MAINE STATE LEGISLATURE

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SECOND REGULA	R SESSION
ONE HUNDRED AND TWE	LFTH LEGISLATURE
Legislative Document	No. 1892
S.P. 739 Approved for introduction by a maj pursuant to Joint Rule 26. Reference to the Committee on Busi ordered printed.	
JOY Presented by Senator Hichens of York.	J. O'BRIEN, Secretary of the Senate ues of Waterville and Senator Bustin
STATE OF	MAINE
IN THE YEAR O NINETEEN HUNDRED	
AN ACT to License Build Subcontractors to a S Code	tatewide Building
Be it enacted by the People follows:	of the State of Maine as
Sec. 1. 5 MRSA §12004, enacted to read:	sub-§1, ¶A, sub-¶(6-A) is
(6-A) Board of \$35 Building Contractors	/Day 32 MRSA §10803
Sec. 2. 30 MRSA c. 236	is enacted to read:
CHAPTER	236
STATEWIDE BUI	LDING CODE
84271. Definitions	

As used in this chapter, unless the context indicates otherwise, the following terms have the following meanings.

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- 1. Board. "Board" means the Board of Building Contractors, as defined in Title 32, chapter 107.
- 2. BOCA. "BOCA" means the Building Officials Code and Administrators International, 1984 edition, which is the Statewide Building Code.
- 3. Building. "Building" means any combination of materials, whether portable or fixed, which comprises a structure affording facilities or shelter for any use or occupancy. The word "building" shall be construed, wherever used in this chapter, as if followed by the words "or part or parts thereof and all equipment therein," unless the context clearly requires a different meaning. "Building" does not mean manufactured housing or mobile homes certified pursuant to the industrialized housing law of the State.
- 19 4. Building tradesman. "Building tradesman"
 20 means an individual, firm, corporation, association
 21 or partnership engaged in construction activities, as
 22 defined in subsection 8.
 - 5. CABO Code. "CABO Code" means the 1984 edition of the Council of American Building Officials Code for townhouses and one-family and 2-family residences.
- 27 6. Certifying agent. "Certifying agent" means a 28 professional, registered architect or engineer or a 29 licensed building contractor approved by the board 30 pursuant to Title 32, chapter 107.
- 31 <u>7. Code. "Code" means the Statewide Building</u> 32 Code.
- 33 8. Construction. "Construction" means the erec-34 tion, reconstruction, demolition, alteration, conver-35 sion, repair and equipping of buildings.
- 9. Local building official. "Local building official" means an individual appointed by a local enforcement agency to carry out and enforce the provi-

- 1 sions of the Statewide Building Code established by
 2 this chapter.
- 10. Local enforcement agency. "Local enforcement agency" means the agency or agencies of local government with authority to make inspections of buildings and to enforce the laws, ordinances and rules enacted by the local governments which establish standards and requirements applicable to the construction, alteration, repair or demolition of buildings.
- 16 <u>12. NFPA Code. "NFPA Code" means the National</u> 17 <u>Fire Protection Association Code, Standard #70, 1984</u> 18 edition.
- 13. Statewide Building Code. "Statewide Building Code" means the 1984 edition of the Building Officials Code and Administrators International, the 1984 edition of the Council of American Building Officials Code as it appears to townhouses and one-family and 2-family residences and the National Fire Protection Association Code.

§4272. Statewide Building Code

- 1. Code established. The 1984 edition of the code of the Building Officials Code Administrators 27 28 29 International, Inc., including all amendments and 30 supplements to the code through 1984, the 1984 edition of the Council of American Building Officials 31 32 Code and the National Fire Protection Association 33 Code are established as the building code for all 34 building construction throughout the State, including 35 all municipalities, plantations and unorganized 36 places.

