

CONSTRUCTION TRADES EXEMPTION

2008 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Stephen H. Urquhart

Senate Sponsor: Curtis S. Bramble

LONG TITLE

General Description:

This bill modifies the exemptions from licensure provisions of the Utah Construction Trades Licensing Act related to the ceiling cost set for exempt building projects.

Highlighted Provisions:

This bill:

▸ increases the ceiling on the building cost exemption in the Utah Construction Trades Licensing Act from under \$1,000 to under \$5,000 on alterations, repairs, additions, remodels, or improvements to a building.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

58-55-305, as last amended by Laws of Utah 2007, Chapter 186

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

Section 1. Section **58-55-305** is amended to read:

58-55-305. Exemptions from licensure.

(1) In addition to the exemptions from licensure in Section 58-1-307, the following



28 persons may engage in acts or practices included within the practice of construction trades,
29 subject to the stated circumstances and limitations, without being licensed under this chapter:

30 (a) an authorized representative of the United States government or an authorized
31 employee of the state or any of its political subdivisions when working on construction work of
32 the state or the subdivision, and when acting within the terms of the person's trust, office, or
33 employment;

34 (b) a person engaged in construction or operation incidental to the construction and
35 repair of irrigation and drainage ditches of regularly constituted irrigation districts, reclamation
36 districts, and drainage districts or construction and repair relating to farming, dairying,
37 agriculture, livestock or poultry raising, metal and coal mining, quarries, sand and gravel
38 excavations, well drilling, as defined in Subsection 73-3-24(3), hauling to and from
39 construction sites, and lumbering;

40 (c) public utilities operating under the rules of the Public Service Commission on
41 construction work incidental to their own business;

42 (d) sole owners of property engaged in building:

43 (i) no more than one residential structure per year and no more than three residential
44 structures per five years on their property for their own noncommercial, nonpublic use; except,
45 a person other than the property owner or individuals described in Subsection (1)(e), who
46 engages in building the structure must be licensed under this chapter if the person is otherwise
47 required to be licensed under this chapter; or

48 (ii) structures on their property for their own noncommercial, nonpublic use which are
49 incidental to a residential structure on the property, including sheds, carports, or detached
50 garages;

51 (e) (i) a person engaged in construction or renovation of a residential building for
52 noncommercial, nonpublic use if that person:

53 (A) works without compensation other than token compensation that is not considered
54 salary or wages; and

55 (B) works under the direction of the property owner who engages in building the
56 structure; and

57 (ii) for purposes of this Subsection (1)(e), "token compensation" means compensation
58 paid by a sole owner of property exempted from licensure under Subsection (1)(d) to a person

59 exempted from licensure under this Subsection (1)(e), that is:

60 (A) minimal in value when compared with the fair market value of the services
61 provided by the person;

62 (B) not related to the fair market value of the services provided by the person; and

63 (C) is incidental to providing of services by the person including paying for or
64 providing meals or refreshment while services are being provided, or paying reasonable
65 transportation costs incurred by the person in travel to the site of construction;

66 (f) a person engaged in the sale or merchandising of personal property that by its design
67 or manufacture may be attached, installed, or otherwise affixed to real property who has
68 contracted with a person, firm, or corporation licensed under this chapter to install, affix, or
69 attach that property;

70 (g) a contractor submitting a bid on a federal aid highway project, if, before
71 undertaking construction under that bid, the contractor is licensed under this chapter;

72 (h) (i) a person engaged in the alteration, repair, remodeling, or addition to or
73 improvement of a building with a contracted or agreed value of less than [~~\$1,000~~] \$5,000,
74 including both labor and materials, and including all changes or additions to the contracted or
75 agreed upon work; and

76 (ii) notwithstanding Subsection (1)(h)(i):

77 (A) work in the plumbing and electrical trades must be performed by a licensed
78 electrician or plumber except as otherwise provided in this section;

79 (B) installation, repair, or replacement of a residential or commercial gas appliance or a
80 combustion system must be performed by a person who has received certification under
81 Subsection 58-55-308(2) except as otherwise provided in Subsection 58-55-308(2)(d) or
82 58-55-308(3); [~~and~~]

83 (C) installation, repair, or replacement of water-based fire protection systems must be
84 performed by a licensed fire suppression systems contractor or a licensed journeyman plumber;
85 and

86 (D) if the total value of the project is greater than \$1,000, the person shall file with the
87 division a one-time affirmation, subject to periodic reaffirmation as established by division
88 rule, that the person has:

89 (I) public liability insurance in coverage amounts and form established by division

