



# UTAH STATE SENATE

UTAH STATE CAPITOL COMPLEX • 320 STATE CAPITOL  
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February 18, 2014

Mr. President:

The Business and Labor Committee reports a favorable recommendation on **S.B. 186**, **CONTRACTOR LICENSING AND CONTINUING EDUCATION AMENDMENTS**, by Senator W. Harper, with the following amendments:

1. *Page 1, Line 22 through Page 2, Line 31:*

- 22 Utah Code Sections Affected:  
23 AMENDS:  
24 58-55-102, as last amended by Laws of Utah 2013, Chapter 36  
25 58-55-302, as last amended by Laws of Utah 2013, Chapters 57, 426, and 430  
26 {~~58-55-303, as last amended by Laws of Utah 2013, Chapter 57~~}  
27 58-55-305, as last amended by Laws of Utah 2013, Chapters 430 and 449  
28 {~~58-55-501, as last amended by Laws of Utah 2013, Chapter 57~~}  
29 58-55-503, as last amended by Laws of Utah 2013, Chapter 57  
30 {~~REPEALS:~~  
31 ~~58-55-302.5, as last amended by Laws of Utah 2013, Chapter 430~~  
-}

2. *Page 22, Line 654 through Page 23, Line 695:*

- 654 {~~Section 3. Section 58-55-303 is amended to read:~~  
655 ~~58-55-303. Term of license -- Expiration -- Renewal.~~  
656 ~~(1)(a) Each license issued under this chapter shall be issued in accordance with~~

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657 ~~two-year renewal cycle established by rule:~~  
658 ~~— (b) The division may by rule extend or shorten a renewal period by as much as one year~~  
659 ~~to stagger the renewal cycle it administers.~~  
660 ~~— (c) (i) Notwithstanding a renewal cycle under Subsection (1)(a) or (b), notwithstanding~~  
661 ~~Title 63G, Chapter 4, Administrative Procedures Act, and subject to Subsection (1)(c)(ii), a~~  
662 ~~license is automatically suspended 60 days after the licensee:~~  
663 ~~— (A) becomes, after the time of licensing, an unincorporated entity that is subject to the~~  
664 ~~ownership status report filing requirements of Subsection 58-55-302(10)(a)(i); or~~  
665 ~~— (B) transfers its license to an unincorporated entity that is subject to the ownership~~  
666 ~~status report filing requirements of Subsection 58-55-302(10)(a)(i):~~  
667 ~~— (ii) An automatic suspension does not occur under Subsection (1)(c)(i) if, before the~~  
668 ~~expiration of the 60-day period in Subsection (1)(c)(i):~~  
669 ~~— (A) the licensee submits an application for renewal of the license; and~~  
670 ~~— (B) the division renews the licensee's license pursuant to the licensee's application for~~  
671 ~~renewal:~~  
672 ~~— (iii) Within 30 days after the effective date of a suspension under Subsection (1)(c)(i),~~  
673 ~~the commission shall, in accordance with Title 63G, Chapter 4, Administrative Procedures Act,~~  
674 ~~make a final determination concerning the suspension.~~  
675 ~~— (2) At the time of renewal, the licensee shall show satisfactory evidence of:~~  
676 ~~— (a) continuing financial responsibility as required under Section 58-55-306; and~~  
677 ~~— [(b) for a contractor licensee, completion of six hours of approved continuing~~  
678 ~~education, as required in Section 58-55-302.5; and]~~  
679 ~~— [(c) (b) if the licensee is an apprentice electrician or plumber, journeyman electrician~~  
680 ~~or plumber, master electrician or plumber, residential journeyman electrician or plumber, or~~  
681 ~~residential master electrician or plumber, completion of the number of hours of continuing~~  
682 ~~education specified under Section 58-55-302.7.~~  
683 ~~— (3) Each license automatically expires on the expiration date shown on the license~~  
684 ~~unless the licensee renews the license in accordance with Section 58-1-308:~~  
685 ~~— (4) The requirements of Subsection 58-55-302(9) shall also apply to applicants seeking~~  
686 ~~to renew or reinstate a license:~~  
687 ~~— (5) In addition to any other requirements imposed by law, if a license has been~~  
688 ~~suspended or revoked for any reason, the applicant:~~

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- 689 ~~— (a) shall pay in full all fines imposed by the division;~~  
690 ~~— (b) resolve any outstanding citations or disciplinary actions with the division;~~  
691 ~~— (c) satisfy any Section 58-55-503 judgment and sentence or nontrial resolution;~~  
692 ~~— (d) complete a new financial responsibility review as required under Section~~  
693 ~~58-55-306, using only titled assets; and~~  
694 ~~— (e) pay in full any reimbursement amount as provided in Title 38, Chapter 11,~~  
695 ~~Residence Lien Restriction and Lien Recovery Fund Act. }~~

Renumber remaining sections accordingly.