- 3. Certificate of occupancy. No building constructed after the effective date of the Statewide Building Code may be used or occupied until a certificate of occupancy has been issued. Applications for certificates of occupancy shall be submitted, in writing, to the local enforcement agency pursuant to the Statewide Building Code. A certificate of occupancy shall be issued if the building to which the application pertains has been constructed in accordance with the building permit, the Statewide Building Code and other applicable laws and ordinances.
- 12 §4273. Exemption from this chapter

- Any buildings subject to Title 5, section 1742, subsection 6-A are exempt from this chapter.
- 15 §4274. Board of Building Contractors; administrative authority
 - The Board of Building Contractors, as defined in Title 32, chapter 107, shall be the administrative authority for the implementation and enforcement of this chapter. The board may:
 - 1. Adopt, amend and repeal provisions. Adopt, amend or repeal provisions of the Statewide Building Code as deemed necessary by the board. Prior to adopting any amendment to the Statewide Building Code, the board shall provide for public hearings at least 30 days prior to a public hearing. The authority shall publish a notice at least twice in a newspaper of general circulation in the State and in any trade, industry or professional publication which the division deems effective in reaching persons affected. The notice shall:
- 32 A. Reference the statutory authority under which 33 the adoption of the rule or amendment is pro-34 posed;
 - B. Give the time and place of the public hearing and state the manner in which data, arguments or news may be submitted and whether orally or in writing; and

- 1 C. Summarize the substance of the proposed 2 amendment, stating the subjects and issues in-3 volved.
- 4 Printed copies of this chapter and the code shall be 5 available to the public at a price determined by the 6 board;
- 7 2. Exercise authority at request of municipal officers. Upon the approval of a majority of the municipal officers, exercise authority with respect to:
- A. The construction of all buildings and inspection of buildings for compliance with the Statewide Building Code;
- B. The issuance and revocation of permits or licenses for building; or
- 15 C. The use or occupancy of buildings;
- 3. Enforce this chapter. Exercise the following procedure to enforce this chapter.
- 18 A. Any person deemed by the board to have vio-19 lated this subchapter or the Statewide Building Code may, upon a vote of the majority of board 20 21 members, be assessed a penalty payment of not more than \$100 a violation, payable to the 22 23 thority for use in administering this chapter. 24 Violation of this chapter shall not be cause for 25 imprisonment.
- B. A separate violation is deemed to have occurred with respect to each building not in compliance. Each day the violation continues constitutes a separate violation.
- C. The board may assess the prescribed penalty payment by affidavit of the executive director.

 If the assessed party appeals the assessment to a Superior Court, the penalty payment shall not be collectible until a finding by the court that a violation existed, that the assessed party caused or allowed to be caused the violation and that the assessment is reasonable.

D. The board may obtain injunctive relief from any court of competent jurisdiction to enjoin the sale, delivery, use, occupation, erection, alter-ation or installation of any building covered by this chapter upon an affidavit by the authority specifying the manner in which the building does not conform to the requirements of this chapter or the code.

- E. The board shall inform the appropriate occupational or professional licensing board as defined in Title 5, section 12004, subsection 1, of any violation of this chapter that has been committed by a licensee of that board;
- 4. Hold hearings. Hold hearings with respect to the administration and enforcement of this chapter;
- 16 <u>5. Adopt rules. Adopt rules in accordance with</u>
 17 <u>the Maine Administrative Procedure Act, Title 5,</u>
 18 chapter 375, to implement this chapter; and
 - <u>6. Charge and collect fees. Charge and collect fees for the duties and services that it performs under this chapter.</u>
 - A. Any and all funds received by the authority in the administration and enforcement of this chapter and the Statewide Building Code shall be maintained in a special fund available to the division for carrying out the purposes of this chapter.
- 28 §4275. Effect of code on local building regulations 29 and permits

Until the effective date of the Statewide Building Code, as defined in section 4273, building regulations adopted by a local government shall continue in effect unless repealed by local law or ordinance. Thereafter, building regulations adopted by a local government shall be void and of no effect. A building permit validly issued pursuant to local building regulations prior to the effective date of the code is valid thereafter and the construction of a building may be completed pursuant to and in accordance with that permit. In areas of the State having no

