

2022 -- H 7597 AS AMENDED

LC004836

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2022

A N A C T

RELATING TO BUSINESSES AND PROFESSIONS -- CONTRACTORS' REGISTRATION
AND LICENSING BOARD

Introduced By: Representatives C Lima, Bennett, Cardillo, Williams, Morales, J
Lombardi, Hull, McNamara, and McLaughlin

Date Introduced: March 02, 2022

Referred To: House Corporations

(Dept. of Business Regulation)

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 5-65-1, 5-65-2, 5-65-3, 5-65-5, 5-65-6, 5-65-7, 5-65-8, 5-65-9, 5-
2 65-10, 5-65-11, 5-65-12, 5-65-13, 5-65-14, 5-65-16, 5-65-19, 5-65-20, 5-65-23, 5-65-25 and 5-65-
3 26 of the General Laws in Chapter 5-65 entitled "Contractors' Registration and Licensing Board"
4 are hereby amended to read as follows:

5 **5-65-1. Definitions.**

6 As used in this chapter:

7 (1) "Appurtenances" means any accessory improvement to real estate associated with a
8 primary structure.

9 ~~(2)~~ (2) "Board" means the contractors' registration and licensing board established pursuant
10 to the provisions of § 5-65-14 or its designees.

11 (3) "Claim" means that portion of a complaint which pertains to the complainant's assertion
12 that they are entitled to monetary damages, an order for specific performance of work and/or other
13 contractual or equitable relief or remedies on account of allegations or disputes between themself
14 and a contractor or themself and a subcontractor.

15 ~~(4)~~ (4) "Claim for retainage" means an allegation that a person seeking payment of retainage
16 breached the person's contract for the project; provided, however, that a "claim" related to a project
17 with a contract value of not less than two hundred fifty thousand dollars (\$250,000) shall be subject
18 to the applicable dispute resolution procedure, notice, and other requirements in the contract for

1 construction.

2 (5) "Complaint" means a written complaint submitted to the board or office with allegations
3 against or disputes involving a contractor which may contain a claim component and/or allegations
4 that a contractor has violated provisions of this chapter or the regulations promulgated hereunder.

5 ~~(3)~~(6)(i) "Contractor" means a person who, in the pursuit of an independent business,
6 undertakes or offers to undertake or submits a bid, or for compensation and with or without the
7 intent to sell the structure ~~arranges to construct, alter, repair, improve, move~~ constructs, alters,
8 repairs, improves, moves over public highways, roads, or streets or ~~demolish~~ demolishes a structure
9 or to perform any work in connection with the construction, alteration, repair, improvement,
10 moving over public highways, roads, or streets or demolition of a structure, and the appurtenances
11 thereto. For the purposes of this chapter, "appurtenances" includes, but is not limited to, the
12 installation, alteration, or repair of wells connected to a structure consistent with chapter 13.2 of
13 title 46, garage, carport, porch, patio, decks, docks, sheds, tents, gazebos, walkways, fencing,
14 driveways, retaining walls, swimming pools, sidewalks, stone/masonry walls and parking lots.

15 (ii) "Contractor" includes, but is not limited to, any person who purchases or owns property
16 and constructs, or for compensation arranges for the construction of, one or more structures.

17 ~~(4)~~(iii) A certificate of registration is necessary for each "business entity" regardless of the
18 fact that each entity may be owned by the same individual.

19 ~~(4)~~(7) "Contract for construction" means a contract for which a lien may be established
20 under chapter 28 of title 34 or for state or municipal public works projects as defined in title 37 on
21 a project for which the person on whose contract with the project owner has an original contract
22 price of not less than two hundred fifty thousand dollars (\$250,000); provided, however, that
23 "contract for construction" shall not include a project containing, or designed to contain, at least
24 one, but not more than four (4), dwelling units.

25 ~~(5)~~(8) "Deliverable" means a project close-out document that shall be submitted by the
26 person seeking payment of retainage under the person's contract for construction; provided,
27 however, that a lien waiver or release, which is a deliverable, shall comply with chapter 28 of title
28 34; provided, further, that "deliverable" shall not include any document affirming, certifying, or
29 confirming completion or correction of labor, materials, or other items furnished or incomplete or
30 defective work.

31 ~~(6)~~(9) "Dwelling unit" means a single unit providing complete independent-living facilities
32 for one or more persons, including permanent provisions for living, sleeping, eating, cooking, and
33 sanitation.

