

**Senator Wayne A. Harper** proposes the following substitute bill:

**CONTRACTOR LICENSING AND CONTINUING EDUCATION**

**AMENDMENTS**

2014 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Wayne A. Harper**

House Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill amends requirements related to the professional licensing of contractors.

**Highlighted Provisions:**

This bill:

▶ modifies the requirements for licensure as a contractor, including:

• allowing experience in any construction classification to count towards employment experience; and

• adding a 40-hour course of instruction; and

▶ makes technical changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

**58-55-302**, as last amended by Laws of Utah 2013, Chapters 57, 426, and 430



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

27 Section 1. Section **58-55-302** is amended to read:

28 **58-55-302. Qualifications for licensure.**

29 (1) Each applicant for a license under this chapter shall:

30 (a) submit an application prescribed by the division;

31 (b) pay a fee as determined by the department under Section [63J-1-504](#);

32 (c) (i) meet the examination requirements established by rule by the commission with  
33 the concurrence of the director, except for the classifications of apprentice plumber and  
34 apprentice electrician for whom no examination is required; or

35 (ii) if required in Section [58-55-304](#), the individual qualifier must pass the required  
36 examination if the applicant is a business entity;

37 (d) if an apprentice, identify the proposed supervisor of the apprenticeship;

38 (e) if an applicant for a contractor's license:

39 (i) produce satisfactory evidence of financial responsibility, except for a construction  
40 trades instructor for whom evidence of financial responsibility is not required;

41 (ii) produce satisfactory evidence of ~~[knowledge and at least]~~;

42 (A) two years full-time paid employment experience in the construction industry,  
43 which experience, unless more specifically described in this section, may be related to any  
44 contracting classification; and

45 (B) knowledge of the principles of the conduct of business as a contractor, reasonably  
46 necessary for the protection of the public health, safety, and welfare;

47 (iii) complete a 40-hour course established by rule by the commission with the  
48 concurrence of the director, which course may include:

49 (A) construction business practices;

50 (B) bookkeeping fundamentals;

51 (C) mechanics lien fundamentals; and

52 (D) other aspects of business and construction principles considered important by the  
53 commission with the concurrence of the director;

54 ~~[(iii)]~~ (iv) (A) be a licensed master electrician if an applicant for an electrical  
55 contractor's license or a licensed master residential electrician if an applicant for a residential  
56 electrical contractor's license;

57 (B) be a licensed master plumber if an applicant for a plumbing contractor's license or  
58 a licensed master residential plumber if an applicant for a residential plumbing contractor's  
59 license; or

60 (C) be a licensed elevator mechanic and produce satisfactory evidence of three years  
61 experience as an elevator mechanic if an applicant for an elevator contractor's license; and

62 ~~[(iv)]~~ (v) when the applicant is an unincorporated entity, provide a list of the one or  
63 more individuals who hold an ownership interest in the applicant as of the day on which the  
64 application is filed that includes for each individual:

65 (A) the individual's name, address, birth date, and Social Security number; and

66 (B) whether the individual will engage in a construction trade; and

67 (f) if an applicant for a construction trades instructor license, satisfy any additional  
68 requirements established by rule.

69 (2) After approval of an applicant for a contractor's license by the applicable board and  
70 the division, the applicant shall file the following with the division before the division issues  
71 the license:

72 (a) proof of workers' compensation insurance which covers employees of the applicant  
73 in accordance with applicable Utah law;

74 (b) proof of public liability insurance in coverage amounts and form established by rule  
75 except for a construction trades instructor for whom public liability insurance is not required;  
76 and

77 (c) proof of registration as required by applicable law with the:

78 (i) Utah Department of Commerce;

79 (ii) Division of Corporations and Commercial Code;

80 (iii) Unemployment Insurance Division in the Department of Workforce Services, for  
81 purposes of Title 35A, Chapter 4, Employment Security Act;

82 (iv) State Tax Commission; and

83 (v) Internal Revenue Service.