- building regulations or not requiring building permits, the construction of a building started before the effective date of the code may be completed without a building permit.
- 1. Local government regulations. Local governments may establish requirements for land use set-backs, side and rear yards, site development and property lines.
- 9 §4276. Local government amendments
- 10 <u>l. Local amendments. A local government may not</u>
 11 <u>adopt amendments to the code.</u>
- 12 §4277. Building permits

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- Except as otherwise provided in the code, the construction of a building shall not begin until a building permit is issued. A building permit shall be issued if, upon submission of an application to a local enforcement agency, the building proposed to be erected will, in the opinion of the local building official, comply with this chapter, the Statewide Building Code and all other applicable laws, ordinances or regulations. A local enforcement agency may suspend or revoke a building permit if the building under construction pursuant to the permit does not comply with this chapter or the Statewide Building Code.
- 26 1. Municipalities without building inspectors or 27 without expertise in the Statewide Building Code. In 28 the event that a municipality or unorganized place 29 does not have a building inspector or the local en-30 forcement agency lacks expertise in the Statewide 31 Building Code, the applicant shall obtain certifica-32 tion from a professional registered engineer or architect in this State or from a reputable licensed 33 34 building contractor approved by the Board of Building 35 Contractors pursuant to Title 32, chapter 107, that the building will comply with this chapter. Any costs 36 37 incurred as a result of the procedure established in this subsection shall be borne by the applicant for 38 39 the building permit.

2. Inspection. A local enforcement agency or the person certifying compliance to the code pursuant to subsection 1 shall periodically inspect all construction undertaken pursuant to building permits issued for projects approved for construction to assure compliance with this chapter and the Statewide Building The owner of a building under construction is deemed to have consented to inspection by a local enforcement agency or certifying agent pursuant to subsection 1, by applying for a building permit or questing certification. An inspection may be made of any building at any time if a local enforcement agency or certifying agent has probable cause to believe that a condition hazardous to life or property exists. If a building is found not to comply with the code, the local enforcement agency or certifying agent shall notify the person named in the permit, in writing, to bring the building into compliance with the code, or to secure it from entry, or both.

§4278. Statutory civil action

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Notwithstanding any other remedies available, any person or party, in an individual capacity or on behalf of a class of persons or parties, damaged as a result of a violation of this chapter or the Statewide Building Code, has a cause of action in any court of competent jurisdiction against the person or party who committed the violation and, if the inspected party can prove his actions were approved, against the local government which permitted the violation. Any award may include actual damages and the cost of litigation, including reasonable attorneys' fees. Local enforcement agencies and the local governments may be sued under this section, but their liability shall be limited to the funds available at the commencement of the action in the control of the local enforcement agency or funds appropriated specifically to honor a claim won under this chapter by an aggrieved party. The local building inspector shall not be personally liable under this section.

Sec. 3. 32 MRSA c. 107 is enacted to read:

CHAPTER 107

BUILDING CONTRACTORS LICENSING ACT

1 §10801. Definitions

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- As used in this chapter, unless the context indicates otherwise, the following terms have the following meanings.
- 1. Advertisement. "Advertisement" means any written or oral publication, dissemination, solicitation or circulation which is intended to directly or indirectly induce any person to enter into an agreement for residential contracting services with a contractor, including the use of business cards and telephone directory display advertisements.
- 12 2. Board. "Board" means the Board of Building 13 Contractors, as defined in section 10802.
- 3. BOCA. "BOCA" means the 1984 edition of the Building Officials Code and Administrators International, as defined in Title 30, chapter 236.
 - 4. Building construction activity. "Building construction activity" means the construction, reconstruction, alteration, repair, conversion or improvement of commercial, individual or residential buildings or structures.
- 22 5. Building contractor. "Building contractor"
 23 means a general contractor, subcontractor or special24 ty contractor, as defined in this section.
- 25 6. CABO Code. "CABO Code" means the 1984 edition 26 of the Council of American Building Officials Code 27 for townhouses and one-family and 2-family resi-28 dences.
- 7. Commercial contractor. "Commercial contractor" means any contractor whose building construction activity is primarily related to commercial or industrial buildings and structures, including, but not limited to:
- A. Apartment complexes of 7 units or more;
- 35 B. Structures housing businesses;
- 36 C. Hospitals; and