34 ~~(7)~~(10) "Hearing officer" means a person designated by the director of the department of

1 business regulation or the director's designee to hear contested ~~claims or~~ cases, contested
2 enforcement proceedings, ~~and~~ contested administrative fines, and to render decisions or orders in
3 accordance with the "administrative procedures act," chapter 35 of title 42.

4 ~~(8)~~(11) "Incomplete or defective work" means labor, materials, or any other item required
5 for full performance by a person seeking payment of retainage that remains to be furnished by the
6 person under the person's contract for construction or that has been furnished by the person but
7 requires correction, repair, further completion, revision, or replacement; provided, however, that
8 "incomplete or defective work" shall not include deliverables or labor, materials, or any other item
9 to be repaired or replaced after substantial or final completion pursuant to a warranty, guarantee,
10 or other contractual obligation to correct defective work after substantial or final completion.

11 ~~(9)~~(12) "Monetary damages" means the dollar amount required in excess of the contract
12 amount necessary to provide the claimant with what was agreed to be provided under the terms of
13 the contract reduced by any amount due and unpaid to the respondent inclusive of any and all
14 awards and restitution.

15 ~~(10)~~(13) "Office" means the state building office established pursuant to § 5-84-3.1.

16 ~~(11)~~(14) "Person" means any natural person, joint venture, partnership, corporation, or
17 other business or legal entity who or that enters into a contract for construction.

18 ~~(12)~~(15) "Prime contractor" means a person who or that enters into a contract for
19 construction with the project owner.

20 ~~(13)~~(16) "Retainage" means a portion or percentage of a payment due pursuant to a contract
21 for construction that is withheld to ensure full performance of the contract for construction.

22 ~~(14)~~(17) "Staff" means any staff necessary to carry out the powers, functions, and duties of
23 the board, or the office, including inspectors, hearing officers, and other supportive staff.

24 ~~(15)~~(18) "State" means the ~~state~~ State of Rhode Island.

25 ~~(16)~~(19) "Structure" means (i) Any commercial building; or (ii) Any building containing
26 one or more residences and their appurtenances. The board's dispute resolution process shall apply
27 only to residential structures containing dwelling units, as defined in the state building code, or
28 residential portions of other types of buildings without regard to how many units any structure may
29 contain. The board retains jurisdiction and may conduct hearings regarding violations against all
30 contractors required to be registered or licensed by the board.

31 ~~(17) "Substantially" means any violation that affects the health, safety, and welfare of the~~
32 ~~general public.~~

33 ~~(18)~~(20) "Substantial completion" means the stage in the progress of the project when the
34 work required by the contract for construction with the project owner is sufficiently complete in

1 accordance with the contract for construction so that the project owner may occupy or utilize the
2 work for its intended use; provided, further, that "substantial completion" may apply to the entire
3 project or a phase of the entire project if the contract for construction with the project owner
4 expressly permits substantial completion to apply to defined phases of the project.

5 [\(21\) "Violation" means a violation of any provision of this chapter or the regulations](#)
6 [promulgated hereunder or any order of the board or office.](#)

7 **5-65-2. Applications.**

8 (a) The following persons shall be exempt from registration under this chapter:

9 (1) A person who is constructing, altering, improving, or repairing his or her own personal
10 property.

11 (2) A person who is constructing, altering, improving, or repairing a structure located
12 within the boundaries of any site or reservation under the jurisdiction of the federal government.

13 (3) A person who furnishes materials, supplies, equipment, or furnishes products and does
14 not fabricate them into, or consume them, in the performance of the work of a contractor. If the
15 person wants to file a ~~claim~~ [complaint](#) pursuant to this chapter they must be registered pursuant to
16 this chapter.

17 (4) A person working on one structure or project, under one or more contracts when the
18 price of all of that person's contracts for labor, materials, and all other items is less than five hundred
19 dollars (\$500) and the work is of a casual, minor, or inconsequential nature. This subsection does
20 not apply to a person who advertises or puts out any sign or card or other device that might indicate
21 to the public that the person is a contractor.

22 (5) This section does not apply to a person who constructs or for compensation with the
23 intent to sell the structure, or who arranges to have constructed a structure to be sold before, upon,
24 or after completion. It shall be prima facie evidence that there was intent to offer the structure for
25 sale if the person who constructed the structure or arranged to have the structure constructed does
26 not occupy the structure for one calendar year after completion.