84 (3) In addition to the general requirements for each applicant in Subsection (1),  
85 applicants shall comply with the following requirements to be licensed in the following  
86 classifications:

87 (a) (i) A master plumber shall produce satisfactory evidence that the applicant:

88 (A) has been a licensed journeyman plumber for at least two years and had two years of  
89 supervisory experience as a licensed journeyman plumber in accordance with division rule;

90 (B) has received at least an associate of applied science degree or similar degree  
91 following the completion of a course of study approved by the division and had one year of  
92 supervisory experience as a licensed journeyman plumber in accordance with division rule; or

93 (C) meets the qualifications determined by the division in collaboration with the board  
94 to be equivalent to Subsection (3)(a)(i)(A) or (B).

95 (ii) An individual holding a valid Utah license as a journeyman plumber, based on at  
96 least four years of practical experience as a licensed apprentice under the supervision of a  
97 licensed journeyman plumber and four years as a licensed journeyman plumber, in effect  
98 immediately prior to May 5, 2008, is on and after May 5, 2008, considered to hold a current  
99 master plumber license under this chapter, and satisfies the requirements of this Subsection  
100 (3)(a) for the purpose of renewal or reinstatement of that license under Section 58-55-303.

101 (iii) An individual holding a valid plumbing contractor's license or residential  
102 plumbing contractor's license, in effect immediately prior to May 5, 2008, is on or after May 5,  
103 2008:

104 (A) considered to hold a current master plumber license under this chapter if licensed  
105 as a plumbing contractor and a journeyman plumber, and satisfies the requirements of this  
106 Subsection (3)(a) for purposes of renewal or reinstatement of that license under Section  
107 58-55-303; and

108 (B) considered to hold a current residential master plumber license under this chapter if  
109 licensed as a residential plumbing contractor and a residential journeyman plumber, and  
110 satisfies the requirements of this Subsection (3)(a) for purposes of renewal or reinstatement of  
111 that license under Section 58-55-303.

112 (b) A master residential plumber applicant shall produce satisfactory evidence that the  
113 applicant:

114 (i) has been a licensed residential journeyman plumber for at least two years and had  
115 two years of supervisory experience as a licensed residential journeyman plumber in  
116 accordance with division rule; or

117 (ii) meets the qualifications determined by the division in collaboration with the board  
118 to be equivalent to Subsection (3)(b)(i).

- 119 (c) A journeyman plumber applicant shall produce satisfactory evidence of:
- 120 (i) successful completion of the equivalent of at least four years of full-time training
- 121 and instruction as a licensed apprentice plumber under supervision of a licensed master
- 122 plumber or journeyman plumber and in accordance with a planned program of training
- 123 approved by the division;
- 124 (ii) at least eight years of full-time experience approved by the division in collaboration
- 125 with the Plumbers Licensing Board; or
- 126 (iii) satisfactory evidence of meeting the qualifications determined by the board to be
- 127 equivalent to Subsection (3)(c)(i) or (c)(ii).
- 128 (d) A residential journeyman plumber shall produce satisfactory evidence of:
- 129 (i) completion of the equivalent of at least three years of full-time training and
- 130 instruction as a licensed apprentice plumber under the supervision of a licensed residential
- 131 master plumber, licensed residential journeyman plumber, or licensed journeyman plumber in
- 132 accordance with a planned program of training approved by the division;
- 133 (ii) completion of at least six years of full-time experience in a maintenance or repair
- 134 trade involving substantial plumbing work; or
- 135 (iii) meeting the qualifications determined by the board to be equivalent to Subsection
- 136 (3)(d)(i) or (d)(ii).
- 137 (e) The conduct of licensed apprentice plumbers and their licensed supervisors shall be
- 138 in accordance with the following:
- 139 (i) while engaging in the trade of plumbing, a licensed apprentice plumber shall be
- 140 under the immediate supervision of a licensed master plumber, licensed residential master
- 141 plumber, licensed journeyman plumber, or a licensed residential journeyman plumber; and
- 142 (ii) a licensed apprentice plumber in the fourth through tenth year of training may work
- 143 without supervision for a period not to exceed eight hours in any 24-hour period, but if the
- 144 apprentice does not become a licensed journeyman plumber or licensed residential journeyman
- 145 plumber by the end of the tenth year of apprenticeship, this nonsupervision provision no longer
- 146 applies.
- 147 (f) A master electrician applicant shall produce satisfactory evidence that the applicant:
- 148 (i) is a graduate electrical engineer of an accredited college or university approved by
- 149 the division and has one year of practical electrical experience as a licensed apprentice

