**Senator Wayne A. Harper** proposes the following substitute bill:

1	CONTRACTOR LICENSING AMENDMENTS
2	2013 GENERAL SESSION
3	STATE OF UTAH
4	Chief Sponsor: Wayne A. Harper
5	House Sponsor: Kay J. Christofferson
6 7	LONG TITLE
8	General Description:
9	This bill modifies the Utah Construction Trades Licensing Act.
10	Highlighted Provisions:
11	This bill:
12	<ul> <li>establishes that the experience requirement for a contractor license includes two</li> </ul>
13	years of full-time paid employment;
14	<ul><li>requires that before a course may be included in the program of approved</li></ul>
15	continuing education for contractors, the Construction Services Commission shall
16	invite and consider written input regarding the proposed course from:
17	• the Associated General Contractors of Utah;
18	• the Homebuilders Association of Utah; \$→ [and] ←\$
19	• the Utah Subcontractors Council; \$→ [and] ←\$
19a	<b>Ŝ→</b> • the Utah Plumbing & Heating Contractors Association; [and]
19b	• the Independent Electrical Contractors of Utah; and ←Ŝ
19c	\$→• the Rocky Mountain Gas Association; and ←\$
20	<ul><li>makes technical changes.</li></ul>
21	Money Appropriated in this Bill:
22	None
23	Other Special Clauses:
24	None
25	Utah Code Sections Affected:



1st Sub. S.B. 102

AMEN.	ENDS:	
	<b>58-55-302</b> , as last amended by Laws of Utah 2012, Chapter 192	
	<b>58-55-302.5</b> , as enacted by Laws of Utah 2010, Chapter 53	
Be it en	acted by the Legislature of the state of Utah:	
	Section 1. Section <b>58-55-302</b> is amended to read:	
	58-55-302. Qualifications for licensure.	
	(1) Each applicant for a license under this chapter shall:	
	(a) submit an application prescribed by the division;	
	(b) pay a fee as determined by the department under Section 63J-1-504;	
	(c) (i) meet the examination requirements established by rule by the commission with	
the cond	currence of the director, except for the classifications of apprentice plumber and	
apprent	ice electrician for whom no examination is required; or	
	(ii) if required in Section 58-55-304, the individual qualifier must pass the required	
examin	ation if the applicant is a business entity;	
	(d) if an apprentice, identify the proposed supervisor of the apprenticeship;	
	(e) if an applicant for a contractor's license:	
	(i) produce satisfactory evidence of financial responsibility, except for a construction	
trades in	nstructor for whom evidence of financial responsibility is not required;	
	(ii) produce satisfactory evidence of knowledge and at least two years full-time paid	
employ	ment experience in the construction industry and knowledge of the principles of the	
conduct	of business as a contractor, reasonably necessary for the protection of the public	
health,	safety, and welfare;	
	(iii) (A) be a licensed master electrician if an applicant for an electrical contractor's	
license	or a licensed master residential electrician if an applicant for a residential electrical	
contract	tor's license;	
	(B) be a licensed master plumber if an applicant for a plumbing contractor's license or	
a licens	ed master residential plumber if an applicant for a residential plumbing contractor's	
license;	or	
	(C) be a licensed elevator mechanic and produce satisfactory evidence of three years	
experie	nce as an elevator mechanic if an applicant for an elevator contractor's license; and	