27 (6) A person performing work on a single-dwelling-unit property that person owns,
28 whether occupied by that person or not, or a person performing work on that person's residence,
29 whether or not that person owns the residence. This subdivision does not apply to a person
30 performing work on a structure owned by that person if the work is performed, in the pursuit of an
31 independent business, with the intent of offering the structure for sale before, upon, or after
32 completion.

33 (7) A person who performs work subject to this chapter as an employee of a contractor.

34 (8) A manufacturer of a mobile home constructed under standards established by the

1 federal government.

2 (9) A person involved in the movement of:

3 (i) Modular buildings or structures other than mobile homes not in excess of fourteen feet
4 (14') in width.

5 (ii) Structures not in excess of sixteen feet (16') in width when these structures are being
6 moved by their owner if the owner is not a contractor required to be registered under this chapter.

7 (10) Any person or business entity licensed by the state employing licensed trades persons
8 as defined by chapters 6, 20, and 56 of this title, and 26 and 27 of title 28 and working within the
9 purview of the license issued by the governing agency shall be exempt from all the provisions of
10 this chapter except § 5-65-7, requiring insurance. A valid certificate of insurance shall be required
11 to be maintained by the licensing agency during the terms of the issuance date of the license as a
12 condition for a valid license. Failure of the licensee to maintain this insurance shall result in loss of
13 license pursuant to requirements of statutes governing the licensing authority.

14 (b) No registration shall be issued to a nonresident contractor until he or she has filed with
15 the board a power of attorney constituting and appointing a registered agent upon whom all
16 processes in any action or legal proceeding against him or her may be served, and in the power of
17 attorney agrees that any lawful process against him or her that may be served upon his or her
18 registered agent is of the same force and validity as if served on the nonresident contractor, and that
19 the force continues irrevocably in force until such time as the board has been duly notified in writing
20 of any change to that status.

21 **5-65-3. Registration for work on a structure required of contractor -- Issuance of**
22 **building permits to unregistered or unlicensed contractors prohibited -- Evidence of activity**
23 **as a contractor -- Duties of contractors.**

24 (a)(1) A person shall not undertake, offer to undertake, or submit a bid to do work as a
25 contractor on a structure ~~or arrange to have work done~~ unless that person has a current, valid
26 certificate of registration for all construction work issued by the board. A partnership, corporation,
27 [limited liability company](#) or joint venture may do the work; offer to undertake the work; or submit
28 a bid to do the work only if that partnership, corporation, [limited liability company](#) or joint venture
29 is registered for the work. ~~It~~ [and in](#) the case of registration by a corporation, [limited liability](#)
30 [company, joint venture](#) or partnership, an individual shall be designated to be responsible for the
31 corporation's, [company's, joint venture's](#) or partnership's work. The corporation, [limited liability](#)
32 [company, joint venture](#) or partnership and its [individual](#) designee shall be jointly and severally
33 liable [and responsible](#) for the payment of the registration fee, as required in this chapter, and for
34 [compliance with all requirements and](#) violations of any provisions of this chapter [and the](#)

1 regulations promulgated thereunder. Disciplinary action taken on a registration held by a
2 corporation, partnership, limited liability company, joint venture, individual or sole proprietor may
3 affect other registrations held by the same corporation, partnership, limited liability company, joint
4 venture, individual or sole proprietorship, and ~~may~~ shall also be grounds for the board or office to
5 deny and preclude future registration by any corporation, partnership, limited liability company,
6 joint venture, individual or sole proprietorship where the disciplined registrant and the applicant
7 for registration have an individual ~~the principal of that business entity~~ and/or responsible designee
8 in common.

9 (b) A registered partnership, limited liability company, or corporation shall notify the board
10 in writing immediately upon any change in partners or corporate officers.

11 (c) A city, town, or the state shall not issue a building permit to anyone required to be
12 registered under this chapter who does not have a current, valid ~~certificate of~~ registration
13 ~~identification card~~ or valid license ~~that shall be presented at the time of issuance of a permit and~~
14 ~~shall become a condition of a valid permit~~. Each city, town, or the state that requires the issuance
15 of a permit as a condition precedent to construction, alteration, improvement, demolition,
16 movement, or repair of any building or structure or the appurtenance to the structure shall also
17 require that each applicant for the permit as a condition to issuing the permit, is registered under
18 the provisions of this chapter, giving the number of the registration and stating that the registration
19 is in full force and effect, or, if the applicant is exempt from the provisions of this chapter, listing
20 the basis for the exemption. The city, town, or the state shall list the contractor's registration number
21 on the permit obtained by that contractor, and if a homeowner is issued a permit, the building
22 inspector or official must ascertain registration numbers of each contractor on the premises and
23 shall inform the registration board of any non-registered contractors performing work at the site.