150 electrician;

151 (ii) is a graduate of an electrical trade school, having received an associate of applied  
152 sciences degree following successful completion of a course of study approved by the division,  
153 and has two years of practical experience as a licensed journeyman electrician;

154 (iii) has four years of practical experience as a journeyman electrician; or

155 (iv) meets the qualifications determined by the board to be equivalent to Subsection  
156 (3)(f)(i), (ii), or (iii).

157 (g) A master residential electrician applicant shall produce satisfactory evidence that  
158 the applicant:

159 (i) has at least two years of practical experience as a residential journeyman electrician;

160 or

161 (ii) meets the qualifications determined by the board to be equivalent to this practical  
162 experience.

163 (h) A journeyman electrician applicant shall produce satisfactory evidence that the  
164 applicant:

165 (i) has successfully completed at least four years of full-time training and instruction as  
166 a licensed apprentice electrician under the supervision of a master electrician or journeyman  
167 electrician and in accordance with a planned training program approved by the division;

168 (ii) has at least eight years of full-time experience approved by the division in  
169 collaboration with the Electricians Licensing Board; or

170 (iii) meets the qualifications determined by the board to be equivalent to Subsection  
171 (3)(h)(i) or (ii).

172 (i) A residential journeyman electrician applicant shall produce satisfactory evidence  
173 that the applicant:

174 (i) has successfully completed two years of training in an electrical training program  
175 approved by the division;

176 (ii) has four years of practical experience in wiring, installing, and repairing electrical  
177 apparatus and equipment for light, heat, and power under the supervision of a licensed master,  
178 journeyman, residential master, or residential journeyman electrician; or

179 (iii) meets the qualifications determined by the division and applicable board to be  
180 equivalent to Subsection (3)(i)(i) or (ii).

181 (j) The conduct of licensed apprentice electricians and their licensed supervisors shall  
182 be in accordance with the following:

183 (i) A licensed apprentice electrician shall be under the immediate supervision of a  
184 licensed master, journeyman, residential master, or residential journeyman electrician. An  
185 apprentice in the fourth year of training may work without supervision for a period not to  
186 exceed eight hours in any 24-hour period.

187 (ii) A licensed master, journeyman, residential master, or residential journeyman  
188 electrician may have under immediate supervision on a residential project up to three licensed  
189 apprentice electricians.

190 (iii) A licensed master or journeyman electrician may have under immediate  
191 supervision on nonresidential projects only one licensed apprentice electrician.

192 (k) An alarm company applicant shall:

193 (i) have a qualifying agent who is an officer, director, partner, proprietor, or manager of  
194 the applicant who:

195 (A) demonstrates 6,000 hours of experience in the alarm company business;

196 (B) demonstrates 2,000 hours of experience as a manager or administrator in the alarm  
197 company business or in a construction business; and

198 (C) passes an examination component established by rule by the commission with the  
199 concurrence of the director;

200 (ii) if a corporation, provide:

201 (A) the names, addresses, dates of birth, Social Security numbers, and fingerprint cards  
202 of all corporate officers, directors, and those responsible management personnel employed  
203 within the state or having direct responsibility for managing operations of the applicant within  
204 the state; and

205 (B) the names, addresses, dates of birth, Social Security numbers, and fingerprint cards  
206 of all shareholders owning 5% or more of the outstanding shares of the corporation, except this  
207 shall not be required if the stock is publicly listed and traded;

208 (iii) if a limited liability company, provide:

209 (A) the names, addresses, dates of birth, Social Security numbers, and fingerprint cards  
210 of all company officers, and those responsible management personnel employed within the  
211 state or having direct responsibility for managing operations of the applicant within the state;

212 and

213 (B) the names, addresses, dates of birth, Social Security numbers, and fingerprint cards  
214 of all individuals owning 5% or more of the equity of the company;

