

**MINUTES OF THE
SENATE BUSINESS AND LABOR STANDING COMMITTEE**
215 Senate Building, Utah State Capitol Complex
February 18, 2014

Members Present: Sen. Curtis S. Bramble, Chair
Sen. Gene Davis
Sen. Deidre Henderson
Sen. David P. Hinkins
Sen. Karen Mayne
Sen. John L. Valentine
Sen. Todd Weiler

Staff Present: Mr. Bryant Howe, Policy Analyst
Ms. Karen Allred, Committee Secretary

NOTE: A list of visitors and a copy of handouts are filed with the committee minutes.

Chair Bramble called the meeting to order at 2:18 p.m.

MOTION: Sen. Davis moved to approve the minutes of the February 14, 2014 meeting. The motion passed unanimously with Sen. Henderson and Sen. Weiler absent for the vote.

H.B. 40 Beer Excise Tax Revenue Amendments (*J. Draxler*)

MOTION: Sen. Valentine moved to adopt **1st Sub. H.B. 40**. The motion passed unanimously with Sen. Henderson and Sen. Weiler absent for the vote.

Rep. Draxler explained the bill to the committee:

MOTION: Sen. Valentine moved to pass the bill out favorably. The motion passed unanimously with Sen. Henderson and Sen. Weiler absent for the vote.

MOTION: Sen. Valentine moved to place the bill on the Consent Calendar. The motion passed unanimously with Sen. Henderson and Sen. Weiler absent for the vote.

S.B. 186 Contractor Licensing and Continuing Education Amendments (*W. Harper*)

Sen. Harper explained the bill to the committee.

Spoke to the bill: Brent Ursenbach, Rocky Mountain Gas Association, Salt Lake County

MOTION: Sen. Mayne moved to amend the bill as follows:

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

22 Utah Code Sections Affected:

23 AMENDS:

24 , as last amended by Laws of Utah 2013, Chapter 36

25 , as last amended by Laws of Utah 2013, Chapters 57, 426, and 430

26 ~~, as last amended by Laws of Utah 2013, Chapter 57}~~

27 , as last amended by Laws of Utah 2013, Chapters 430 and 449

28 ~~{, as last amended by Laws of Utah 2013, Chapter 57}~~

29 , as last amended by Laws of Utah 2013, Chapter 57

30 {REPEALS: ~~58-55-302.5~~, as last amended by Laws of Utah 2013, Chapter 430}

1. *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 a~~

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 (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 (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,~~

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 (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:~~

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 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.

2. 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 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 construction~~
847 — ~~trade requiring licensure;~~
847 — ~~(4) applying for or obtaining a building permit either for oneself or another when not licensed or~~
849 — ~~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 license or~~
851 — ~~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~~
854 — ~~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 person not~~
857 — ~~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 as~~
862 — ~~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 electrician,~~
865 — ~~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~~
867 — ~~contractor's supervision;~~
867 — ~~(13) if licensed as a contractor or representing oneself to be a contractor, receiving any funds in~~
869 — ~~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~~
871 — ~~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; 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~~
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 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.

3. *Page 35, Lines 1052 through 1055:*

- 1052 — ~~{Section 7. Repealer.~~
- 1053 — ~~This bill repeals:~~
- 1054 — ~~Section 58-55-302.5, Continuing education requirements of contractor licensees --~~
- 1055 — ~~Continuing education courses. }~~

The motion passed unanimously with Sen. Weiler absent for the vote.

MOTION: Sen. Mayne moved to pass the bill out favorably as amended. The motion passed unanimously with Sen. Weiler absent for the vote.

S.B. 189 Residence Lien Restriction Amendments (*T. Weiler*)

At the request of the sponsor the bill was not considered.

S.B. 191 Verification of Legal Status Amendments (*J. Valentine*)

The bill was not considered.

S.B. 190 Utility Fee Limitations (*J. Valentine*)

The bill was not considered.

H.B. 11 Overdose Reporting Amendments (*C. Moss*)

Rep. Moss explained the bill to the committee.

MOTION: Sen. Hinkins moved to pass the bill out favorably. The motion passed unanimously with Sen. Weiler absent for the vote.

S.B. 109 Radon Testing for Home Purchase (*A. Osmond*)

Sen. Osmond explained the bill to the committee.

MOTION: Sen. Valentine moved to adopt **2nd Sub. S.B. 109**. The motion passed unanimously with Sen. Weiler absent for the vote.

MOTION: Sen. Valentine moved to pass the bill out favorably. The motion passed unanimously with Sen. Weiler absent for the vote.

MOTION: Sen. Hinkins moved to adjourn. The motion passed unanimously with Sen. Weiler absent for the vote.

Chair Bramble adjourned the meeting at 2:43 p.m.

Sen. Curtis S. Bramble, Chair