24 (d) Every city and town that requires the issuance of a business license as a condition
25 precedent to engaging, within the city or town, in a business that is subject to regulation under this
26 chapter, shall require that each licensee and each applicant for issuance or renewal of the license
27 file, or has on file, with the city or town a signed statement that the licensee or applicant is registered
28 under the provisions of this chapter and stating that the registration is in full force and effect.

29 (e) It shall be prima facie evidence of doing business as a contractor when a person for that
30 person's own use performs, employs others to perform, or for compensation and with the intent to
31 sell the structure, arranges to have performed any work described in § 5-65-1(4) if within any one
32 twelve-month (12) period that person offers for sale one or more structures on which that work was
33 performed.

34 (f) Registration under this chapter shall be prima facie evidence that the registrant conducts

1 a separate, independent business.

2 (g) The provisions of this chapter shall be exclusive and no city or town shall require or
3 shall issue any registrations or licenses nor charge any fee for the regulatory registration of any
4 contractor registered with the board. Nothing in this subsection shall limit or abridge the authority
5 of any city or town to license and levy and collect a general and nondiscriminatory license fee
6 levied upon all businesses, or to levy a tax based upon business conducted by any firm within the
7 city or town's jurisdiction, if permitted under the laws of the state.

8 (h)(1) Every contractor shall maintain a list that shall include the following information
9 about all subcontractors or other contractors performing work on a structure for that contractor:

10 (i) Names and addresses; and

11 (ii) Registration numbers or other license numbers.

12 (2) The list referred to in subsection (h)(1) of this section shall be delivered to the board
13 within twenty-four (24) hours after a request is made during reasonable working hours, or a fine of
14 twenty-five dollars (\$25.00) may be imposed for each offense.

15 (i) The following subcontractors who are not employees of a registered contractor must
16 obtain a registration certificate prior to conducting any work: (1) Carpenters, including finish
17 carpenters and framers; (2) Siding installers; (3) Roofers; (4) Foundation installers, including
18 concrete installers and form installers; (5) Drywall installers; (6) Plasterers; (7) Insulation installers;
19 (8) Ceramic tile installers; (9) Floor covering installers; (10) Swimming pool installers, both above
20 ground and in ground; (11) Masons, including chimney installers, fireplace installers, and general
21 masonry erectors; (12) Hardscape installers; (13) Power washers who perform work on structures;
22 and (14) Painters. This list is not all inclusive and shall not be limited to the above-referenced
23 contractors. No subcontractor licensed by another in-state agency pursuant to § 5-65-2 shall be
24 required to register, provided that said work is performed under the purview of that license.

25 (j) A contractor including, but not limited to, a general contractor, shall not hire any
26 subcontractor or other contractor to work on a structure unless the contractor is registered under
27 this chapter or exempt from registration under the provisions of § 5-65-2.

28 (k) A summary of this chapter, prepared by the board and provided at cost to all registered
29 contractors, shall be delivered by the contractor to the owner when the contractor begins work on
30 a structure; failure to comply may result in a fine.

31 (l) The registration number of each contractor shall appear in any advertising by that
32 contractor. Advertising in any form by an unregistered contractor shall be prohibited, including
33 alphabetical or classified directory listings, vehicles, business cards, and all other forms of
34 advertisements. The violations may result in a penalty being assessed by the board per

1 administrative procedures established.

2 (i) The board may publish, revoke, or suspend registrations and the date the registration
3 was suspended or revoked on a quarterly basis.

4 (ii) Use of the word "license" in any form of advertising when only registered may subject
5 the registrant or those required to be registered to a fine of one hundred dollars (\$100) for each
6 offense at the discretion of the board.

7 (m) The contractor must see that permits required by the state building code are secured on
8 behalf of the owner prior to commencing the work involved. The contractor's registration number
9 must be affixed to the permit as required by the state building code.