57	(iv) when the applicant is an unincorporated entity, provide a list of the one or more
58	individuals who hold an ownership interest in the applicant as of the day on which the
59	application is filed that includes for each individual:
60	(A) the individual's name, address, birthdate, and Social Security number; and
61	(B) whether the individual will engage in a construction trade; and
62	(f) if an applicant for a construction trades instructor license, satisfy any additional
63	requirements established by rule.
64	(2) After approval of an applicant for a contractor's license by the applicable board and
65	the division, the applicant shall file the following with the division before the division issues
66	the license:
67	(a) proof of workers' compensation insurance which covers employees of the applicant
68	in accordance with applicable Utah law;
69	(b) proof of public liability insurance in coverage amounts and form established by rule
70	except for a construction trades instructor for whom public liability insurance is not required;
71	and
72	(c) proof of registration as required by applicable law with the:
73	(i) Utah Department of Commerce;
74	(ii) Division of Corporations and Commercial Code;
75	(iii) Unemployment Insurance Division in the Department of Workforce Services, for
76	purposes of Title 35A, Chapter 4, Employment Security Act;
77	(iv) State Tax Commission; and
78	(v) Internal Revenue Service.
79	(3) In addition to the general requirements for each applicant in Subsection (1),
80	applicants shall comply with the following requirements to be licensed in the following
81	classifications:
82	(a) (i) A master plumber shall produce satisfactory evidence that the applicant:
83	(A) has been a licensed journeyman plumber for at least two years and had two years of
84	supervisory experience as a licensed journeyman plumber in accordance with division rule;
85	(B) has received at least an associate of applied science degree or similar degree
86	following the completion of a course of study approved by the division and had one year of
87	supervisory experience as a licensed journeyman plumber in accordance with division rule; or

- (C) meets the qualifications determined by the division in collaboration with the board to be equivalent to Subsection (3)(a)(i)(A) or (B).
  - (ii) An individual holding a valid Utah license as a journeyman plumber, based on at least four years of practical experience as a licensed apprentice under the supervision of a licensed journeyman plumber and four years as a licensed journeyman plumber, in effect immediately prior to May 5, 2008, is on and after May 5, 2008, considered to hold a current master plumber license under this chapter, and satisfies the requirements of this Subsection (3)(a) for the purpose of renewal or reinstatement of that license under Section 58-55-303.
  - (iii) An individual holding a valid plumbing contractor's license or residential plumbing contractor's license, in effect immediately prior to May 5, 2008, is on or after May 5, 2008:
  - (A) considered to hold a current master plumber license under this chapter if licensed as a plumbing contractor and a journeyman plumber, and satisfies the requirements of this Subsection (3)(a) for purposes of renewal or reinstatement of that license under Section 58-55-303; and
  - (B) considered to hold a current residential master plumber license under this chapter if licensed as a residential plumbing contractor and a residential journeyman plumber, and satisfies the requirements of this Subsection (3)(a) for purposes of renewal or reinstatement of that license under Section 58-55-303.
  - (b) A master residential plumber applicant shall produce satisfactory evidence that the applicant:
  - (i) has been a licensed residential journeyman plumber for at least two years and had two years of supervisory experience as a licensed residential journeyman plumber in accordance with division rule; or
  - (ii) meets the qualifications determined by the division in collaboration with the board to be equivalent to Subsection (3)(b)(i).
    - (c) A journeyman plumber applicant shall produce satisfactory evidence of:
  - (i) successful completion of the equivalent of at least four years of full-time training and instruction as a licensed apprentice plumber under supervision of a licensed master plumber or journeyman plumber and in accordance with a planned program of training approved by the division;

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119 (ii) at least eight years of full-time experience approved by the division in collaboration 120 with the Plumbers Licensing Board; or 121 (iii) satisfactory evidence of meeting the qualifications determined by the board to be 122 equivalent to Subsection (3)(c)(i) or (c)(ii). 123 (d) A residential journeyman plumber shall produce satisfactory evidence of: 124 (i) completion of the equivalent of at least three years of full-time training and 125 instruction as a licensed apprentice plumber under the supervision of a licensed residential 126 master plumber, licensed residential journeyman plumber, or licensed journeyman plumber in 127 accordance with a planned program of training approved by the division; 128 (ii) completion of at least six years of full-time experience in a maintenance or repair 129 trade involving substantial plumbing work; or 130 (iii) meeting the qualifications determined by the board to be equivalent to Subsection 131 (3)(d)(i) or (d)(ii). 132 (e) The conduct of licensed apprentice plumbers and their licensed supervisors shall be 133 in accordance with the following: 134 (i) while engaging in the trade of plumbing, a licensed apprentice plumber shall be 135 under the immediate supervision of a licensed master plumber, licensed residential master 136 plumber, licensed journeyman plumber, or a licensed residential journeyman plumber; and 137 (ii) a licensed apprentice plumber in the fourth through tenth year of training may work 138 without supervision for a period not to exceed eight hours in any 24-hour period, but if the 139 apprentice does not become a licensed journeyman plumber or licensed residential journeyman 140 plumber by the end of the tenth year of apprenticeship, this nonsupervision provision no longer 141 applies. 142 (f) A master electrician applicant shall produce satisfactory evidence that the applicant: 143 (i) is a graduate electrical engineer of an accredited college or university approved by 144 the division and has one year of practical electrical experience as a licensed apprentice 145 electrician; 146 (ii) is a graduate of an electrical trade school, having received an associate of applied 147 sciences degree following successful completion of a course of study approved by the division,

and has two years of practical experience as a licensed journeyman electrician;

