

AGENCY FISCAL ESTIMATE OF PROPOSED REGULATION

Agency Submitting Regulation: Department of Consumer Protection

Date: 11-26-2012

Subject Matter of Regulation: Swimming Pool Builders and Contractors

Regulation Section No.: 20-340d-1 and 20-340d-2; 20-417aa-1; 20-417aa-2

Statutory Authority: 4-168, 20-340d, and 20-417aa(c). P.A. 2011-81; P.A. 2008-44

Other Agencies Affected: n/a

Effective Date Used In Cost Estimate: Upon Passage (Filing with the Secretary of the State).

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SUMMARY OF COST AND REVENUE IMPACT OF PROPOSED REGULATION

Agency: Department of Consumer Protection

Fund Affected: General Fund; Home Improvement Guaranty Fund

| | First Year | Second Year | Full Operation |
|-----------------------------------|---------------|---------------|----------------|
| Number of Positions | n/a | n/a | n/a |
| Personal Services | \$0 | \$0 | \$0 |
| Other Expenses | \$0 | \$0 | \$0 |
| Equipment | \$0 | \$0 | \$0 |
| Grants | \$0 | \$0 | \$0 |
| Total State Cost or (Savings) | \$0 | \$0 | \$0 |
| Estimated Revenue Gain or (Loss) | \$10,500.00 | \$10,500.00 | \$10,500.00 |
| Total Net State Cost or (Savings) | (\$10,500.00) | (\$10,500.00) | (\$10,500.00) |

Explanation of State Impact of Regulation:

A small fiscal impact is anticipated. The Department of Consumer Protection expects very modest revenue (estimated at \$10,500.00) from the new Swimming Pool Builder license holders, because a small number of new licenses (estimated at 70) will be issued with a cost of \$150.00 annually. Civil penalties may possibly bring additional revenue in the succeeding years, depending if violations of law are found by investigators and successfully adjudicated. The Home Improvement Guaranty Fund will not see a gain or loss due to the new Swimming Pool Builder license types, because those individuals who currently install pools are already registered as Home Improvement Contractors, at a cost of \$220.00 per year.

The Department currently regulates the Swimming Pool Contractor license types, which only relate to swimming pool maintenance and repair. Therefore, the regulatory costs for the new Swimming Pool Builder licenses will be minimal. Many DCP license renewals are made electronically for low cost. The addition of continuing education for the existing Swimming Pool Contractor licenses and the new Swimming Pool Builder licenses will not cause an administrative burden or additional costs on the Department, which is already adept at handling continuing education for other license categories.

Explanation of Municipal Impact of Regulation:

No impact on municipalities is anticipated. The Department has jurisdiction over these regulations.

Explanation of Small Business Impact of Regulation:

There may be a fiscal impact on small businesses, due to the public health and safety nature of the proposed new license types and continuing education rules. Please see the Department's Small Business Impact Statement for more details.

SMALL BUSINESS IMPACT STATEMENT

Prior to adopting a new section or amendment, Section 4-168a of the Connecticut General Statutes (C.G.S.) requires that each state agency consider the affect of such action on small businesses as defined in C.G.S. Section 4-168a. When such a regulatory action may have an adverse affect on small businesses, C.G.S. Section 4-168a directs the agency to consider regulatory requirements that will minimize the adverse impacts on small businesses if the addition of such requirements (1) will not interfere with the intended objectives of the regulatory action and (2) will allow the new section or amendment to remain consistent with public health, safety and welfare.

State Agency submitting proposed regulations: Department of Consumer Protection

Subject matter of Regulation: Swimming Pool Builders and Contractors

Date of Agency analysis: November 26, 2012

Check the appropriate box:

- The regulatory action will not have an affect on small businesses.
- The regulatory action will have an affect on small businesses, but will not have an adverse affect on such small businesses.
- The regulatory action may have an adverse affect on small businesses, and no alternative considered would be both as effective in achieving the purpose of the action and less burdensome to potentially affected small business. Alternatives considered include the following:
- (1) The establishment of less stringent compliance or reporting requirements for small businesses;
 - (2) The establishment of less stringent schedules or deadlines for compliance or reporting requirements for small businesses;
 - (3) The consolidation or simplification of compliance or reporting requirements for small businesses;
 - (4) The establishment of performance standards for small businesses to replace design or operational standards required in the new section or amendment; and
 - (5) The exemption of small businesses from all or any part of the requirements contained in the new section or amendment.
- The regulatory action will have an adverse affect on small businesses that cannot be minimized in a manner that is consistent with public health, safety and welfare.

The Department of Consumer Protection notified / (did not notify) the Department of Economic and Community Development of its intent to take the proposed action, and completed / (did not complete) the Agency Fiscal Estimate of Proposed Regulations.

With this regulation, all businesses wishing to install swimming pools will be required to obtain a license from the Department. Licensure helps assure the competency of each installer, whether a small or large business, by requiring an examination and continuing education covering relevant skills. There is no other alternative to accomplish the Department's goal of protecting the public safety than by creating this new license. Continuing education requirements add a cost to licensees, but promote the public health and safety. Some of the current installers who are small business may not wish to become licensed pursuant to this proposed regulation or may not pass the examination, resulting in an adverse impact on those businesses because they may no longer engage in swimming pool installation.