D. Schools.

- 8. Commissioner. "Commissioner" means the Commissioner of Business, Occupational and Professional Regulation.
 - 9. Department. "Department" means the Department of Business, Occupational and Professional Regulation.
 - 10. General contractor. "General contractor" means any person, firm, corporation or business organization which engages in the construction, reconstruction, alteration, repair, conversion or improvement of commercial, industrial or residential buildings. General contractor includes subcontractors and specialty contractors when these contractors contract with a person, firm or corporation other than a general contractor for the performance of building construction activities.
- 18 11. NFPA Code. "NFPA Code" means the National 19 Fire Protection Association Code, Standard #70, 1984 20 edition.
 - 12. Specialty contractor. "Specialty contractor" means a contractor who performs construction work requiring special skill and involves the use of specialized construction trades or crafts.
 - 13. Statewide Building Code. "Statewide Building Code" means the building performance code defined in Title 30, chapter 236, which shall serve as the building standard for all municipalities, plantations and unorganized places in the State.
- 14. Subcontractor. "Subcontractor" means any person, firm, corporation or business organization which contracts with a general contractor for part or all of a building construction contract for the construction, reconstruction, alteration; conversion, repair, improvement, burnishing or equipping of a commercial, industrial or residential building.
- 37 §10802. Board of Building Contractors; establish-38 ment, membership, compensation

1. Established. The Board of Building Contractors, as authorized by Title 5, chapter 379, is established within the Department of Business, Occupational and Professional Regulation to administer this chapter. The board shall consist of 7 members appointed by the Governor.

- 2. Appointment and membership. The membership of the board shall consist of 2 residential building contractors, one commercial or industrial contractor, one professional registered architect actively involved in construction contracts, one professional registered engineer actively involved in construction design contracting, the State Fire Marshal and one public member who shall not be and shall not previously have been affiliated with the building construction industry.
- 3. Term of office. The term of office shall be 3 years, except that of the first appointed members and the State Fire Marshal. Of the members first appointed to the board, one residential building contractor and the professional registered engineer shall serve initial terms of one year; the professional registered architect and the commercial industrial contractor shall serve initial terms of 2 years; and the residential building contractor and the public member shall serve initial terms of 3 years. No board member may serve more than 2 consecutive terms of office.
 - A. Upon expiration of a member's term, he shall serve until his successor is qualified and appointed. The successor's term shall be 3 years from the date of that expiration regardless of the date of his appointment. Any vacancy shall be filled by appointment for the unexpired term. A member may be removed for cause which shall include excessive absences from meetings of the board. "Excessive absence" means the absence from 3 consecutive board meetings or the absence from 1/4 of the total meetings of the board in a single calendar year.
- 4. Meetings. The board shall meet at least once a year to conduct its business and to elect its officers. Additional meetings may be held as necessary to

- conduct the business of the board and may be convened at the call of the chairman or a majority of the board members.
 - 5. Compensation. Members of the board shall be compensated in accordance with Title 5, chapter 349.

- 6. Quorum. A majority of the voting members of the board constitutes a quorum. No action may be taken by the board except by affirmative vote of the majority of those present and voting.
- 10 §10803. Board of Building Contractors; powers and 11 duties
 - 1. Powers. The board shall administer and enforce this chapter and evaluate the qualifications of applicants for licensure. The board may issue subpoenas, examine witnesses, administer oaths and may investigate or cause to be investigated any complaints made to it or any cases of noncompliance with or violation of this chapter.
 - 2. Rules. The board may promulgate, in accordance with the Maine Administrative Procedure Act, Title 5, chapter 375, rules relating to professional conduct to carry out the policy of this chapter, including, but not limited to, rules relating to professional licensure and to the establishment of ethical standards of practice for persons holding a license to undertake the construction of buildings in this State.
 - A. At least 20 days prior to the adoption of any rules pursuant to this chapter, the board may provide copies of the rules to the members of the joint standing committee of the Legislature to which is referred bills relating to the powers and duties of boards. The joint standing committee may review the rule with respect to the rules compliance with legislative intent and send its comments to the board. The board may post the joint standing committee's response in a visible place within the main office of the board.
 - 3. Hearings. Hearings may be conducted by the board to assist with investigations, to determine

