

Senator Parley G. Hellewell proposes the following substitute bill:

CONTRACTOR LICENSING AMENDMENTS

2004 GENERAL SESSION

STATE OF UTAH

Sponsor: Parley G. Hellewell

LONG TITLE

General Description:

This bill modifies the Construction Trades Licensing Act.

Highlighted Provisions:

This bill:

► creates a requirement that a plumbing § **[and]** OR § electrical business maintains its license

for a period of five years to satisfy the individual qualifier requirements.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

58-55-304, as last amended by Chapter 241, Laws of Utah 2002

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **58-55-304** is amended to read:

58-55-304. Licensee names -- License number use -- License qualifier.

(1) No license may be issued by the division in a name that is identical to or so resembles the name of another licensee that the division determines that it may result in



26 confusion or mistake.

27 (2) The contractor's license number shall be made a part of all permit applications,
28 contracts, agreements, or bids when a license is required.

29 (3) The division may issue a license in the name of an individual or the name of a
30 business entity for which the individual acts as a qualifier, in accordance with the following:

31 (a) An individual shall:

32 (i) submit an application in the individual's name;

33 (ii) demonstrate the individual's own financial responsibility; and

34 (iii) pass the required examination and meet all other requirements of this chapter.

35 (b) A business entity shall:

36 (i) submit the application in the name of and on behalf of the business entity;

37 (ii) list the individual as the qualifier;

38 (iii) demonstrate financial responsibility of the business entity if applying for a
39 contractor's license;

40 (iv) provide evidence that the individual qualifier has passed the required examination;

41 and

42 (v) meet all other requirements of this chapter.

43 (4) A person acting as a qualifier for a business entity licensee must demonstrate to the
44 division that the individual is an owner, officer, or manager within that business entity who
45 exercises material authority in the conduct of that business entity's contracting business by:

46 (a) making substantive technical and administrative decisions relating to the work
47 performed for which a license is required under this chapter;

48 (b) hiring, promoting, transferring, laying off, disciplining, directing, or discharging
49 employees of the licensee either by himself or through others; and

50 (c) not being involved in any other employment or activity which conflicts with the
51 individual's duties and responsibilities to ensure the licensee's performance of work regulated
52 under this chapter does not jeopardize the public health, safety, and welfare.

53 (5) (a) Except as provided in ~~Subsection~~ Subsections (5)(b) and (c), it is the duty and
54 responsibility of the licensee and the qualifier to comply with the provisions of this section.
55 Failure to comply with the requirements of this section may be considered unprofessional
56 conduct by the licensee, the qualifier, or both.

57 (b) If a licensee business entity has maintained its license and has not violated the
58 requirements of this chapter or Sections 58-55-101 through 58-55-604 for a period of ten
59 consecutive years, the business entity may maintain its license under this chapter by recording
60 an active employee name and registration/license number from the applicable trade on the
61 renewal application in order to comply with the individual qualifier requirements of this
62 section. However, this Subsection (5)(b) shall not apply if more than 50% of the ownership of
63 the business entity has been transferred at any time during the ten-year period.

64 (c) If a plumbing § [and] OR § electrical business entity has maintained its license and has
64a not
65 violated the requirements of this chapter or Sections 58-55-101 through 58-55-604 for a period
66 of five consecutive years, the business entity may maintain its license under this chapter by
67 recording an active employee name and registration/license number from the applicable trade
68 on the renewal application in order to comply with the individual qualifier requirements of this
69 section. However, this Subsection (5)(c) shall not apply if more than 50% of the ownership of
70 the business entity has been transferred at any time during the five-year period.

71 (6) If an individual qualifying on behalf of a business entity issued a license under this
72 chapter ceases association with that entity as required in Subsection (4), the licensee shall
73 notify the division in writing within ten days after cessation of association or employment. If
74 notice is given, the license shall remain in force for 60 days after the date of cessation of
75 association or employment. The licensee shall replace the original qualifier with another
76 individual qualifier within the 60-day period or the license shall be automatically suspended.

77 (7) Failure to notify the division of cessation of association or employment of a
78 qualifier as required in Subsection (6) may result in immediate suspension of the license upon a
79 finding of good cause.

Fiscal Note**Contactor Licensing Amendments***16-Feb-04***Bill Number SB0089s01***10:57 AM*

State Impact

No fiscal impact.

Individual and Business ImpactThe bill reduces individual qualifier requirements.

Office of the Legislative Fiscal Analyst