215 (iv) if a partnership, provide the names, addresses, dates of birth, Social Security  
216 numbers, and fingerprint cards of all general partners, and those responsible management  
217 personnel employed within the state or having direct responsibility for managing operations of  
218 the applicant within the state;

219 (v) if a proprietorship, provide the names, addresses, dates of birth, Social Security  
220 numbers, and fingerprint cards of the proprietor, and those responsible management personnel  
221 employed within the state or having direct responsibility for managing operations of the  
222 applicant within the state;

223 (vi) if a trust, provide the names, addresses, dates of birth, Social Security numbers,  
224 and fingerprint cards of the trustee, and those responsible management personnel employed  
225 within the state or having direct responsibility for managing operations of the applicant within  
226 the state;

227 (vii) be of good moral character in that officers, directors, shareholders described in  
228 Subsection (3)(k)(ii)(B), partners, proprietors, trustees, and responsible management personnel  
229 have not been convicted of a felony, a misdemeanor involving moral turpitude, or any other  
230 crime that when considered with the duties and responsibilities of an alarm company is  
231 considered by the board to indicate that the best interests of the public are served by granting  
232 the applicant a license;

233 (viii) document that none of the applicant's officers, directors, shareholders described  
234 in Subsection (3)(k)(ii)(B), partners, proprietors, trustees, and responsible management  
235 personnel have been declared by any court of competent jurisdiction incompetent by reason of  
236 mental defect or disease and not been restored;

237 (ix) document that none of the applicant's officers, directors, shareholders described in  
238 Subsection (3)(k)(ii)(B), partners, proprietors, and responsible management personnel are  
239 currently suffering from habitual drunkenness or from drug addiction or dependence;

240 (x) file and maintain with the division evidence of:

241 (A) comprehensive general liability insurance in form and in amounts to be established  
242 by rule by the commission with the concurrence of the director;

243 (B) workers' compensation insurance that covers employees of the applicant in  
244 accordance with applicable Utah law; and

245 (C) registration as is required by applicable law with the:

246 (I) Division of Corporations and Commercial Code;

247 (II) Unemployment Insurance Division in the Department of Workforce Services, for  
248 purposes of Title 35A, Chapter 4, Employment Security Act;

249 (III) State Tax Commission; and

250 (IV) Internal Revenue Service; and

251 (xi) meet with the division and board.

252 (l) Each applicant for licensure as an alarm company agent shall:

253 (i) submit an application in a form prescribed by the division accompanied by  
254 fingerprint cards;

255 (ii) pay a fee determined by the department under Section [63J-1-504](#);

256 (iii) be of good moral character in that the applicant has not been convicted of a felony,  
257 a misdemeanor involving moral turpitude, or any other crime that when considered with the  
258 duties and responsibilities of an alarm company agent is considered by the board to indicate  
259 that the best interests of the public are served by granting the applicant a license;

260 (iv) not have been declared by any court of competent jurisdiction incompetent by  
261 reason of mental defect or disease and not been restored;

262 (v) not be currently suffering from habitual drunkenness or from drug addiction or  
263 dependence; and

264 (vi) meet with the division and board if requested by the division or the board.

265 (m) (i) Each applicant for licensure as an elevator mechanic shall:

266 (A) provide documentation of experience and education credits of not less than three  
267 years work experience in the elevator industry, in construction, maintenance, or service and  
268 repair; and

269 (B) satisfactorily complete a written examination administered by the division  
270 established by rule under Section [58-1-203](#); or

271 (C) provide certificates of completion of an apprenticeship program for elevator  
272 mechanics, having standards substantially equal to those of this chapter and registered with the  
273 United States Department of Labor Bureau Apprenticeship and Training or a state

274 apprenticeship council.

275 (ii) (A) If an elevator contractor licensed under this chapter cannot find a licensed  
276 elevator mechanic to perform the work of erecting, constructing, installing, altering, servicing,  
277 repairing, or maintaining an elevator, the contractor may:

278 (I) notify the division of the unavailability of licensed personnel; and

279 (II) request the division issue a temporary elevator mechanic license to an individual  
280 certified by the contractor as having an acceptable combination of documented experience and  
281 education to perform the work described in this Subsection (3)(m)(ii)(A).