- whether grounds exist for suspension, revocation or denial of a license or as otherwise deemed necessary to the fulfillment of its responsibilities under this chapter. Hearings may be conducted in accordance with the Maine Administrative Procedure Act, Title 5, chapter 375, subchapter IV, to the extent applicable.
- 7 <u>4. Records. The board shall keep such records</u>
 8 <u>and minutes as are necessary to the ordinary dispatch</u>
 9 of its functions.
- 10 <u>5. Contracts. The board may enter into contracts</u>
 11 to carry out its responsibilities under this chapter.
- 12 6. Reports. No later than August 1st of each
 13 year, the board shall submit to the commissioner for
 14 the preceding fiscal year ending June 30th, its annu15 al report of its operations and financial position,
 16 together with such comments and recommendations as
 17 the commissioner deems essential.
- 7. Implement and enforce the Statewide Building Code. The board shall implement and enforce the Statewide Building Code pursuant to Title 30, chapter 21 236.
- 22 §10804. Board of Building Contractors; administra-23 tive provisions
- 24 <u>1. Officers. The board shall appoint a secretary</u> 25 and may appoint other officers as it deems necessary.
- 2. Employees. With the advice of the board, the commissioner may appoint, subject to the Personnel Law, employees as may be necessary to carry out this chapter. Any person so employed may be located in the department and under the administrative and supervisory direction of the commissioner.
- 32 3. Budget. The board shall submit to the commis-33 sioner its budgetary requirements in the same manner 34 as is provided in Title 5, section 1665.
- 35 §10805. License required
- 36 <u>l. License required. Except as provided in this</u>
 37 <u>chapter, no person may engage in or hold himself out</u>

1 as authorized to engage in building construction ac-2 tivity unless he is licensed in accordance with this 3 chapter.

- 2. Individual professional license. An individual professional license may certify that the license holder is experienced in building construction activities and, to the satisfaction of the board, knowledgeable of the Statewide Building Code. Only an individual may be issued an individual professional license.
- 3. Business enterprise license. A business enterprise license may only be issued to a business enterprise, including, but not limited to, a partnership, limited partnership and corporation. The business enterprise license shall certify that the owner or owners are licensed building contractors or that the owner or owners are not licensed building contractors but have, in the employ of the business enterprise, one or more licensed building contractors sufficient, to the satisfaction of the board, to inspect and supervise the construction projects of the firm.
 - A. The owner or owners of a building construction enterprise who are building contractors may either be licensed as an individual professional licensee or as a business enterprise licensee. Nothing may be construed to require a building construction enterprise to obtain both an individual license and a business enterprise license.

§10806. Requirements for licensure

An applicant applying for a license as a building contractor shall file a written application provided by the board, showing to the satisfaction of the board that he meets the following requirements.

1. Residence. The applicant must be a resident of this State or, in the case of a nonresident, the applicant is readily available to the board and demonstrates sufficient financial means to satisfy claims that may be filed against the firm and that are found in violation of the law.

- A. In the event that the applicant is not a resident of this State, the nonresident applicant, immediately upon being licensed, shall employ a resident agent to represent the applicant or applicant's firm in the State.
 - 2. Ethical character. The applicant must be a person of ethical character, as demonstrated in his personal and business relations.
 - 3. Knowledge and understanding of the Statewide Building Code. The applicant must demonstrate knowledge and understanding of the Statewide Building Code.
 - 4. Knowledge and experience in building construction activity. In the event that the applicant has no knowledge or experience in building construction activity but demonstrates to the board's satisfaction that the firm's designated person has the necessary knowledge and experience, the license shall be issued to the designated person on the condition that the designated person meets the provisions of subsection 3.
 - A. Nothing in this chapter may be construed to hold an individual license holder in the employ of a firm or corporation liable in his personal and real property for construction activity conducted for and with the knowledge of the firm or corporation. Liability for violations of Title 30, chapter 236, in this case, is with the firm or corporation for which the licensed individual is employed.

