

**TRANSMITTAL SHEET FOR
NOTICE OF INTENDED ACTION**

Control No. 355 Department or Agency Department of Finance, Real Property Management, Division of Construction Management

Rule No. 355-10-1-.01, 355-10-1-.02, 355-10-1-.03, 355-10-1-.04

Rule Title: Construction Industry Craft Training Fees

X New Amend Repeal Adopt by Reference

Would the absence of the proposed rule significantly harm or endanger the public health, welfare, or safety? No

Is there a reasonable relationship between the state's police power and the protection of the public health, safety, or welfare? No

Is there another, less restrictive method of regulation available that could adequately protect the public? No

Does the proposed rule have the effect of directly or indirectly increasing the costs of any goods or services involved and, if so, to what degree? Yes, the rule may indirectly cause an increase in the cost of nonresidential building permits issued by counties and municipalities.

Is the increase in cost, if any, more harmful to the public than the harm that might result from the absence of the proposed rule? No

Are all facets of the rulemaking process designed solely for the purpose of, and so they have, as their primary effect, the protection of the public? No

Does the proposed rule have an economic impact? Yes

If the proposed rule has an economic impact, the proposed rule is required to be accompanied by a fiscal note prepared in accordance with subsection (f) of Section 41-22-23, Code of Alabama 1975.

Certification of Authorized Official

I certify that the attached proposed rule has been proposed in full compliance with the requirements of Chapter 22, Title 41, Code of Alabama 1975, and that it conforms to all applicable filing requirements of the Administrative Procedure Division of the Legislative Reference Service.

Signature of certifying officer Katherine Lyon
Date 8-15-16

(DATE FILED)
(STAMP)

**Department of Finance
Division of Construction Management**

NOTICE OF INTENDED ACTION

AGENCY NAME: Department of Finance, Real Property Management, Division of Construction Management

RULE NO. & TITLE: 355-10-1 Construction Industry Craft Training Fees

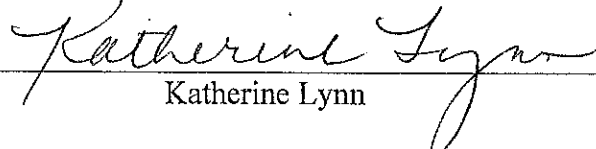
INTENDED ACTION: The Department of Finance, Real Property Management, Division of Construction Management, proposes to adopt a new rule to establish procedures for the collection of construction industry craft training fees as provided for in the Code of Alabama 1975, Sections 41-4-10 through 41-4-13.

SUBSTANCE OF PROPOSED ACTION: The rule establishes procedures for collecting the Construction Industry Craft Training fees for non-residential construction permits issued by counties, cities, towns and other political subdivisions of the State issued after October 1, 2016.

TIME, PLACE, MANNER OF PRESENTING VIEWS: A public hearing will held only if requested by an interested party. A written request shall be submitted to the agency contact person listed below. Interested persons may present their view in writing to the Department of Finance, Real Property Management, 770 Washington Avenue, Suite 470, P.O. Box 301150, Montgomery, AL 36130-1150.

FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE: The Department of Finance, Real Property Management will accept comments no later than October 5, 2016 at 5 P.M.

CONTACT PERSON AT AGENCY: Katherine Lynn, Department of Finance, Real Property Management, P.O. Box 301150, Montgomery, AL 36130-1150, Phone 334-242-4082 or Katherine.lynn@bc.alabama.gov.


Katherine Lynn

**ECONOMIC IMPACT STATEMENT
FOR APA RULE
(Section 41-22-23(f))**

Control No. 355 Department or Agency Department of Finance, Real Property Management
Rule No. 355-10-1-.01, 355-10-1-.02, 355-10-1-.03, 355-10-1-.04
Rule Title: Construction Industry Craft Training Fees
 New Amend Repeal Adopt by Reference

Control No. 355 Department or Agency Finance, Real Property Management, Division of Construction Management

Rule No: 355-10-1-.01, 355-10-1-.02, 355-10-1-.03, 355-10-1-.04

Rule Title: Construction Industry Craft Training Fees

New Amend Repeal Adopt by Reference

This rule has no economic impact.

This rule has an economic impact, as explained below:

1. NEED/EXPECTED BENEFIT OF RULE:

The rule is needed to establish procedures for collecting the Construction Industry Craft Training Fee pursuant to Act 2015-308.

2. COSTS/BENEFITS OF RULE AND WHY RULE IS THE MOST EFFECTIVE, EFFICIENT, AND FEASIBLE MEANS FOR ALLOCATING RESOURCES AND ACHIEVING THE STATED PURPOSE:

The rule is the most effective way to establish procedures for collecting the Construction Industry Craft Training fees.