(iii) has four years of practical experience as a journeyman electrician; or

150 (iv) meets the qualifications determined by the board to be equivalent to Subsection 151 (3)(f)(i), (ii), or (iii).152 (g) A master residential electrician applicant shall produce satisfactory evidence that 153 the applicant: 154 (i) has at least two years of practical experience as a residential journeyman electrician; 155 or 156 (ii) meets the qualifications determined by the board to be equivalent to this practical 157 experience. 158 (h) A journeyman electrician applicant shall produce satisfactory evidence that the 159 applicant: 160 (i) has successfully completed at least four years of full-time training and instruction as 161 a licensed apprentice electrician under the supervision of a master electrician or journeyman 162 electrician and in accordance with a planned training program approved by the division; 163 (ii) has at least eight years of full-time experience approved by the division in 164 collaboration with the Electricians Licensing Board; or 165 (iii) meets the qualifications determined by the board to be equivalent to Subsection 166 (3)(h)(i) or (ii). (i) A residential journeyman electrician applicant shall produce satisfactory evidence 167 168 that the applicant: 169 (i) has successfully completed two years of training in an electrical training program 170 approved by the division; 171 (ii) has four years of practical experience in wiring, installing, and repairing electrical 172 apparatus and equipment for light, heat, and power under the supervision of a licensed master, 173 journeyman, residential master, or residential journeyman electrician; or 174 (iii) meets the qualifications determined by the division and applicable board to be 175 equivalent to Subsection (3)(i)(i) or (ii). 176 (i) The conduct of licensed apprentice electricians and their licensed supervisors shall 177 be in accordance with the following: 178 (i) A licensed apprentice electrician shall be under the immediate supervision of a 179 licensed master, journeyman, residential master, or residential journeyman electrician. An

apprentice in the fourth year of training may work without supervision for a period not to

- 181 exceed eight hours in any 24-hour period.
  - (ii) A licensed master, journeyman, residential master, or residential journeyman electrician may have under immediate supervision on a residential project up to three licensed apprentice electricians.
  - (iii) A licensed master or journeyman electrician may have under immediate supervision on nonresidential projects only one licensed apprentice electrician.
    - (k) An alarm company applicant shall:
  - (i) have a qualifying agent who is an officer, director, partner, proprietor, or manager of the applicant who:
    - (A) demonstrates 6,000 hours of experience in the alarm company business;
  - (B) demonstrates 2,000 hours of experience as a manager or administrator in the alarm company business or in a construction business; and
  - (C) passes an examination component established by rule by the commission with the concurrence of the director;
    - (ii) if a corporation, provide:
  - (A) the names, addresses, dates of birth, Social Security numbers, and fingerprint cards of all corporate officers, directors, and those responsible management personnel employed within the state or having direct responsibility for managing operations of the applicant within the state; and
  - (B) the names, addresses, dates of birth, Social Security numbers, and fingerprint cards of all shareholders owning 5% or more of the outstanding shares of the corporation, except this shall not be required if the stock is publicly listed and traded;
    - (iii) if a limited liability company, provide:
  - (A) the names, addresses, dates of birth, Social Security numbers, and fingerprint cards of all company officers, and those responsible management personnel employed within the state or having direct responsibility for managing operations of the applicant within the state; and
  - (B) the names, addresses, dates of birth, Social Security numbers, and fingerprint cards of all individuals owning 5% or more of the equity of the company;
  - (iv) if a partnership, provide the names, addresses, dates of birth, Social Security numbers, and fingerprint cards of all general partners, and those responsible management

personnel employed within the state or having direct responsibility for managing operations of the applicant within the state;