31 §10807. Examination for licensure

- 1. Requirements; fees. Only a person satisfying the requirements of section 10806 may apply for examination or licensure in such a manner as the board prescribes. The application shall be accompanied by the nonrefundable fee prescribed by section 10808. A person who fails an examination may apply for reexamination upon payment of the prescribed fee.
 - 2. Content. The examination may be written or oral and shall test the applicant's knowledge of the

- Statewide Building Code and such other subjects as the board requires to determine the applicant's fitness to engage in building construction activity. The board shall establish standards for an acceptable performance.
- 3. Time and place. Applicants for licensure shall be examined at a time and place and under supervision as the board requires. Examinations shall be given at least twice each year at places as the board determines. The board shall give reasonable public notice of these examinations in accordance with its rules.
- 13 4. Scores; review. Applicants may obtain their 14 examination scores and may review their papers in ac-15 cordance with rules as the board establishes.

16 §10808. Fees

- A. For an initial application, \$80;
 - B. For biennial renewal of a license, \$80; and
- C. For a temporary license, \$40.
- 24 2. Disposal of fees. All fees received by the board shall be paid to the Treasurer of State to be used for carrying out this chapter. Any balance of fees shall not lapse but shall be carried forward as a continuing account to be expended for the same purposes in the following fiscal years.
- 30 §10809. Issuance of license
- The board shall issue a license to any person,
 firm or corporation which meets the requirements of
 this chapter upon payment of the prescribed license
 fee.
- 35 §10810. Renewal of license

- 1. Biennial renewal. Any license issued under 1 2 this chapter is subject to biennial renewal and 3 pires, unless renewed in the manner prescribed by the rules of the board, upon the payment of a renewal 4 5 fee. Licenses may be renewed up to 30 days after the 6 date of expiration, upon payment of a late fee of 7 \$10, in addition to the renewal fee. Any person who 8 submits an application for renewal more than 30 days 9 after the license renewal date is subject to all re-10 quirements governing new applicants under this chap-11 ter, except that the board may in its discretion, giving due consideration to the protection of the 12 13 public, waive examination if that renewal application 14 is made within 2 years from the date of that expira-15 tion.
- 2. Inactive status. Upon request, the board shall grant inactive status to a licensee who does not practice or present himself as a building contractor and maintains any continuing competency requirements established by the board.
- 21 3. Continued competency. Each license renewal shall be accompanied with evidence of continuing 22 23 competencies. For the purpose of this subsection, 2.4 continued competency means that no complaints have 25 been filed against the licensee during the period from the most recent license renewal or grant of the 26 27 license and the current request for a license renew-28 al.
- 29 §10811. Persons and practices exempt

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- Nothing in this chapter may be construed as preventing or restricting the practice, services or activities of:
- 1. Licensed persons. Any person licensed in this
 34 State by any other law from engaging in the profes35 sion or occupation for which he is licensed;
 - 2. Manufactured housing firms and mobile home manufacturers and dealers. Manufactured housing firms and mobile home manufacturers and dealers pursuant to Title 10, chapter 951;

3. Materials, firms, manufactures or retailers and furnished products. Any materialman, manufacturer or retailer furnishing finished products, materials or articles of merchandise who does not install or attach those items. Any retailer not required to be licensed under this subsection who enters into a sales contract or transaction involving the installation or attachment of those items to a residential structure shall, in carrying out the terms of the sale contract or transaction, work only with licensed contractors or a person otherwise exempted from licensing and shall inform the purchaser that the installation may be performed by a subcontractor whose name and address the purchaser may request;

