

**UTAH CONSTRUCTION TRADES LICENSING ACT -  
ALARM COMPANIES AMENDMENTS**

2010 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Christopher N. Herrod**

Senate Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill modifies a provision of the Utah Construction Trades Licensing Act related to alarm company employees.

**Highlighted Provisions:**

This bill:

▶ exempts certain alarm company employees from the licensure requirement of the Utah Construction Trades Licensing Act.

**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 2009, Chapter 228

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*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 Section 73-3-25, hauling to and from construction  
39 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) as used in this Subsection (1)(e), "token compensation" means compensation paid  
58 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 the 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 \$3,000, including  
74 both labor and materials, and including all changes or additions to the contracted or agreed  
75 upon work; and

76 (ii) notwithstanding Subsection (1)(h)(i) and except as otherwise provided in this  
77 section:

78 (A) work in the plumbing and electrical trades on a Subsection (1)(h)(i) project within  
79 any six month period of time:

80 (I) must be performed by a licensed electrical or plumbing contractor, if the project  
81 involves an electrical or plumbing system; and

82 (II) may be performed by a licensed journeyman electrician or plumber or an individual  
83 referred to in Subsection (1)(h)(ii)(A)(I), if the project involves a component of the system  
84 such as a faucet, toilet, fixture, device, outlet, or electrical switch;

85 (B) installation, repair, or replacement of a residential or commercial gas appliance or a  
86 combustion system on a Subsection (1)(h)(i) project must be performed by a person who has  
87 received certification under Subsection 58-55-308(2) except as otherwise provided in  
88 Subsection 58-55-308(2)(d) or 58-55-308(3);

89 (C) installation, repair, or replacement of water-based fire protection systems on a

90 Subsection (1)(h)(i) project must be performed by a licensed fire suppression systems  
91 contractor or a licensed journeyman plumber;

92 (D) work as an alarm business or company or as an alarm company agent shall be  
93 performed by a licensed alarm business or company or a licensed alarm company agent, except  
94 as otherwise provided in this chapter;

95 (E) installation, repair, or replacement of an alarm system on a Subsection (1)(h)(i)  
96 project must be performed by a licensed alarm business or company or a licensed alarm  
97 company agent;

98 (F) installation, repair, or replacement of a heating, ventilation, or air conditioning  
99 system (HVAC) on a Subsection (1)(h)(i) project must be performed by an HVAC contractor  
100 licensed by the division;

101 (G) installation, repair, or replacement of a radon mitigation system or a soil  
102 depressurization system must be performed by a licensed contractor; and

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

106 (I) public liability insurance in coverage amounts and form established by division  
107 rule; and

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

110 (i) a person practicing a specialty contractor classification or construction trade which  
111 the director does not classify by administrative rule as significantly impacting the public's  
112 health, safety, and welfare;

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

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

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

- 121 (B) a gas appliance or combustion system; and
- 122 (ii) except as provided in Subsection (1)(e), installation for the first time of a fixture or  
123 an appliance is not included in the exemption provided under Subsection (1)(k)(i);
- 124 (l) a person who ordinarily would be subject to the plumber licensure requirements  
125 under this chapter when installing or repairing a water conditioner or other water treatment  
126 apparatus if the conditioner or apparatus:
- 127 (i) meets the appropriate state construction codes or local plumbing standards; and
- 128 (ii) is installed or repaired under the direction of a person authorized to do the work  
129 under an appropriate specialty contractor license;
- 130 (m) a person who ordinarily would be subject to the electrician licensure requirements  
131 under this chapter when employed by:
- 132 (i) railroad corporations, telephone corporations or their corporate affiliates, elevator  
133 contractors or constructors, or street railway systems; or
- 134 (ii) public service corporations, rural electrification associations, or municipal utilities  
135 who generate, distribute, or sell electrical energy for light, heat, or power;
- 136 (n) a person involved in minor electrical work incidental to a mechanical or service  
137 installation;
- 138 (o) a student participating in construction trade education and training programs  
139 approved by the commission with the concurrence of the director under the condition that:
- 140 (i) all work intended as a part of a finished product on which there would normally be  
141 an inspection by a building inspector is, in fact, inspected and found acceptable by a licensed  
142 building inspector; and
- 143 (ii) a licensed contractor obtains the necessary building permits; and
- 144 (p) a delivery person when replacing any of the following existing equipment with a  
145 new gas appliance, provided there is an existing gas shutoff valve at the appliance:
- 146 (i) gas range;
- 147 (ii) gas dryer;
- 148 (iii) outdoor gas barbeque; or
- 149 (iv) outdoor gas patio heater.
- 150 (2) A compliance agency as defined in Subsection 58-56-3(4) that issues a building  
151 permit to a person requesting a permit as a sole owner of property referred to in Subsection

152 (1)(d) shall notify the division, in writing or through electronic transmission, of the issuance of  
153 the permit.

154 (3) An individual employed by an alarm company is exempt from the licensure  
155 requirements of this chapter if:

156 (a) the individual is employed at a call center, office, or administrative facility of the  
157 alarm company; and

158 (b) the individual's only contact with a customer or potential customer of the alarm  
159 company is:

160 (i) from the call center, office, or administrative facility; and

161 (ii) by telephone or other remote communication method.

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**Legislative Review Note**  
**as of 2-12-10 11:51 AM**

**Office of Legislative Research and General Counsel**

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**Fiscal Note****H.B. 320 - Utah Construction Trades Licensing Act - Alarm Companies  
Amendments**

2010 General Session

State of Utah

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**State Impact**

The exemption from licensure will reduce license revenue by \$75,300 in FY 2011 and by \$28,800 in FY 2012. Expenditures would be decreased by \$8,400 annually. Commerce Service Fund revenue and appropriations impact year-end transfers to the General Fund.

	<u>FY 2010 Approp.</u>	<u>FY 2011 Approp.</u>	<u>FY 2012 Approp.</u>	<u>FY 2010 Revenue</u>	<u>FY 2011 Revenue</u>	<u>FY 2012 Revenue</u>
General Fund	\$0	\$0	\$0	\$0	(\$66,900)	(\$66,900)
Commerce Service Fund	\$0	(\$8,400)	(\$8,400)	\$0	(\$8,400)	(\$8,400)
<b>Total</b>	<b>\$0</b>	<b>(\$8,400)</b>	<b>(\$8,400)</b>	<b>\$0</b>	<b>(\$75,300)</b>	<b>(\$75,300)</b>

**Individual, Business and/or Local Impact**

Individuals currently licensed who would become exempt under this legislation would no longer need to pay the license fee. Enactment of this bill likely will not result in direct, measurable costs and/or benefits for businesses or local governments.