- (v) if a proprietorship, provide the names, addresses, dates of birth, Social Security numbers, and fingerprint cards of the proprietor, and those responsible management personnel employed within the state or having direct responsibility for managing operations of the applicant within the state;
- (vi) if a trust, provide the names, addresses, dates of birth, Social Security numbers, and fingerprint cards of the trustee, and those responsible management personnel employed within the state or having direct responsibility for managing operations of the applicant within the state;
- (vii) be of good moral character in that officers, directors, shareholders described in Subsection (3)(k)(ii)(B), partners, proprietors, trustees, and responsible management personnel have not been convicted of a felony, a misdemeanor involving moral turpitude, or any other crime that when considered with the duties and responsibilities of an alarm company is considered by the board to indicate that the best interests of the public are served by granting the applicant a license;
- (viii) document that none of the applicant's officers, directors, shareholders described in Subsection (3)(k)(ii)(B), partners, proprietors, trustees, and responsible management personnel have been declared by any court of competent jurisdiction incompetent by reason of mental defect or disease and not been restored;
- (ix) document that none of the applicant's officers, directors, shareholders described in Subsection (3)(k)(ii)(B), partners, proprietors, and responsible management personnel are currently suffering from habitual drunkenness or from drug addiction or dependence;
  - (x) file and maintain with the division evidence of:
- (A) comprehensive general liability insurance in form and in amounts to be established by rule by the commission with the concurrence of the director;
- (B) workers' compensation insurance that covers employees of the applicant in accordance with applicable Utah law; and
  - (C) registration as is required by applicable law with the:
- 241 (I) Division of Corporations and Commercial Code;
  - (II) Unemployment Insurance Division in the Department of Workforce Services, for

243	purposes of Title 35A, Chapter 4, Employment Security Act;
244	(III) State Tax Commission; and
245	(IV) Internal Revenue Service; and
246	(xi) meet with the division and board.
247	(l) Each applicant for licensure as an alarm company agent shall:
248	(i) submit an application in a form prescribed by the division accompanied by
249	fingerprint cards;
250	(ii) pay a fee determined by the department under Section 63J-1-504;
251	(iii) be of good moral character in that the applicant has not been convicted of a felony,
252	a misdemeanor involving moral turpitude, or any other crime that when considered with the
253	duties and responsibilities of an alarm company agent is considered by the board to indicate
254	that the best interests of the public are served by granting the applicant a license;
255	(iv) not have been declared by any court of competent jurisdiction incompetent by
256	reason of mental defect or disease and not been restored;
257	(v) not be currently suffering from habitual drunkenness or from drug addiction or
258	dependence; and
259	(vi) meet with the division and board if requested by the division or the board.
260	(m) (i) Each applicant for licensure as an elevator mechanic shall:
261	(A) provide documentation of experience and education credits of not less than three
262	years work experience in the elevator industry, in construction, maintenance, or service and
263	repair; and
264	(B) satisfactorily complete a written examination administered by the division
265	established by rule under Section 58-1-203; or
266	(C) provide certificates of completion of an apprenticeship program for elevator
267	mechanics, having standards substantially equal to those of this chapter and registered with the
268	United States Department of Labor Bureau Apprenticeship and Training or a state
269	apprenticeship council.
270	(ii) (A) If an elevator contractor licensed under this chapter cannot find a licensed
271	elevator mechanic to perform the work of erecting, constructing, installing, altering, servicing,
272	repairing, or maintaining an elevator, the contractor may:
273	(I) notify the division of the unavailability of licensed personnel; and

