# FISCAL NOTE TRANSMITTAL FORM

**BILL NUMBER:** HB 1318/S 1135

SHORT TITLE: Well/Pump Contractors

SPONSOR(S): Representative Aaron Fussell, Senator Lura Tally

The attached fiscal note on the bill(s) named above is being transmitted to:

Chief Sponsor, House Chief Sponsor, Senate Fiscal Note Requested By

Chairman of the House Committee on

Chairman of the House Subcommittee on

Chairman of the Senate Committee on

Chairman of the Senate Subcommittee on

Speaker of the House, Daniel T. Blue, Jr.

President Pro Tempore, Henson Barnes

Chairman of the House Base Budget Appropriations Committee Representative David Diamont

Chairman of the House Expansion Budget Appropriations Committee Representative Martin Nesbitt

Chairman of the Senate Appropriations Committee Senator Marc Basnight

Chairman of the Senate Ways and Means Committee Senator Kenneth C. Royall, Jr.

Chairman of the Senate Base Budget Committee Senator Aaron W. Plyler

House Principal Clerks Office Senate Principal Clerks Office

#### NORTH CAROLINA GENERAL ASSEMBLY

### LEGISLATIVE FISCAL NOTE

**BILL NUMBER:** HB 1318/S 1135

SHORT TITLE: Well/Pump Contractors

SPONSOR(S): Representative Aaron Fussell, Senator Lura Tally

FISCAL IMPACT: Expenditures: Increase ( ) Decrease ( )

Revenues: Increase ( ) Decrease ( )

No Impact ( )

No Estimate Available ( )

FUND AFFECTED: General Fund ( ) Highway Fund ( ) Local Fund ( )

Other Fund (x) State Board of Well and Pump

Contractor Examiners

BILL SUMMARY: Adds new Article 9 to G.S. Ch. 87, "To Require That Well Contractors and Pump Contractors Be Licensed and To Establish a Well and Pump Contractors Examiners Board." Defines covered pump and well contractors as persons who contract or engage in business of installing, replacing, or repairing pumps and wells. Requires licensure of contractors beginning Jan. 1, 1993 and creates State Board of Well and Pump Contractor Examiners, consisting of seven members appointed by the Governor for four-year terms after initial staggered appointments of from one to four years. Provides for compensation and expenses of Board members and establishes Board's organization.

Under the provision of G.S. 87-125 the Board is required to operate on the income from fees collected and does not allow any obligations of the Board to be charged against the General Fund of the State.

Prospective licensees must: (1) submit application, (2) be a NC resident, (3) be at least 21 years old, and (4) pass an examination given by the Board. Provides that NC residents who have continuously worked as well or pump contractors for the five year period prior to Jan. 1, 1993 may be licensed without examination. Sets fee structure for license and renewal and provides for suspension or revocation of license upon a finding that contractor made a material misstatement in application, wilfully disregarded the Act or its implementing regulations or any other applicable state law., or was convicted of a crime involving fraud or dishonesty. Makes violation of act a misdemeanor.

EFFECTIVE DATE: Upon ratification; licensure required January 1, 1993

PRINCIPAL DEPARTMENT(S)/PROGRAM(S) AFFECTED: Well and Pump Contractors Examiners Board

#### FISCAL IMPACT

	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b><u>FY</u></b>
	1993	1994	1995	1996	1997
EXPENDITURES TOTAL EXPENDITURES STATE FUNDS FEDERAL FUNDS LOCAL FUNDS					
OTHER FUNDS	56,200	58,600	57,050	59,550	62,550
RECEIPTS/FEES	\$129,500	\$139,025	\$144,725	\$148,750	\$156,175
POSITIONS:	0	0	0	0	0

# ASSUMPTIONS AND METHODOLOGY: EXPENDITURES:

Expenditures include estimated expense for Board to contract for administrative/clerical expense and general office use, and lease space for examinations. Receipts appear adequate to support employment of staff and to acquire office furniture and equipment if Board elects to do so.

### RECEIPTS:

Based on modest increase in net number of licensed contractors in accordance with numbers in practice in previous years. The estimated number eligible for "grandfathering" under the 5 years prior experience requirement is 1,036.

SOURCES OF DATA: EHNR Groundwater Section; Fiscal Research files

TECHNICAL CONSIDERATIONS: AGE REQUIREMENT - G.S. 87-127(a)(3):

The requirement that a person must be 21 years of age or older under G.S. 87-127(a)(3) to be eligible for licensure is in conflict with G.S. 93 B-9 which does not permit an occupational licensing board to require that an individual be more than 18 years of age as a requirement for receiving a license.

ANNUAL AUDIT REQUIREMENT G.S. 93B-4:
The bill contains no provision to require that the Board have an annual audit of its books, records, and operations, subject to the oversight of the State Auditor as required by G.S. 93B-4.

FISCAL RESEARCH DIVISION 733-4910

PREPARED BY: Louise Young

APPROVED BY: Tom Covington

**DATE:** June 18, 1992

Official
Fiscal Research Division
Publication

Signed Copy Located in the NCGA Principal Clerk's Offices