282 (B) (I) The division may issue a temporary elevator mechanic license to an individual  
283 certified under Subsection (3)(m)(ii)(A)(II) upon application by the individual, accompanied by  
284 the appropriate fee as determined by the department under Section 63J-1-504.

285 (II) The division shall specify the time period for which the license is valid and may  
286 renew the license for an additional time period upon its determination that a shortage of  
287 licensed elevator mechanics continues to exist.

288 (4) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
289 division may make rules establishing when Federal Bureau of Investigation records shall be  
290 checked for applicants as an alarm company or alarm company agent.

291 (5) To determine if an applicant meets the qualifications of Subsections (3)(k)(vii) and  
292 (3)(l)(iii), the division shall provide an appropriate number of copies of fingerprint cards to the  
293 Department of Public Safety with the division's request to:

294 (a) conduct a search of records of the Department of Public Safety for criminal history  
295 information relating to each applicant for licensure as an alarm company or alarm company  
296 agent and each applicant's officers, directors, shareholders described in Subsection  
297 (3)(k)(ii)(B), partners, proprietors, and responsible management personnel; and

298 (b) forward to the Federal Bureau of Investigation a fingerprint card of each applicant  
299 requiring a check of records of the Federal Bureau of Investigation for criminal history  
300 information under this section.

301 (6) The Department of Public Safety shall send to the division:

302 (a) a written record of criminal history, or certification of no criminal history record, as  
303 contained in the records of the Department of Public Safety in a timely manner after receipt of  
304 a fingerprint card from the division and a request for review of Department of Public Safety

305 records; and

306 (b) the results of the Federal Bureau of Investigation review concerning an applicant in  
307 a timely manner after receipt of information from the Federal Bureau of Investigation.

308 (7) (a) The division shall charge each applicant for licensure as an alarm company or  
309 alarm company agent a fee, in accordance with Section 63J-1-504, equal to the cost of  
310 performing the records reviews under this section.

311 (b) The division shall pay the Department of Public Safety the costs of all records  
312 reviews, and the Department of Public Safety shall pay the Federal Bureau of Investigation the  
313 costs of records reviews under this section.

314 (8) Information obtained by the division from the reviews of criminal history records of  
315 the Department of Public Safety and the Federal Bureau of Investigation shall be used or  
316 disseminated by the division only for the purpose of determining if an applicant for licensure as  
317 an alarm company or alarm company agent is qualified for licensure.

318 (9) (a) An application for licensure under this chapter shall be denied if:

319 (i) the applicant has had a previous license, which was issued under this chapter,  
320 suspended or revoked within one year prior to the date of the applicant's application;

321 (ii) (A) the applicant is a partnership, corporation, or limited liability company; and

322 (B) any corporate officer, director, shareholder holding 25% or more of the stock in the  
323 applicant, partner, member, agent acting as a qualifier, or any person occupying a similar  
324 status, performing similar functions, or directly or indirectly controlling the applicant has  
325 served in any similar capacity with any person or entity which has had a previous license,  
326 which was issued under this chapter, suspended or revoked within one year prior to the date of  
327 the applicant's application;

328 (iii) (A) the applicant is an individual or sole proprietorship; and

329 (B) any owner or agent acting as a qualifier has served in any capacity listed in  
330 Subsection (9)(a)(ii)(B) in any entity which has had a previous license, which was issued under  
331 this chapter, suspended or revoked within one year prior to the date of the applicant's  
332 application; or

333 (iv) (A) the applicant includes an individual who was an owner, director, or officer of  
334 an unincorporated entity at the time the entity's license under this chapter was revoked; and

335 (B) the application for licensure is filed within 60 months after the revocation of the

336 unincorporated entity's license.