- (II) request the division issue a temporary elevator mechanic license to an individual certified by the contractor as having an acceptable combination of documented experience and education to perform the work described in this Subsection (3)(m)(ii)(A).
- (B) (I) The division may issue a temporary elevator mechanic license to an individual certified under Subsection (3)(m)(ii)(A)(II) upon application by the individual, accompanied by the appropriate fee as determined by the department under Section 63J-1-504.
- (II) The division shall specify the time period for which the license is valid and may renew the license for an additional time period upon its determination that a shortage of licensed elevator mechanics continues to exist.
- (4) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the division may make rules establishing when Federal Bureau of Investigation records shall be checked for applicants as an alarm company or alarm company agent.
- (5) To determine if an applicant meets the qualifications of Subsections (3)(k)(vii) and (3)(l)(iii), the division shall provide an appropriate number of copies of fingerprint cards to the Department of Public Safety with the division's request to:
- (a) conduct a search of records of the Department of Public Safety for criminal history information relating to each applicant for licensure as an alarm company or alarm company agent and each applicant's officers, directors, shareholders described in Subsection (3)(k)(ii)(B), partners, proprietors, and responsible management personnel; and
- (b) forward to the Federal Bureau of Investigation a fingerprint card of each applicant requiring a check of records of the Federal Bureau of Investigation for criminal history information under this section.
  - (6) The Department of Public Safety shall send to the division:
- (a) a written record of criminal history, or certification of no criminal history record, as contained in the records of the Department of Public Safety in a timely manner after receipt of a fingerprint card from the division and a request for review of Department of Public Safety records; and
- (b) the results of the Federal Bureau of Investigation review concerning an applicant in a timely manner after receipt of information from the Federal Bureau of Investigation.
- (7) (a) The division shall charge each applicant for licensure as an alarm company or alarm company agent a fee, in accordance with Section 63J-1-504, equal to the cost of

305 performing the records reviews under this section.

- (b) The division shall pay the Department of Public Safety the costs of all records reviews, and the Department of Public Safety shall pay the Federal Bureau of Investigation the costs of records reviews under this section.
- (8) Information obtained by the division from the reviews of criminal history records of the Department of Public Safety and the Federal Bureau of Investigation shall be used or disseminated by the division only for the purpose of determining if an applicant for licensure as an alarm company or alarm company agent is qualified for licensure.
  - (9) (a) An application for licensure under this chapter shall be denied if:
- (i) the applicant has had a previous license, which was issued under this chapter, suspended or revoked within one year prior to the date of the applicant's application;
  - (ii) (A) the applicant is a partnership, corporation, or limited liability company; and
- (B) any corporate officer, director, shareholder holding 25% or more of the stock in the applicant, partner, member, agent acting as a qualifier, or any person occupying a similar status, performing similar functions, or directly or indirectly controlling the applicant has served in any similar capacity with any person or entity which has had a previous license, which was issued under this chapter, suspended or revoked within one year prior to the date of the applicant's application; or
  - (iii) (A) the applicant is an individual or sole proprietorship; and
- (B) any owner or agent acting as a qualifier has served in any capacity listed in Subsection (9)(a)(ii)(B) in any entity which has had a previous license, which was issued under this chapter, suspended or revoked within one year prior to the date of the applicant's application.
- (b) An application for licensure under this chapter shall be reviewed by the appropriate licensing board prior to approval if:
- (i) the applicant has had a previous license, which was issued under this chapter, suspended or revoked more than one year prior to the date of the applicant's application;
  - (ii) (A) the applicant is a partnership, corporation, or limited liability company; and
- (B) any corporate officer, director, shareholder holding 25% or more of the stock in the applicant, partner, member, agent acting as a qualifier, or any person occupying a similar status, performing similar functions, or directly or indirectly controlling the applicant has

336	served in any similar capacity with any person or entity which has had a previous license,
337	which was issued under this chapter, suspended or revoked more than one year prior to the date
338	of the applicant's application; or
339	(iii) (A) the applicant is an individual or sole proprietorship; and
340	(B) any owner or agent acting as a qualifier has served in any capacity listed in
341	Subsection (9)(b)(ii)(B) in any entity which has had a previous license, which was issued under
342	this chapter, suspended or revoked more than one year prior to the date of the applicant's
343	application.
344	(10) (a) (i) A licensee that is an unincorporated entity shall file an ownership status
345	report with the division every 90 days after the day on which the license is issued if the licensee
346	has more than five owners who are individuals who:
347	(A) own an interest in the contractor that is an unincorporated entity;
348	(B) own, directly or indirectly, less than an 8% interest in the unincorporated entity, as
349	defined by rule made by the division in accordance with Title 63G, Chapter 3, Utah
350	Administrative Rulemaking Act; and
351	(C) engage, or will engage, in a construction trade in Utah as an owner of the
352	contractor described in Subsection (10)(a)(i)(A).
353	(ii) If the licensee has five or fewer owners described in Subsection (10)(a)(i), the
354	licensee shall provide the ownership status report with an application for renewal of licensure.
355	(b) An ownership status report required under this Subsection (10) shall:
356	(i) list each addition or deletion of an owner:
357	(A) for the first ownership status report, after the day on which the unincorporated
358	entity is licensed under this chapter; and
359	(B) for a subsequent ownership status report, after the day on which the previous
360	ownership status report is filed;
361	(ii) be in a format prescribed by the division that includes the items on the list provided
362	under Subsection(1)(e)(iv); and
363	(iii) be accompanied by a fee set by the division in accordance with Section 63J-1-504
364	if the ownership status report indicates there is a change described in Subsection (10)(b)(i).
365	(c) The division may, at any time, audit an ownership status report under this
366	Subsection (10):

