LC002080

2025 -- H 5828

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2025

AN ACT

RELATING TO BUSINESSES AND PROFESSIONS -- RESIDENTIAL CONTRACTOR LICENSING

Introduced By: Representatives Lima, Solomon, Serpa, J. Brien, Edwards, and Bennett Date Introduced: February 28, 2025 Referred To: House Corporations

It is enacted by the General Assembly as follows:

1	SECTION 1. Title 5 of the General Laws entitled "BUSINESSES AND PROFESSIONS"
2	is hereby amended by adding thereto the following chapter:
3	CHAPTER 65.4
4	RESIDENTIAL CONTRACTOR LICENSING
5	5-65.4-1. Short title and purpose.
6	This chapter shall be known and may be cited as the "Rhode Island residential contractor
7	licensing law" to safeguard the public health, the purpose of this chapter is to establish a licensing
8	program and minimum standards for contractors supervising or performing structural work in
9	residences of one to four (4) family dwelling units.
10	<u>5-65.4-2. Definitions.</u>
11	Unless specified otherwise, the definitions of § 5-65-1 shall apply to this chapter. As used
12	in this chapter:
13	(1) "Board" means the contractors' registration and licensing board established in chapter
14	<u>65 of title 5.</u>
15	(2) "Residential structure" means a building consisting of one to four (4) family dwelling
16	<u>units.</u>
17	(3) "Structurally remodeling" means work performed by a contractor identified by the
18	board as impacting components that support a building's safety or integrity, and any other work

1 <u>identified by the board that requires permits and/or inspections under the state building code.</u>

2 (4) "Supervising construction" means the performance, management, guidance or oversight
3 of the physical development of structures.

4 <u>5-65.4-3. Licensing.</u>

5 (a) In addition to the provisions of chapter 65 of title 5, the contractors' registration and 6 licensing board is authorized to establish a program to license contractors that supervise the 7 construction of new residential structures, or structurally remodel existing residential structures, to 8 ensure persons performing such are properly qualified to conduct the work. As determined by the 9 contractors' registration and licensing board, contractors only performing nonstructural home 10 improvement work shall remain subject exclusively to the registration system in chapter 65 of title 11 5. 12 (b) The license program shall not create an unreasonable barrier to entry nor inhibit trade 13 or competition, but shall be designed to advance consumer protection by establishing a standard of 14 competency and enhance ongoing adherence to building standards and codes through continuing 15 education, code competency demonstrations, or industry training programing. The board may 16 create a reasonable license pathway or substantive evidence standard to issue licenses to contractors 17 registered prior to January 1, 2026, but it shall not be a grandfathering based solely on registration 18 status prior to January 1, 2026. 19 (c) The board may adopt, for licenses granted under this chapter, any policy or procedure 20 applicable to registrations under chapter 65 of title 5 that does not conflict with the provisions of 21 this chapter; provided, however, that any penalties issued pursuant to this chapter shall be 22 determined by the board and the state building office shall assist the board with the administration 23 of such penalties. 24 (d) On or before January 1, 2026, the contractors' registration and licensing board shall 25 promulgate regulations to establish a licensing program for: (i) Supervising construction of new residential structures; and 26 27 (ii) Structurally remodeling of existing residential structures. 28 (e) Beginning on January 1, 2027, no person shall supervise the construction of a new 29 residential structure or structurally remodel an existing residential structure without proper 30 licensure from the contractors' registration and licensing board. A license issued by the board to a 31 contractor under this chapter shall serve to fulfill the contractor registration requirements of chapter 32 65 of title 5. 33 (f) Pursuant to board regulations, all persons seeking to be licensed as a new residential

34 structure construction supervisor or residential construction remodeler as defined herein shall