10 (n) ~~The board may assess an interest penalty of twelve percent (12%) annually when a~~
11 ~~monetary award is ordered by the board.~~

12 (o) All work performed, including labor and materials, in excess of one thousand dollars
13 (\$1,000) shall be accompanied by a contract in writing. Contracts required pursuant to this
14 subsection shall include ~~a location on or near the signature line location on or in which the parties~~
15 ~~to the contract shall initial to evidence the receipt of certain~~ consumer ~~education materials~~
16 ~~disclosures and~~ or information ~~approved and provided by the board to the contractor. The~~
17 ~~educational materials and/or information shall include, but not be limited to,~~ required pursuant to
18 regulations promulgated by the board and the following notice ~~and shall be provided~~ by the
19 contractor to the homeowner:

20 NOTICE OF POSSIBLE MECHANIC'S LIEN

21 To: Insert name of owner, lessee, or tenant, or owner of less than the ~~simple~~ fee simple.

22 The undersigned is about to perform work and/or furnish materials for the construction,
23 erection, alterations, or repair upon the land at (INSERT ADDRESS) under contract with you. This
24 is a notice that the undersigned and any other persons who provide labor and materials for the
25 improvement under contract with the undersigned may file a mechanic's lien upon the land in the
26 event of nonpayment to them. It is your responsibility to assure yourself that those other persons
27 under contract with the undersigned receive payment for their work performed and materials
28 furnished for the construction, erection, alteration, or repair upon the land.

29 Failure to adhere to the provisions of this subsection may result in a one-thousand-dollar
30 fine (\$1,000) against the contractor and shall not affect the right of any other person performing
31 work or furnishing materials of claiming a lien pursuant to chapter 28 of title 34. However, the
32 person failing to provide the notice shall indemnify and hold harmless any owner, lessee, or tenant,
33 or owner of less than the fee simple, from any payment or costs incurred on account of any lien
34 claims by those not in privity with them, unless the owner, lessee, or tenant, or owner of less than

1 the fee simple, shall not have paid such person.

2 (p) Contracts entered into must contain notice of right of rescission as stipulated in all
3 pertinent Rhode Island consumer protection laws and/or § 5-65-27, if applicable.

4 ~~(q)~~ The contractor must stipulate whether or not all the proper insurances are in effect for
5 each job contracted.

6 ~~(r) Contractors who are in compliance with the provisions of this section shall be exempt~~
7 ~~from~~ A notice of possible mechanic's lien given in accordance with the requirements of § 34-28-
8 4.1 shall satisfy the notice of possible mechanic's lien required pursuant to subsection (o) of this
9 section.

10 ~~(s)~~ In addition to the requirements of this chapter, contractors engaged in well-drilling
11 activities shall also be subject to regulations pertaining to licensing and registration promulgated
12 by the contractors' registration and licensing board pursuant to chapter 65.2 of this title and § 46-
13 13.2-4.

14 **5-65-5. Registered application.**

15 (a) A person who wishes to register as a contractor shall submit an application ~~upon a form~~
16 in a manner as prescribed by the board or office. The application shall include:

17 (1) Workers' compensation insurance account number, or company name if a number has
18 not yet been obtained, if applicable;

19 (2) Unemployment insurance account number, if applicable;

20 (3) State withholding tax account number, if applicable;

21 (4) Federal employer identification number, if applicable, or if self-employed and
22 participating in a retirement plan;

23 (5)(i) The individual(s) name and business address and residential address of:

24 (A) Each partner or venturer, if the applicant is a partnership or joint venture;

25 (B) The owner, if the applicant is an individual proprietorship;

26 (C) The ~~corporation~~ corporate officers, members and managers and a copy of corporate
27 papers filed with the Rhode Island secretary of state's office, if the applicant is a corporation;

28 (ii) Post office boxes are not acceptable as the only address;

29 (6) A statement as to whether or not the applicant has previously applied for registration,
30 or is or was an officer, manager, member, partner, or venturer of an applicant who previously
31 applied for registration and if so, the name of the corporation, limited liability company,
32 partnership, or venture; and

33 (7) Valid insurance certificate for the type of work being performed and as required under
34 § 5-65-7.

1 (b) A person may be prohibited from registering or renewing a registration as a contractor
2 under the provisions of this chapter or his or her registration may be revoked or suspended if he or
3 she has any unsatisfied or outstanding judgments from arbitration, bankruptcy, courts, or
4 administrative agency against him or her relating to his or her work as a contractor, and provided,
5 further, that a statement shall be provided to the board attesting to the information herein.