367	(i) to determine if financial responsibility has been demonstrated or maintained as
368	required under Section 58-55-306; and
369	(ii) to determine compliance with Subsection 58-55-501(24) or (25) or Subsection
370	58-55-502(8) or (9).
371	(11) (a) An unincorporated entity that provides labor to an entity licensed under this
372	chapter by providing an individual who owns an interest in the unincorporated entity to engage
373	in a construction trade in Utah shall file with the division:
374	(i) before the individual who owns an interest in the unincorporated entity engages in a
375	construction trade in Utah, a current list of the one or more individuals who hold an ownership
376	interest in the unincorporated entity that includes for each individual:
377	(A) the individual's name, address, birthdate, and Social Security number; and
378	(B) whether the individual will engage in a construction trade; and
379	(ii) every 90 days after the day on which the unincorporated entity provides the list
380	described in Subsection (11)(a)(i), an ownership status report containing the information that
381	would be required under Subsection (10) if the unincorporated entity were a licensed
382	contractor.
383	(b) When filing an ownership list described in Subsection (11)(a)(i) or an ownership
384	status report described in Subsection (11)(a)(ii) an unincorporated entity shall pay a fee set by
385	the division in accordance with Section 63J-1-504.
386	(12) This chapter may not be interpreted to create or support an express or implied
387	independent contractor relationship between an unincorporated entity described in Subsection
388	(10) or (11) and the owners of the unincorporated entity for any purpose, including income tax
389	withholding.
390	(13) A Social Security number provided under Subsection (1)(e)(iv) is a private record
391	under Subsection 63G-2-302(1)(h).
392	Section 2. Section <b>58-55-302.5</b> is amended to read:
393	58-55-302.5. Continuing education requirements of contractor licensees
394	Continuing education courses.
395	(1) Each contractor licensee under a license issued under this chapter shall complete
396	six hours of approved continuing education during each two-year renewal cycle established by
397	rule under Subsection 58-55-303(1).

398	(2) (a) The commission shall, with the concurrence of the division, establish by rule a
399	program of approved continuing education for contractor licensees.
400	(b) Before a new course or a course being considered for reapproval may be included
401	in the program of approved continuing education for contractor licensees, the commission and
402	the division shall invite and consider written input, received within 30 days of the invitation,
403	regarding the course from:
404	(i) the Associated General Contractors of Utah;
405	(ii) the Homebuilders Association of Utah; \$→ [and] ←\$
406	(iii) the Utah Subcontractors Council \$→ [:];
406a	(iv) the Utah Plumbing & Heating Contractors Association; [and]
406b	(v) the Independent Electrical Contractors of Utah [:]; and ←Ŝ
406c	Ŝ→(vi) the Rocky Mountain Gas Association. ←Ŝ
407	(3) The division may contract with a person to establish and maintain a continuing
408	education registry to include:
409	(a) an online application for a continuing education course provider to apply to the
410	division for approval of the course for inclusion in the program of approved continuing
411	education;
412	(b) a list of courses that the division has approved for inclusion in the program of
413	approved continuing education; and
414	(c) a list of courses that:
415	(i) a contractor licensee has completed under the program of approved continuing
416	education; and
417	(ii) the licensee may access to monitor the licensee's compliance with the continuing
418	education requirement established under Subsection (1).
419	(4) The division may charge a fee, as established by the division under Section
420	63J-1-504, to administer the requirements of this section.