90 rule; and

91 (II) if applicable, workers compensation insurance which would cover an employee of
92 the person if that employee worked on the construction project;

93 (i) a person practicing a specialty contractor classification or construction trade which
94 is not classified by rule by the director as significantly impacting the public's health, safety, and
95 welfare;

96 (j) owners and lessees of property and persons regularly employed for wages by owners
97 or lessees of property or their agents for the purpose of maintaining the property, are exempt
98 from this chapter when doing work upon the property;

99 (k) (i) a person engaged in minor plumbing work incidental to the replacement or
100 repair of a fixture or an appliance in a residential or small commercial building, or structure
101 used for agricultural use, as defined in Section 58-56-4, provided that no modification is made
102 to:

103 (A) existing culinary water, soil, waste, or vent piping; or

104 (B) a gas appliance or combustion system; and

105 (ii) except as provided in Subsection (1)(e), installation for the first time of a fixture or
106 an appliance is not included in the exemption provided under Subsection (1)(k)(i);

107 (l) a person who ordinarily would be subject to the plumber licensure requirements
108 under this chapter when installing or repairing a water conditioner or other water treatment
109 apparatus if the conditioner or apparatus:

110 (i) meets the appropriate state construction codes or local plumbing standards; and

111 (ii) is installed or repaired under the direction of a person authorized to do the work
112 under an appropriate specialty contractor license;

113 (m) a person who ordinarily would be subject to the electrician licensure requirements
114 under this chapter when employed by:

115 (i) railroad corporations, telephone corporations or their corporate affiliates, elevator
116 contractors or constructors, or street railway systems; or

117 (ii) public service corporations, rural electrification associations, or municipal utilities
118 who generate, distribute, or sell electrical energy for light, heat, or power;

119 (n) a person involved in minor electrical work incidental to a mechanical or service
120 installation;

121 (o) a student participating in construction trade education and training programs
122 approved by the commission with the concurrence of the director under the condition that:

123 (i) all work intended as a part of a finished product on which there would normally be
124 an inspection by a building inspector is, in fact, inspected and found acceptable by a licensed
125 building inspector; and

126 (ii) a licensed contractor obtains the necessary building permits; and

127 (p) a delivery person when replacing any of the following existing equipment with a
128 new gas appliance, provided there is an existing gas shutoff valve at the appliance:

129 (i) gas range;

130 (ii) gas dryer;

131 (iii) outdoor gas barbeque; or

132 (iv) outdoor gas patio heater.

133 (2) ~~[(a)]~~ A compliance agency as defined in Subsection 58-56-3(4) that issues a
134 building permit to ~~[any]~~ a person requesting a permit as a sole owner of property referred to in
135 Subsection (1)(d) shall notify the division, in writing or through electronic transmission, of the
136 issuance of the permit.

137 ~~[(b) The division shall evaluate the effectiveness of the notification requirement under~~
138 ~~Subsection (2)(a) and report its findings, including any recommendations for modification to or~~
139 ~~termination of the requirement, to the Legislature's Business and Labor Interim Committee~~
140 ~~prior to the 2008 General Session.]~~

Legislative Review Note
as of 2-11-08 1:27 PM

Office of Legislative Research and General Counsel

H.B. 459 - Construction Trades Exemption

Fiscal Note

2008 General Session

State of Utah

State Impact

Enactment of this bill would generate additional revenue to the Commerce Service Fund of \$135,000 in FY 2009 and \$72,000 in FY 2010 from increased filing fee collections. The Department of Commerce would need an additional appropriation of \$28,400 in FY 2009 and \$26,400 from the Commerce Service Fund to process additional filings. Net revenue to the General Fund would be \$106,600 in FY 2009 and \$45,600 in FY 2010.

	<u>FY 2008</u> <u>Approp.</u>	<u>FY 2009</u> <u>Approp.</u>	<u>FY 2010</u> <u>Approp.</u>	<u>FY 2008</u> <u>Revenue</u>	<u>FY 2009</u> <u>Revenue</u>	<u>FY 2010</u> <u>Revenue</u>
General Fund	\$0	\$0	\$0	\$0	\$45,600	\$45,600
General Fund, One-Time	\$0	\$0	\$0	\$0	\$61,000	\$0
Commerce Service Fund	\$0	\$28,400	\$26,400	\$0	\$28,400	\$26,400
Total	\$0	\$28,400	\$26,400	\$0	\$135,000	\$72,000

Individual, Business and/or Local Impact

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for local governments. Businesses and individuals may be affected by filing requirements contained in this bill.