6 (c) Failure to provide or falsified information on an application, or any document required
7 by this chapter, is punishable by a fine not to exceed ten thousand dollars (\$10,000) ~~or~~ and/or denial
8 or revocation of the registration, or both.

9 (d) An applicant must be at least eighteen (18) years of age.

10 (e) For new applications, satisfactory proof shall be provided to the board evidencing the
11 completion of five (5) hours of preregistration education units as determined by the board pursuant
12 to established regulations.

13 ~~(e)~~(f) For renewal applications, satisfactory ~~Satisfactory~~ proof shall be provided to the
14 board evidencing the completion of two and one-half (2.5) hours of continuing education units that
15 will be required to be maintained by residential contractors as a condition of registration as
16 determined by the board pursuant to established regulations.

17 ~~(f)~~(g) A certification in a form issued by the board shall be completed upon registration or
18 license or renewal to ensure contractors are aware of certain provisions of this law and shall be
19 signed by the registrant before a registration can be issued or renewed.

20 **5-65-6. Contractor to notify of address change -- Effect of mail to last known address.**

21 It is the duty of a contractor to notify the board in writing of any change of address while
22 registered and for one year following the date the contractor's registration expires or becomes
23 inactive. The contractor shall notify the board in writing within ten (10) days of the date upon which
24 the change of address occurs. Any proposed or final order or notice of hearing directed by the board
25 or office to the last-known address of record shall be considered delivered and deemed served when
26 deposited in the United States mail and ~~or~~ sent registered or certified or post office receipt secured.
27 Any other communication directed by the board or office to the last-known address of record shall
28 be considered delivered when deposited in the United States mail, regular mail.

29 **5-65-7. Insurance required of contractors.**

30 (a) Throughout the period of registration, the contractor shall have in effect public liability
31 and property damage insurance covering the work of that contractor that shall be subject to this
32 chapter in not less than the following amount: five hundred thousand dollars (\$500,000) combined
33 single limit, bodily injury and property damage.

34 (b) In addition, all contractors shall have in effect workers' compensation insurance as

1 required under chapter 29 of title 28. Failure to maintain required insurance shall not preclude
2 claims from being filed against a contractor.

3 (c) The contractor shall provide satisfactory evidence to the board at the time of registration
4 and renewal that the insurance required by ~~subsection~~ subsections (a) and (b) of this section has
5 been procured and is in effect. Failure to maintain insurance shall invalidate registration and may
6 result in a fine to the registrant and/or suspension or revocation of the registration.

7 ~~**5-65-8. Term of registration – Renewal – Registration identification card**~~ **Term of**
8 **registration – Renewal.**

9 (a) A certificate of registration shall be valid for one (1) year from the date of issuance
10 unless the registration is revoked or suspended as described in § 5-65-10. It may be renewed by the
11 same procedure provided for an original registration upon application and furnishing of any
12 additional supplemental information that the board may require by rule.

13 ~~(b) The board shall issue a pocket card certificate of registration to a contractor registered~~
14 ~~under this chapter including a picture of the registrant as prescribed by the board in the rules and~~
15 ~~regulations. The Rhode Island department of administration, division of motor vehicles, shall, upon~~
16 ~~the board's request, provide electronic copies of the digital photos of any registrant under this~~
17 ~~chapter on record to be incorporated into the contractors' registration data bank to match the drivers'~~
18 ~~licenses or IDs provided by registrants or applicants unless the applicant provides written~~
19 ~~notification to the board to the contrary.~~

20 (c) The board may vary the dates of registration renewal by giving to the registrant written
21 notice of the renewal date assigned and by making appropriate adjustments in the renewal fee.

22 ~~(d) The presentation of the registration or license identification card shall be mandatory at~~
23 ~~the time of permit application.~~

24 (e) If a registrant files in bankruptcy court, the board must be notified in writing by the
25 registrant and kept informed of the status of the case until dismissed, discharged, or resolved in
26 court.

27 **5-65-9. Registration fee.**

28 (a) Each applicant shall pay to the board: ~~(1) For~~ for original registration or renewal of
29 registration, a fee of one hundred and fifty dollars (\$150).