- 4. Homeowners. Owners of residential property who engage in residential building construction activity on their own property and who do the work themselves or jointly with duly licensed contractors or persons otherwise exempted from licensing, if the structure or group of structures, including the improvements to the structure or structures, is not intended for sale or for rent. In all actions brought under this chapter, proof of the sale or offering for sale of any such structure or proof of the rent or offering for rent of any such structure by the owner-builder within one year after completion of the structure is prima facie evidence that the structure was undertaken for the purpose of sale or rent. As used in this subsection, "sale" includes any arrangement between 2 or more persons as a result of which there is an agreement to transfer property for a consideration. As used in this subsection, "rent" includes any arrangement whereby the owner receives compensation in money, provisions, chattels or labor from the occupancy of his land or the residential structures on his land;
- 5. Property owners contracting with licensed contractors. Owners of property who build or improve residential structures or appurtenances to residential structures on their property and who contract for such a project with a contractor or contractors licensed pursuant to this chapter;
- 6. Architects or engineers engaged in their profession. Architects or engineers engaging in their

- professional practice as defined in chapter 1-A, provided they do not engage in the activity of a contractor as defined in section 10801;
- 7. Installation for nonpermanent fixtures. The sale or installation of finished products, materials or articles of merchandise which are not fabricated into and do not become a permanent fixed part of the structure. This exemption does not apply if removal of the finished product, material or article of mer-chandise causes damage to the structure or renders the structure unfit for its intended use;
 - 8. Owner repairs. Owners or their salaried employees repairing or maintaining structures owned by them;

- 9. Wage employees. Any person who engaged in the activities regulated by this chapter, as an employee with wages as his sole compensation;
- 10. Surety companies. A surety company or companies authorized to transact business in this State which undertake to complete a contract on which they issued a performance or completion bond, provided that all construction work is performed by duly licensed contractors;
- 11. Insurance companies. Insurance companies authorized to transact business in this State which undertake to perform repairs resulting from casualty losses pursuant to the provisions of a policy, provided that all construction work is performed by duly licensed contractors; or
 - 12. Limited cost projects. Any person other than a licensed contractor engaging in any work or operation on one undertaking or project by one or more contracts for which the aggregate contract price, including labor, materials and all other items, is less than \$500 or any work that requires a local building permit or whichever is less. The work or operations which are exempt under this subsection shall be of a casual or minor nature. This exemption does not apply:
 - A. In any case in which the performance of the work requires a local building permit;

- B. In any case in which the work or construction is only a part of a larger or major operation, whether undertaken by the same or a different contractor, or in which a division of the operation is made in contracts of amounts less than \$500 for the purpose of evasion of this chapter or otherwise; or
- 8 C. To a person who utilizes any form of adver-9 tising to the public in which his unlicensed sta-10 tus is not disclosed by including the word "unli-11 censed" in the advertisement.

§10812. Previous experience and knowledge

The board may waive, until January 1, 1987, any examination requirements for a license under this chapter, if the applicant has knowledge and experience in building construction that meets the standards of this chapter to the satisfaction of the board.

§10813. Reciprocity

A person who is a resident of this State and has been licensed in another state as a building contractor and who demonstrates, to the satisfaction of the board, sufficient knowledge of and skill with the Statewide Building Code as defined in Title 30, chapter 236, upon payment of a fee as established under section 10808, may obtain a license as a building contractor.

§10814. License requirements for persons now engaged in building construction activity

- 1. Registration. Any person working as a building contractor as of the effective date of this chapter shall register with the board and shall provide the board with the information that the board deems necessary for the determination of the building contractor's qualification.
- 2. Issuance of license. If the board finds, to its satisfaction, that the building contractor applicant, as of the effective date of this chapter, has engaged in building construction activity for the

- 1 past 2 years and is a person who has a history of 2 good business and personal ethics, the board shall 3 issue a license to the contractor.
- 3. Temporary license. If the board finds that a person working as a building contractor as of the effective date of this chapter does not meet the requirements in subsection 2, the board shall issue the building contractor a temporary license effective for 12 months from the date of issue, after which time the contractor shall be required to meet the provisions in section 10806.
- 12 §10815. Investigations; refusal of license or renew-13 al; disciplinary action
- 14 1. Complaints; investigations. The board shall investigate or cause to be investigated a complaint made on its own motion or on written complaint filed with the board and all cases of noncompliance with or violation of this chapter or of any rules adopted by the board.

