

1 **CONTRACTOR LICENSING AMENDMENTS**

2 2004 GENERAL SESSION

3 STATE OF UTAH

4 **Sponsor: Parley G. Hellewell**

5

LONG TITLE

6 **General Description:**

7 This bill modifies the Construction Trades Licensing Act.

8 **Highlighted Provisions:**

9 This bill:

10 ▶ changes the requirement that a licensee business maintains its license for a period of
11 ten years to five years to satisfy the individual qualifier requirements.

12 **Monies Appropriated in this Bill:**

13 None

14 **Other Special Clauses:**

15 None

16 **Utah Code Sections Affected:**

17 AMENDS:

18 **58-55-304**, as last amended by Chapter 241, Laws of Utah 2002

19

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

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

21 **58-55-304. Licensee names -- License number use -- License qualifier.**

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

25 (2) The contractor's license number shall be made a part of all permit applications,
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27



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 (5)(b), it is the duty and responsibility of the
54 licensee and the qualifier to comply with the provisions of this section. Failure to comply with
55 the requirements of this section may be considered unprofessional conduct by the licensee, the
56 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~~] five

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~~] five-year period.

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

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

Legislative Review Note

as of 10-23-03 12:49 PM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel

Fiscal Note**Contractor Licensing Amendments***20-Jan-04***Bill Number SB0089***11:10 AM*

State Impact

No fiscal impact.

Individual and Business ImpactThe bill reduces individual qualifier requirements.

Office of the Legislative Fiscal Analyst