1 submit an application to the contractors' registration and licensing board on the form or forms that 2 the board requires. As specified by the board, the application shall include, but not be limited to, 3 the following information: 4 (1) The name and photo identification of the applicant; 5 (2) The business address of the applicant; 6 (3) The mailing address of the applicant; 7 (4) The telephone number of the applicant; 8 (5) Any registration number and/or other license number issued by the state, or any city or 9 town; 10 (6) A statement of the skills, training, and experience of the applicant sufficient to ensure 11 public safety, health, and welfare; 12 (7) Proof of insurance; and 13 (8) Agent of service for out-of-state contractors. 14 (g) To be eligible for licensure as a new residential structure construction supervisor or as 15 a residential construction remodeler, an applicant shall also, at a minimum, fulfill the following 16 requirements: 17 (1) Pass appropriate examination approved or administered by the contractors' registration 18 and licensing board; 19 (2) Be in good standing with and satisfy all requirements of the rules and regulations 20 established by the contractors' registration and licensing board; and 21 (3) Satisfy continuing education requirements as prescribed and recognized by the 22 contractors' registration and licensing board. 23 (h) The contractors' registration and licensing board is authorized to adopt rules and 24 regulations pursuant to chapter 35 of title 42("administrative procedures"), necessary to effectuate 25 the purposes of this chapter. Rules and regulations shall provide a fine schedule, which shall 26 establish grounds for discipline for license holders or non-licensed contractors. Fines shall be 27 structured not to exceed five thousand dollars (\$5,000) per day, per offense for conduct injurious 28 to the welfare of the public, as well as those grounds for discipline established pursuant to § 5-65-29 <u>10.</u> 30 (i) Any person applying for a license under this chapter and making any material 31 misstatement as to applicant's experience or other qualifications, or any person, firm, or corporation 32 subscribing to or vouching for any misstatement, shall be subject to the discipline and penalties 33 provided in § 5-65-10. 34 (j) No corporation, firm, association, or partnership shall engage in the business of the

1 construction of new residential structures or structurally remodeling of existing residential 2 structures, or represent itself as such, unless licensed by the contractors' registration and licensing 3 board. If the license holder dies or otherwise becomes incapacitated, the corporation, firm, or 4 association shall be allowed to continue to operate until the next examination shall be given or such 5 times as the board shall see fit. In no event shall the corporation, firm, association, or partnership 6 continue to operate longer than twelve (12) months or in accordance with the board's established rules and regulations without satisfying the license requirements of this chapter. 7 8 5-65.4-4. Fees. 9 All persons seeking licensure under this chapter shall submit a payment in the amount as 10 determined by the contractors' registration and licensing board, which shall support the licensing 11 program, representing a license fee. All fines and fees collected pursuant to this chapter shall be 12 deposited into a restricted-receipt account, which shall be exempt from the indirect cost recovery 13 provisions of § 35-4-7, to be used exclusively to support programs established by the board. 14 5-65.4-5. Penalties for violations. 15 (a) Any person who operates as a supervisor of new residential construction or remodeler 16 of existing residential structures without a license as adjudged in a final order issued by the board, 17 upon proper written notification, is deemed guilty of a misdemeanor and, upon conviction, shall be 18 imprisoned for a term not exceeding one year or fined not more than one thousand dollars (\$1,000), 19 or both, for a first or second offense. A third or subsequent violation of this chapter shall be a felony 20 and, upon conviction, the person shall be imprisoned for a term not exceeding two (2) years, or 21 fined not more than two thousand dollars (\$2,000), or both. 22 (b) Any person who violates a final order of the board where the monetary total of the order 23 including, but not limited to, the monetary judgment and/or fines, is not more than five thousand 24 dollars (\$5,000), upon proper written notification, is deemed guilty of a misdemeanor, and, upon 25 conviction, shall be imprisoned for a term not exceeding one year, fined not more than one thousand dollars (\$1,000), or both. 26 27 (c) Any person who violates a final order of the board where the monetary total of the order 28 including, but not limited to, the monetary judgment and/or fines, is five thousand dollars (\$5,000) 29 or more, upon proper written notification, is deemed guilty of a felony and, upon conviction, shall 30 be imprisoned for a term not exceeding ten (10) years, fined not more than ten thousand dollars 31 (\$10,000), or both. 32 (d) A final order shall be considered delivered when served to a defendant or designated 33 agent to accept service. In addition to any sentence or fine imposed by the court under subsections 34 (a), (b) and (c) of this section, the court shall order a defendant to comply with any outstanding

- 1 final order of the board, including any monetary judgment, and to pay to the board any outstanding
- 2 fine or fines previously imposed by the board pursuant to this chapter.
- 3 (e) If a contractor is a repeat offender with violations of three (3) or more final orders of
- 4 the board with respect to three (3) separate individuals/aggrieved parties and the violations are filed
- 5 within a twenty-four (24) month period, the violation shall be prosecuted as a felony and, upon
- 6 <u>conviction</u>, the violator shall be subject to imprisonment for a term not to exceed ten (10) years, or
- 7 <u>fined not more than ten thousand dollars (\$10,000), or both.</u>
- 8 SECTION 2. This act shall take effect upon passage.

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EXPLANATION

BY THE LEGISLATIVE COUNCIL

OF

AN ACT

RELATING TO BUSINESSES AND PROFESSIONS -- RESIDENTIAL CONTRACTOR LICENSING

1 This act would require that beginning January 1, 2027, all contractors supervising structural

2 remodeling or building new residential structures with one to four (4) family dwelling units be

3 licensed by the contractors' registration and licensing board.

4 This act would take effect upon passage.

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