3. EFFECT OF THIS RULE ON COMPETITION:

None

4. EFFECT OF THIS RULE ON COST-OF-LIVING AND DOING BUSINESS IN THE GEOGRAPHICAL AREA WHERE THE RULE IS TO BE IMPLEMENTED:

Impact will be the same statewide and will have an inconsequential impact on the costs of living and doing business.

5. EFFECT OF THIS RULE ON EMPLOYMENT IN THE GEOGRAPHICAL AREA WHERE THE RULE IS TO BE IMPLEMENTED:

None

6. SOURCE OF REVENUE TO BE USED FOR IMPLEMENTING AND ENFORCING THIS RULE:

The initial implementation and enforcement will come from the division's funds but once implemented, the fees collected from the rule will be used to offset the administrative costs.

7. THE SHORT-TERM/LONG-TERM ECONOMIC IMPACT OF THIS RULE ON AFFECTED PERSONS, INCLUDING ANALYSIS OF PERSONS WHO WILL BEAR THE COSTS AND THOSE WHO WILL BENEFIT FROM THE RULE:

The economic impact of this rule is that the fees collected will be used to fund construction industry training programs that will result in better training programs that in turn will increase the salaries and skills of construction industry trade workers.

8. UNCERTAINTIES ASSOCIATED WITH THE ESTIMATED BENEFITS AND BURDENS OF THE RULE, INCLUDING QUALITATIVE/QUANTITATIVE BENEFITS AND BURDEN COMPARISON:

This is a new rule and it is uncertain that funds generated by the collection of fees will be sufficient to cover the cost of administration and adequately fund craft training programs.

9. THE EFFECT OF THIS RULE ON THE ENVIRONMENT AND PUBLIC HEALTH:

The rule will increase the skills of construction industry workers and ensure safer buildings.

10. DETRIMENTAL EFFECT ON THE ENVIRONMENT AND PUBLIC HEALTH IF THE RULE IS NOT IMPLEMENTED:

If the rule is not adopted, the division will not have clearly defined procedures for collecting the construction industry craft training fees required by Act 2015-308.

****Additional pages may be used if needed.**

**STATE OF ALABAMA DEPARTMENT OF FINANCE
DIVISION OF CONSTRUCTION MANAGEMENT
CHAPTER 355 – 10 – 1 – .0X
CONSTRUCTION INDUSTRY CRAFT TRAINING FEES**

355-10-1-.01	CONSTRUCTION INDUSTRY CRAFT TRAINING FEES
355-10-1-.02	COLLECTION OF FEES
355-10-1-.03	EXCLUDED ENTITIES
355-10-1-.04	CALCULATION AND PAYMENT OF FEES

355-10-1-.01 APPLICABILITY

The following procedures and fees are applicable to construction authorized on the issuance of any nonresidential construction building permit issued by any county, city, town or other political subdivision of this state.

Author: Katherine Lynn

Statutory Authority: Code of Alabama 1975, 41-4-410 (1)

History: Filed August 15, 2016

355-10-1-.02 COLLECTION OF FEES

Subsequent to October 1, 2016, a construction industry craft training fee shall be collected in the amount of one dollar (\$1) per each one thousand dollars (\$1000) of construction authorized on the issuance of any nonresidential construction building permit issued by any county, city, town or other political subdivision of this state.

Author: Katherine Lynn

Statutory Authority: Code of Alabama 1975, 41-4-413 (a)

History: Filed August 15, 2016

355-10-1-.03 EXCLUDED ENTITIES

Specifically excluded are any licensed home builder, as defined in Chapter 14A of Title 34, Code of Alabama 1975; any subcontractor working on a residential construction site including renovations to any residential structure; or any person or entity specifically exempt under Chapter 14 A of Title 34, Code of Alabama 1975, except for subdivision (3) of Section 34-14A-6, Code of Alabama 1975.

Author: Katherine Lynn

Statutory Authority: Code of Alabama 1975, 41-4-410 (1)

History: Filed August 15, 2016

355-10-1-.04 CALCULATION AND PAYMENT OF FEES

- (1) The construction industry craft training fee shall be based on the total sum of the construction cost of all non-residential building permits issued by the entity on or after the first day of the month and up to the last day of the month. The construction cost shall be

the amount stated on the building permit. The construction industry craft fee shall be calculated by multiplying the total sum of all non-residential construction cost as stated on the building permits for the month by .001 rounded down to the whole dollar value. The construction industry craft training fee shall be zero when the total sum of all nonresidential construction costs is less than \$1000 for the entire month.

- (2) The office of the political subdivision issuing the permit shall be responsible for collecting the fee and remitting it monthly to the Department of Finance Division of Construction management.
- (3) Fees shall be submitted electronically by the 20th day of the month for all applicable nonresidential construction permits issued in the previous month.
- (4) Fee payments are nonrefundable.

Author: Katherine Lynn

Statutory Authority: Code of Alabama 1975, 41-4-413 (a), 41-4-413 (b)

History: Filed August 15, 2016