



**THE NASSAU COUNTY LEGISLATURE
OFFICE OF LEGISLATIVE BUDGET REVIEW
MAURICE CHALMERS, DIRECTOR
FISCAL IMPACT STATEMENT**

TITLE:

A local law to amend the Nassau County Administrative Code in relation to licensing environmental hazard remediation providers.

SUMMARY OF LEGISLATION:

In the months following Super Storm Sandy, the demand for environmental hazard remediation services rose in Nassau County. Soon thereafter, the Office of Consumer Affairs (OCA) began to receive complaints about unscrupulous providers and ill-trained technicians. As the OCA began to investigate these complaints, it recognized a regulatory vacuum with respect to environmental hazard remediation service providers. These amendments to the Administrative Code would allow the OCA to regulate the County's environmental hazard remediation industry. The proposal outlines the licensing process for environmental hazard remediation providers and technicians.

Businesses seeking to provide remediation services to Nassau County consumers would be required to obtain both an environmental hazard remediation provider license and an environmental hazard remediation technician license. The initial provider application fee will be \$1,000 for a biennial license. The renewal fee would be \$500. The initial technician application fee will be \$100 for a biennial license. The renewal fee is set at \$100.

Applicants for the provider license would have to submit a variety of information to the Commissioner of the OCA, including proof of authorization to do business in New York State, name and description of applicant's business enterprise (i.e. sole proprietorship, partnership, corporation), and agree to have key personnel fingerprinted and submit to criminal background checks. At least one member of the provider applicant ownership group must obtain a County environmental hazard remediation technician license.

The technician licensing process is similar to the provider licensing process in that technician applicants must submit personal information and agree to be fingerprinted and undergo a criminal background investigation. The main difference between the two licenses is that technician applicants must hold certain federal, state, and remediation industry certifications. For example, technician applicants must hold valid asbestos and lead abatement licenses. The Commissioner of the OCA may accept an applicant's experience as a substitute for the educational requirement until January 1, 2020. A technician licensee may supervise up to ten unlicensed employees at a time. Businesses holding a provider's license may employ as many licensed technicians as necessary.

The proposal requires providers to follow a strict assessment process when called to a potential environmental hazard site. Among other requirements, the provider must send physical evidence to an

accredited, third party laboratory for testing and provide the property owner with an itemized estimate that specifies the least costly remediation method. The contractor must submit a written, thorough evaluation of the alleged hazardous site, an explanation that supports whether there is or is not a finding of an environmental hazard, and a written remediation proposal. Property owners are not obligated to purchase additional remediation services from the provider conducting an initial hazard assessment. Any writing generated during the assessment process belongs to the property owner. Remediation service providers must submit copies of any writing they generate during the assessment process to the Commissioner of the OCA within 30 days.

EFFECTIVE DATE:

This law shall take effect when filed with the New York Secretary of State. The County Executive is granted the power to suspend or modify this local law within any federally declared disaster area.

ECONOMIC IMPACT:

The proposed law is not expected have an impact on the local economy.

FISCAL IMPACT:

The County will generate revenue by issuing licenses and by levying fines and penalties. The initial provider application fee will be \$1,000 for a biennial license. The renewal fee would be \$500. Provider licenses are valid for one establishment only. Licensed providers may obtain supplementary licenses for their other establishments at a rate of \$100 per site. The initial technician application fee will be \$100 for a biennial license. The renewal fee is set at \$100.

The OCA did not provide any figures in its testimony before the Legislature on September 8, 2014. The Office of Legislative Budget Review (OLBR) estimates the number of providers on Long Island to be between 100 and 350 enterprises, based on a government survey and an industry website. According to the 2012 United States Census County Business Pattern survey, there are roughly 100 remediation service providers across Queens, Nassau and Suffolk counties. The Institute of Inspection, Cleaning, and Restoration Certification (IICRC), a restoration industry group, indicates that there are approximately 350 providers in a fifty mile radius of the County. A licensed provider must also obtain at least one technician license. Therefore, the initial licensing phase could generate between \$110,000 and \$385,000 in provider and technician license application fees. After two years OLBR projects the revenue to decrease to a range between \$60,000 and \$210,000 due to the lower license renewal fee amounts. The revenue estimate in each provider scenario is laid out in the table below.

		Number of Providers	
		100	350
<u>Initial</u>			
Provider Fee	\$1,000	\$100,000	\$350,000
Technician Fee	100	10,000	35,000
Range		\$110,000	\$385,000
<u>Renewal</u>			
Provider Fee	\$500	\$50,000	\$175,000
Technician Fee	100	10,000	35,000
Range		\$60,000	\$210,000

The Commissioner of the OCA is empowered to levy fines and civil penalties to uphold the provisions of this local law. Any violation of this proposal is considered a Class A Misdemeanor punishable by a maximum fine of \$5,000 and up to one year in prison. The continuation of an offense shall constitute a separate and distinct violation for each day the offense endures. The individual committing the offense faces a civil penalty of \$1,000 per day for each day the offense continues. The volume and severity of violations will determine fine revenue.

The OCA will be responsible for implementation of this local law, the enforcement of which will be largely complaint driven. The department will rely on the consuming public to report on unscrupulous businesses. Licensees are required to notify the Commissioner of unreported environmental hazards, unlicensed enterprises, and any environmental hazard remediation services those unlicensed operations may provide.

According to the OCA, the department should be able to absorb the additional duties with the existing staff of Inspectors and Investigators. Successful implementation of this local law may require added resources and personnel.

PREPARED BY: Tyler R. Barbieri, Legislative Budget Analyst