3. Page 27, Line 833 through Page 31, Line 941:

- 833 { ~~Section 5. Section 58-55-501 is amended to read:~~  
834 ~~— 58-55-501. Unlawful conduct:~~  
835 ~~— Unlawful conduct includes:~~  
836 ~~— (1) engaging in a construction trade, acting as a contractor, an alarm business~~  
or  
837 ~~company, or an alarm company agent, or representing oneself to be engaged in a~~  
construction  
838 ~~trade or to be acting as a contractor in a construction trade requiring licensure;~~  
unless the  
839 ~~person doing any of these is appropriately licensed or exempted from licensure under~~  
this  
840 ~~chapter;~~  
841 ~~— (2) acting in a construction trade, as an alarm business or company, or as an~~  
alarm  
842 ~~company agent beyond the scope of the license held;~~  
843 ~~— (3) hiring or employing in any manner an unlicensed person, other than an~~  
employee  
844 ~~for wages who is not required to be licensed under this chapter, to engage in a~~  
construction  
845 ~~trade for which licensure is required or to act as a contractor or subcontractor in a~~

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**construction**  
846 **trade requiring licensure;**  
847 ~~—(4) applying for or obtaining a building permit either for oneself or another~~  
~~when not~~  
848 ~~licensed or exempted from licensure as a contractor under this chapter;~~  
849 ~~—(5) issuing a building permit to any person for whom there is no evidence of a~~  
~~current~~  
850 ~~license or exemption from licensure as a contractor under this chapter;~~  
851 ~~—(6) applying for or obtaining a building permit for the benefit of or on behalf of~~  
~~any~~  
852 ~~other person who is required to be licensed under this chapter but who is not licensed~~  
~~or is~~  
853 ~~otherwise not entitled to obtain or receive the benefit of the building permit;~~  
854 ~~—(7) failing to obtain a building permit when required by law or rule;~~  
855 ~~—(8) submitting a bid for any work for which a license is required under this~~  
~~chapter by a~~  
856 ~~person not licensed or exempted from licensure as a contractor under this chapter;~~  
857 ~~—(9) willfully or deliberately misrepresenting or omitting a material fact in~~  
~~connection~~  
858 ~~with an application to obtain or renew a license under this chapter;~~  
859 ~~—(10) allowing one's license to be used by another except as provided by statute or~~  
~~rule;~~  
860 ~~—(11) doing business under a name other than the name appearing on the license;~~  
~~except~~  
861 ~~as permitted by statute or rule;~~  
862 ~~—(12) if licensed as a specialty contractor in the electrical trade or plumbing~~  
~~trade;~~  
863 ~~journeyman plumber, residential journeyman plumber, journeyman electrician;~~  
~~master~~  
864 ~~electrician, or residential electrician, failing to directly supervise an apprentice under~~  
~~one's~~  
865 ~~supervision or exceeding the number of apprentices one is allowed to have under the~~  
~~specialty~~

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866 contractor's supervision;  
867 ~~—(13) if licensed as a contractor or representing oneself to be a contractor,~~  
receiving any  
868 funds in payment for a specific project from an owner or any other person, which  
funds are to  
869 pay for work performed or materials and services furnished for that specific project,  
and after  
870 receiving the funds to exercise unauthorized control over the funds by failing to pay  
the full  
871 amounts due and payable to persons who performed work or furnished materials or  
services  
872 within a reasonable period of time;  
873 ~~—(14) employing an unlicensed alarm business or company or an unlicensed~~  
individual  
874 as an alarm company agent, except as permitted under the exemption from licensure  
provisions  
875 under Section 58-1-307;  
876 ~~—(15) if licensed as an alarm company or alarm company agent, filing with the~~  
division  
877 fingerprint cards for an applicant which are not those of the applicant, or are in any  
other way  
878 false or fraudulent and intended to mislead the division in its consideration of the  
applicant for  
879 licensure;  
880 ~~—(16) if licensed under this chapter, willfully or deliberately disregarding or~~  
violating:  
881 ~~—(a) the building or construction laws of this state or any political subdivision;~~  
882 ~~—(b) the safety and labor laws applicable to a project;~~  
883 ~~—(c) any provision of the health laws applicable to a project;~~  
884 ~~—(d) the workers' compensation insurance laws of the state applicable to a~~  
project;  
885 ~~—(e) the laws governing withholdings for employee state and federal income taxes,~~  
886 unemployment taxes, Social Security payroll taxes, or other required withholdings;