337 (b) An application for licensure under this chapter shall be reviewed by the appropriate  
338 licensing board prior to approval if:

339 (i) the applicant has had a previous license, which was issued under this chapter,  
340 suspended or revoked more than one year prior to the date of the applicant's application;

341 (ii) (A) the applicant is a partnership, corporation, or limited liability company; and

342 (B) any corporate officer, director, shareholder holding 25% or more of the stock in the  
343 applicant, partner, member, agent acting as a qualifier, or any person occupying a similar  
344 status, performing similar functions, or directly or indirectly controlling the applicant has  
345 served in any similar capacity with any person or entity which has had a previous license,  
346 which was issued under this chapter, suspended or revoked more than one year prior to the date  
347 of the applicant's application; or

348 (iii) (A) the applicant is an individual or sole proprietorship; and

349 (B) any owner or agent acting as a qualifier has served in any capacity listed in  
350 Subsection (9)(b)(ii)(B) in any entity which has had a previous license, which was issued under  
351 this chapter, suspended or revoked more than one year prior to the date of the applicant's  
352 application.

353 (10) (a) (i) A licensee that is an unincorporated entity shall file an ownership status  
354 report with the division every 30 days after the day on which the license is issued if the licensee  
355 has more than five owners who are individuals who:

356 (A) own an interest in the contractor that is an unincorporated entity;

357 (B) own, directly or indirectly, less than an 8% interest, as defined by rule made by the  
358 division in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, in the  
359 unincorporated entity; and

360 (C) engage, or will engage, in a construction trade in the state as owners of the  
361 contractor described in Subsection (10)(a)(i)(A).

362 (ii) If the licensee has five or fewer owners described in Subsection (10)(a)(i), the  
363 licensee shall provide the ownership status report with an application for renewal of licensure.

364 (b) An ownership status report required under this Subsection (10) shall:

365 (i) specify each addition or deletion of an owner:

366 (A) for the first ownership status report, after the day on which the unincorporated

367 entity is licensed under this chapter; and

368 (B) for a subsequent ownership status report, after the day on which the previous  
369 ownership status report is filed;

370 (ii) be in a format prescribed by the division that includes for each owner, regardless of  
371 the owner's percentage ownership in the unincorporated entity, the information described in  
372 Subsection(1)(e)(iv);

373 (iii) list the name of:

374 (A) each officer or manager of the unincorporated entity; and

375 (B) each other individual involved in the operation, supervision, or management of the  
376 unincorporated entity; and

377 (iv) be accompanied by a fee set by the division in accordance with Section [63J-1-504](#)  
378 if the ownership status report indicates there is a change described in Subsection (10)(b)(i).

379 (c) The division may, at any time, audit an ownership status report under this  
380 Subsection (10):

381 (i) to determine if financial responsibility has been demonstrated or maintained as  
382 required under Section [58-55-306](#); and

383 (ii) to determine compliance with Subsection [58-55-501](#) (24), (25), or (27) or  
384 Subsection [58-55-502](#)(8) or (9).

385 (11) (a) An unincorporated entity that provides labor to an entity licensed under this  
386 chapter by providing an individual who owns an interest in the unincorporated entity to engage  
387 in a construction trade in Utah shall file with the division:

388 (i) before the individual who owns an interest in the unincorporated entity engages in a  
389 construction trade in Utah, a current list of the one or more individuals who hold an ownership  
390 interest in the unincorporated entity that includes for each individual:

391 (A) the individual's name, address, birth date, and Social Security number; and

392 (B) whether the individual will engage in a construction trade; and

393 (ii) every 30 days after the day on which the unincorporated entity provides the list  
394 described in Subsection (11)(a)(i), an ownership status report containing the information that  
395 would be required under Subsection (10) if the unincorporated entity were a licensed  
396 contractor.

397 (b) When filing an ownership list described in Subsection (11)(a)(i) or an ownership

398 status report described in Subsection (11)(a)(ii) or (iii) an unincorporated entity shall pay a fee  
399 set by the division in accordance with Section [63J-1-504](#).

400 (12) This chapter may not be interpreted to create or support an express or implied  
401 independent contractor relationship between an unincorporated entity described in Subsection  
402 (10) or (11) and the owners of the unincorporated entity for any purpose, including income tax  
403 withholding.

404 (13) A Social Security number provided under Subsection (1)(e)(iv) is a private record  
405 under Subsection [63G-2-302\(1\)\(i\)](#).