOAL: To ensure that any Home Owners Association (HOA) legislation does not create such a toxic environment for developers, that developers are discouraged from investing in future communities.

Filed Legislation: SB 744 by Senator Passidomo; HB 653 by Representative Moraitis HB 137 by Representative J. Cortes and HB 295 by Representative Stone

There are several bills filed which seek to address issues with HOAs. The following are some of the problematic issues contained in HOA Legislative proposals:

- Current law requires developers to turn over the HOA when 90% of the properties are sold. Some bills propose to lower the turnover trigger. Lowering the trigger will discourage investors as turnover could result in the inability to implement the full vision upon which financing and marketing were developed.
- Requiring Automatic Reserves for Developers: Proposals embedded in SB 744 and HB 653 propose mandatory automatic reserves for complete replacement of things such as roads, which may never be totally replaced. This one example requires reserves of millions and will discourage future development.
- Expanding the jurisdiction of Florida's Division of Condominiums, Timeshares and Mobile Homes to include Home Owner's Associations is an expansion of unnecessary bureaucracy.



BUILDING CODE ADMINISTRATORS AND INSPECTORS

GOAL: Increase the number of code inspectors by reducing the barriers to enter the profession.

Filed Legislation: SB 860 by Senator Brandis; HB 909 by Representative Goodson

- Alternative Internship Certification Program to current standard qualifications
- Changes to Florida Statute 468:
 - Add Residential Inspector and Plan Examiner categories for all trades.
 - Do not restrict provisional and 120-day period to newly hired or promoted staff.
- Inter-agency service agreement inspections and plan examination for standard certified building officials across jurisdictions of populations 50,000 or less.
- Have Building Code Administrators and Inspectors Board (BCAIB) streamline application for certification process by providing online electronic submissions and combining the examination registration with provisional application.
- Provide high school education guidance material for construction related careers.
- Support higher education code curriculum in engineering, architecture, and construction management degrees.



BUILDING CODE SURCHARGE & LICENSURE DELINQUENCY FEE REDUCTION

GOAL: Support legislation which reduces the cost of doing business.

Filed Legislation: SB 514 by Senator Stargell and HB 741 by Representative Trumbull

FHBA supports both SB 514 and HB 741. These bills reduce the Building Code Surcharge from 1.5% to 1.0% saving the homebuilding industry over \$2 million dollars. In addition, the bill caps the cost of licensure delinquency fees at \$25.

PUBLIC NOTIFICATION OF POLLUTION SPILLS

GOAL: Ensure that Pollution Notification legislation does not grant the Department of Environmental Resources with broad rulemaking authority to require unreasonable reporting of spills and that small businesses are not burdened with the requirement to notify the media when spills occur.

Filed Legislation: SB 532 by Senator Galvano; HB 1065 by Representative Peters

Both CS/SB 532 and CS/HB 1065 create the Public Notice of Pollution Act. The bills define a reportable pollution release as a release to the air, land, or water that is discovered by the owner or operator of an installation, and the existing permit to store such materials when spill occurs requires reporting to: State Watch Office; Department of Environmental Protection (DEP) or a contracted county pursuant to rules governing storage tank systems; DEP pursuant to rules governing underground injection control systems; or If the spill is a hazardous substance.

Both bills appropriately require the Department and not the business entity to notify the press.

ESTOPPEL CERTIFICATES

GOAL: Reduce or cap the growing costs relating to securing an Estoppel certificate

Filed Legislation: SB 398 by Senator Passidomo; HB 483 by Representative Donalds

FHBA supports the passage of legislation to cap Estoppel fees, including caps such as, but not limited to:

- Permits an association to charge a maximum fee of \$200 for the preparation and delivery of an estoppel certificate, if there are no delinquent amounts owed to the association;
- Permits an association to charge an additional \$100 fee for an expedited estoppel certificate delivered within three business days after a request for an expedited certificate;
- Permits an association to charge an additional maximum fee of \$200, if there is a delinquent amount owed to the association.
- Establishes a sliding scale cap on fees for multiple estoppel certificates.

APPROPRIATIONS

GOAL: Support appropriations items that have a positive impact on the construction industry.

Key appropriations issues include:

- **Sadowski Funding:** FHBA urges the Florida Legislature to fully fund the Sadowski State and Local Housing Trust Fund. Programs supported by these funds will create 32,600 jobs and \$4.6 billion in positive economic impact in Florida.
- **Unlicensed Activity:** FHBA advocates to at least maintain current levels of unlicensed activity funding. Reports suggest that past investment is paying off as several localities have engaged in sting operations, arresting those unlicensed, combating fraud, and preventing the construction of unsafe buildings.
- **Florida Gulf Coast University Target Existing Talent Gaps (HB 2209 by Representative Caldwell):** This appropriation's request includes a focus on construction management. A career lacking in man-power both in Southwest Florida and state-wide.

CONDOMINIUM BULK BUYER

GOAL: Support legislation which removes the automatic sunset of the Condominium Bulk Buyer liability provisions in the Condo Act.

Filed Legislation: SB 744 by Senator Passidomo and HB 653 by Representative Moraitis

During the economic downturn, policymakers needed to encourage investments in distressed condominiums. Allowing bulk buyers to purchase units without assuming all of the liability of a developer proved to be a popular changes that encouraged investment in Florida's distressed properties. This provision requires an extension.



CODE REVISIONS & CONSTRUCTION WORKFORCE TASK FORCE

Key Code Recommendations:

- State Licensed Contractor Registration Fee—prohibit local governments from charging for proof of workers compensation insurance and licensure when pulling permits if already recorded;
- Commissioning Reports—eliminate duplicative reports for both HVAC and electrical systems;
- Occupancy Sensors—eliminate code provision that requires 50% of all wall receptacles in a room to shut-off power within twenty minutes;
- Painting Permit Exemption—exempts homeowner, whether or not listed as an LLC, from having to get a permit to paint their own home;

Key Workforce Task Force Recommendations:

- Allocating funding for NCCER to develop a Florida Specific Website which highlights construction related workforce needs in Florida, how to receive training and wage potential.
- Require the Department of Education in conjunction with the Department of Economic Opportunity to provide a study to the legislature of how to implement the following:
 - Determining the appropriateness of transferring apprenticeship programs from the Department of Education to the Department of Economic Opportunity.
 - Providing clarity regarding how current apprenticeship programs are funded from the state to the local educational agencies and what options such agencies have in how they spend apprenticeship funding.
 - Requiring the State Board of Education to accept the curriculum developed by the National Center for Construction Education and Research or other comparable national curriculum, as satisfactory courses for high school credit, college credit, or state-supported scholarships.
 - Providing additional support to K-12 programs to ensure construction-related education programs are offered through existing career and technical education programs.
- Allocate additional funding to continue the Construction Industry Workforce Task Force

GOAL: To eliminate certain unnecessary code provisions and to address the recommendations of the Florida Construction Workforce Task Force Task Group.

Filed Legislation:
SB 1312 by Senator Perry; HB 1021 by Representative Avila



2600 Centennial Place
Tallahassee, FL 32308
800.261.9447
www.fhba.com
info@fhba.com