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- 2. Disciplinary action; grounds. The board may suspend or revoke a license pursuant to Title 5, section 10803. The board may refuse to issue or renew a license or the Administrative Court may suspend, revoke or refuse to renew a license of any licensed person. The following shall be grounds for an action to modify, suspend, revoke or refuse to issue or renew a license:
- A. The practice of any fraud or deceit in obtaining a license under this chapter or in connection with service rendered within the scope of the license issued;
- B. Unprofessional conduct, including any gross negligence, incompetency or misconduct in the licensee's performance of the work of building construction or violation of any standard of professional behavior which has been established by the board;
- 38 C. Construction, alteration, improvements or any other building construction activity that fails to meet the minimum building code;

- D. Subject to the limitation of Title 5, chapter

 341, conviction of a crime which involves dishonesty or false statement or which relates directly
 to the practice for which the licensee is licensed or conviction of any crime for which imprisonment for one year or more may be imposed;
 or
- E. Any violation of this chapter or any rule
 adopted by the board.

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- 3. Criminal penalty. Any person who violates a provision of this chapter or any lawful order or rule adopted by the board is guilty of a Class E crime.
- 4. Injunction. The State may bring an action in Superior Court to enjoin any person from violating this chapter, regardless of whether proceedings have been or may be instituted in the Administrative Court or whether criminal proceedings have been or may be instituted.
- 19 5. Application for reinstatement. An application for reinstatement may be made to the board one year from the date of revocation of a license. The board may accept or reject the application and hold a hearing to consider the reinstatement.
- Sec. 4. Effective date. Sections 1 and 3 of this Act shall take effect 90 days after adjournment of the Legislature. Section 2 of this Act shall take effect January 1, 1987.

2.2

This bill establishes the Statewide Building Code and a building contractors' licensing board as the means to assure the State's citizens and other persons, including businessmen, labor, etc., that new construction in the State meets basic building standards that are safe and healthy. The lack of a statewide building code creates a multitude of building standards and codes that are not uniform. In addition, many of the codes do not adequately protect the health and safety of the State's citizens. A number of municipalities do not have any building codes whatsoever which allow any type of structure to be erected.

The Statewide Building Code, which applies to all new construction, consists of the Building Officials Code and Administrators International, the Council of American Building Officials Code for townhouses and one-family and 2-family residences and the National Fire Protection Association Code. The code will take effect on January 1, 1987.

For municipalities with no building inspectors or with officials who are not familiar with the Building Officials Code and Administrators International, Council of American Building Officials Code and the National Fire Protection Association Code, the vidual or firm which has contracted for the construcis responsible for obtaining certification from a registered architect, engineer or building contractor that the proposed project meets the Statewide Building Code for which a building permit is issued. Following receipt of a building permit, the architect, engineer or building contractor will inspect the building during various phases of construction and will certify whether the building, upon completion, meets the statewide standard.

In municipalities which have a building inspector who is knowledgeable about the codes, the building will be subject to inspection by the building inspector.

The bill also establishes a 7-member Board of Building Contractors, appointed by the Governor, to license building contractors. The board consists of 2 residential contractors, one commercial or industrial contractor, one registered architect, one registered engineer, the State Fire Marshal and a public member who will serve 3-year terms with the exception of the State Fire Marshal and the initial members of the board.

The board may examine applicants to determine the knowledge and experience in building construction and the Statewide Building Code. For persons engaged in building construction currently, the board may provide a license to these contractors without an examination if they can show, to the satisfaction of the board, that they have building construction experience and are knowledgeable of the Statewide Building Code.

may issue an individual license or a board The business enterprise license to an applicant. A business enterprise license may certify that the owner or owners of the business are not licensed building conto the satisfaction of the tractors but employ, board, a sufficient number of licensed building contractors to inspect and supervise all the building construction projects of the firm. For a business enterprise engaged in building construction and owned experienced in building construction, a by persons business enterprise or an individual license satisfy the requirements of the licensing chapter. Two licenses are not required.