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or  
887 ~~—(f) reporting, notification, and filing laws of this state or the federal government;~~  
888 ~~—(17) aiding or abetting any person in evading the provisions of this chapter or~~  
~~rules~~  
889 ~~established under the authority of the division to govern this chapter;~~  
890 ~~—(18) engaging in the construction trade or as a contractor for the construction of~~  
891 ~~residences of up to two units when not currently registered or exempt from~~  
~~registration as a~~  
892 ~~qualified beneficiary under Title 38, Chapter 11, Residence Lien Restriction and Lien~~  
~~Recovery~~  
893 ~~Fund Act;~~  
894 ~~—(19) failing, as an original contractor, as defined in Section 38-11-102, to include~~  
~~in a~~  
895 ~~written contract the notification required in Section 38-11-108;~~  
896 ~~—(20) wrongfully filing a preconstruction or construction lien in violation of~~  
~~Section~~  
897 ~~38-1a-308;~~  
898 ~~—[(21) if licensed as a contractor, not completing the approved continuing~~  
~~education~~  
899 ~~required under Section 58-55-302.5;]~~  
900 ~~—[(22)] (21) an alarm company allowing an employee with a temporary license~~  
~~under~~  
901 ~~Section 58-55-312 to engage in conduct on behalf of the company outside the scope of~~  
~~the~~  
902 ~~temporary license, as provided in Subsection 58-55-312(3)(a)(ii);~~  
903 ~~—[(23)] (22) an alarm company agent under a temporary license under Section~~  
~~58-55-312~~  
904 ~~engaging in conduct outside the scope of the temporary license, as provided in~~  
~~Subsection~~  
905 ~~58-55-312(3)(a)(ii);~~  
906 ~~—[(24)] (23) (a) an unincorporated entity licensed under this chapter having an~~  
~~individual~~  
907 ~~who owns an interest in the unincorporated entity engage in a construction trade in~~

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~~Utah while~~  
908 ~~not lawfully present in the United States; or~~  
909 ~~—(b) an unincorporated entity providing labor to an entity licensed under this~~  
~~chapter by~~  
910 ~~providing an individual who owns an interest in the unincorporated entity to engage~~  
~~in a~~  
911 ~~construction trade in Utah while not lawfully present in the United States;~~  
912 ~~—[(25)] (24) an unincorporated entity failing to provide the following for an~~  
~~individual~~  
913 ~~who engages, or will engage, in a construction trade in Utah for the unincorporated~~  
~~entity, or~~  
914 ~~for an individual who engages, or will engage, in a construction trade in Utah for a~~  
~~separate~~  
915 ~~entity for which the unincorporated entity provides the individual as labor:~~  
916 ~~—(a) workers' compensation coverage:~~  
917 ~~—(i) to the extent required by Title 34A, Chapter 2, Workers' Compensation Act,~~  
~~and~~  
918 ~~Title 34A, Chapter 3, Utah Occupational Disease Act; or~~  
919 ~~—(ii) that would be required under the chapters listed in Subsection [(25)]~~  
~~(24)(a)(i) if~~  
920 ~~the unincorporated entity were licensed under this chapter; and~~  
921 ~~—(b) unemployment compensation in accordance with Title 35A, Chapter 4,~~  
922 ~~Employment Security Act, for an individual who owns, directly or indirectly, less~~  
~~than an 8%~~  
923 ~~interest in the unincorporated entity, as defined by rule made by the division in~~  
~~accordance with~~  
924 ~~Title 63G, Chapter 3, Utah Administrative Rulemaking Act;~~  
925 ~~—[(26)] (25) the failure of a sign installation contractor or nonelectrical outdoor~~  
926 ~~advertising sign contractor, as classified and defined in division rules, to:~~  
927 ~~—(a) display the contractor's license number prominently on a vehicle that:~~  
928 ~~—(i) the contractor uses; and~~  
929 ~~—(ii) displays the contractor's business name; or~~  
930 ~~—(b) carry a copy of the contractor's license in any other vehicle that the~~

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~~contractor uses~~  
931 ~~at a job site, whether or not the vehicle is owned by the contractor;~~  
932 ~~—[(27)] (26) (a) an unincorporated entity licensed under this chapter having an~~  
~~individual~~  
933 ~~who owns an interest in the unincorporated entity engage in a construction trade in~~  
~~the state~~  
934 ~~while the individual is using a Social Security number that does not belong to that~~  
~~individual;~~  
935 ~~or~~  
936 ~~—(b) an unincorporated entity providing labor to an entity licensed under this~~  
~~chapter by~~  
937 ~~providing an individual, who owns an interest in the unincorporated entity, to engage~~  
~~in a~~  
938 ~~construction trade in the state while the individual is using a Social Security number~~  
~~that does~~  
939 ~~not belong to that individual; or~~  
940 ~~—[(28)] (27) a contractor failing to comply with a requirement imposed by a~~  
~~political~~  
941 ~~subdivision, state agency, or board of education under Section 58-55-310.~~  
-}

Renumber remaining sections accordingly.

4. Page 35, Lines 1052 through 1055:

1052            ~~{Section 7. Repealer.~~

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- 1053 ~~—This bill repeals:~~  
1054 ~~—Section 58-55-302.5, Continuing education requirements of contractor licensees~~  
=  
1055 ~~Continuing education courses.}~~

Respectfully,

Curtis S. Bramble  
Committee Chair

Voting: 6-0-1

3 SB0186.SC1.WPD bhowe/BRH PLA/BNC 2/18/14 2:54 pm

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