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LC001869/SUB A

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IN GENERAL ASSEMBLY

RELATING TO BUSINESSES AND PROFESSIONS -- RESIDENTIAL CONTRACTOR
LICENSING

Referred To: Senate Labor & Gaming

1 SECTION 1. Title 5 of the General Laws entitled "BUSINESSES AND PROFESSIONS"

2 is hereby amended by adding thereto the following chapter:

RESIDENTIAL CONTRACTOR LICENSING

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.

11 Unless specified otherwise, the definitions of § 5-65-1 shall apply to this chapter. As used
12 in this chapter:

15 (2) "Residential structure" means a building consisting of one to four (4) family dwelling
16 units.

(3) "Structurally remodeling" means work performed by a contractor identified by the board as impacting components that support a building's safety or integrity, and any other work

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

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

4 **5-65.4-3. Licensing.**

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, 2027, but it shall not be a grandfathering based solely on registration
18 status prior to January 1, 2027.

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, 2027, the contractors' registration and licensing board shall
25 promulgate regulations to establish a licensing program for:

26 (i) Supervising construction of new residential structures; and

27 (ii) Structurally remodeling of existing residential structures.

28 (e) Beginning on January 1, 2028, 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 10.

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
7 rules and regulations without satisfying the license requirements of this chapter.

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
26 dollars (\$1,000), or both.

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 conviction, the violator shall be subject to imprisonment for a term not to exceed ten (10) years, or
7 fined not more than ten thousand dollars (\$10,000), or both.

8 SECTION 2. Section 5-65-14 of the General Laws in Chapter 5-65 entitled "Contractors'
9 Registration and Licensing Board" is hereby amended to read as follows:

10 **5-65-14. Contractors' registration and licensing board — Members — Terms —**
11 **Confirmation — Vacancies — Qualification.**

12 (a) The board shall consist of seventeen (17) members appointed by the governor, at least
13 ten (10) of whom shall be registered contractors. Of the seventeen (17) members, two (2) shall be
14 licensed roofers; one shall be a current member of the building codes standards committee pursuant
15 to § 23-27.3-100.1.4; ~~one~~ two (2) shall be ~~a representative~~ representatives of the general public;
16 one shall be a licensed and practicing architect or engineer; ~~two (2)~~ one shall be a licensed home
17 ~~inspectors~~ inspector; one shall be the president of the Rhode Island Builders Association or
18 designee; one shall be the executive director of the Utility Contractors Association of Rhode Island,
19 or designee; one shall be the executive director of the Rhode Island Independent Contractors and
20 Associates, or designee; and one shall be the executive director of the Rhode Island Association of
21 General Contractors, or designee. The building code standards committee member shall be
22 designated by the state building commissioner, and shall be appointed as provided in subsection
23 (b) of this section.

24 (b) The commissioner's designee and the other members appointed by the governor shall
25 each serve a term of three (3) years. Before the expiration of the term of a member, the governor
26 shall either reappoint the member or appoint a successor. If there is a vacancy for any cause, the
27 governor shall make an appointment immediately effective for the unexpired term. At the
28 expiration of their terms, members shall remain and shall continue in their official capacity until a
29 new member is appointed and confirmed.

30 (c) In order to be eligible for board membership, the ten (10) contractor members of the
31 board must be registered and/or licensed under this chapter and maintain their registrations and/or
32 licenses in good standing during their term of office.

33 SECTION 3. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO BUSINESSES AND PROFESSIONS -- RESIDENTIAL CONTRACTOR
LICENSING

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- This act would require that beginning January 1, 2028, all contractors structurally remodeling or building new residential structures with one to four family dwelling units be licensed by the contractors’ registration and licensing board. It would also amend the membership of the contractors registration and licensing board by increasing from one to two the members of the public, reducing from two to one the number of licensed home inspectors, and providing the option for an engineer to serve in place of an architect.
- This act would take effect upon passage.

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