30 ~~(2) A fee for all changes in the registration, as prescribed by the board, other than those~~
31 ~~due to clerical errors.~~

32 ~~(b) All fees and fines collected by the board shall be deposited as general revenues to~~
33 ~~support the activities set forth in this chapter until June 30, 2008. Beginning July 1, 2008, all~~ All
34 fees and fines collected by the board shall be deposited into a restricted-receipt account for the

1 exclusive use of supporting programs established by this chapter.

2 (c) On or before January 15, 2018, and annually thereafter, the board shall file a report with
3 the speaker of the house and the president of the senate, with copies to the chairpersons of the house
4 and senate finance committees, detailing:

5 (1) The total number of fines issued, broken down by category, including the number of
6 fines issued for a first violation and the number of fines issued for a subsequent violation;

7 (2) The total dollar amount of fines levied;

8 (3) The total amount of fees, fines, and penalties collected and deposited for the most
9 recently completed fiscal year; and

10 (4) The account balance as of the date of the report.

11 (d) Each year, the department of business regulation shall prepare a proposed budget to
12 support the programs approved by the board. The proposed budget shall be submitted to the board
13 for its review. A final budget request shall be submitted to the legislature as part of the department
14 of business regulation's annual request.

15 (e) New or renewal registrations may be filed online or with a third party approved by the
16 board, with the additional cost incurred to be borne by the registrant.

17 **5-65-10. Grounds for discipline -- Injunctions.**

18 (a) The board or office may revoke, suspend, or refuse to issue, reinstate, or reissue a
19 ~~certificate of~~ registration if the board or office determines, after notice and opportunity for a
20 hearing:

21 (1) That the registrant or applicant has violated § 5-65-3 or any other provision of this
22 chapter or the regulations promulgated thereunder.

23 (2) That the insurance required by § 5-65-7 is not currently in effect.

24 (3) That the registrant, licensee, or applicant has engaged in conduct as a contractor that is
25 dishonest or fraudulent that the board or office finds injurious to the welfare of the public.

26 (4) Has violated a rule or order of the board.

27 (5) That the registrant has knowingly assisted an unregistered person to act in violation of
28 this chapter or the regulations promulgated thereunder.

29 (6) That a lien was filed on a structure under chapter 28 of title 34 because the registrant or
30 applicant wrongfully failed to perform a contractual duty to pay money to the person claiming the
31 lien.

32 (7) That the registrant has ~~substantially~~ violated state ~~or local~~ building codes.

33 (8) That the registrant has made false or fraudulent statements on his or her application.

34 (9) That a registrant has engaged in repeated acts in violation of this chapter and the board's

1 rules and regulations inclusive of substandard workmanship and any misuse of registration.

2 (10) The board or office may take disciplinary action against a contractor who performed
3 work, or arranged to perform work, while the registration was suspended, invalidated, or revoked.
4 Deposits received by a contractor and ordered returned are not considered a monetary award when
5 no services or supplies have been received.

6 (11) That the registrant breached a contract.

7 (12) That the registrant performed negligent and/or improper work.

8 (13) That the ~~registrant~~ contractor has advertised with a license number ~~instead of using a~~
9 ~~registration number~~ when only registered.

10 (14) That the registrant has failed to complete a project(s) for construction or willfully
11 failed to comply with the terms of a contract or written warranty.

12 (15) That the registrant has misrepresented his or her registration status as valid when the
13 registration was suspended, revoked, invalidated, inactive, or unregistered as required by the board.

14 (16) That the registrant has failed to pay a fine or comply with any order issued by the
15 board or office.

16 (17) That the registrant has failed to obtain or maintain the required continuing
17 education/units required by the board, or failed to sign the statement required by the board for
18 registration or renewal.

19 (18) When a violation for hiring a nonregistered contractor, working as a nonregistered
20 contractor, or not maintaining the insurance required is issued, the board or office may suspend the
21 registration ~~may become invalidated~~ until the violation is resolved to the satisfaction of the board
22 or office or otherwise through the administrative hearing ~~is requested on this offense~~ proceeding.

23 (19) That the registrant has violated any of the provisions of chapter 3 of title 25; 3, 12, 14,
24 36, or 50 of title 28; or 13 of title 37. A finding that the registrant has violated any of those chapters
25 shall not be grounds for imposition of a monetary penalty under subsection (c) below.

26 (b) Subject to providing notice and an opportunity for a hearing, in ~~in~~ addition to all other
27 remedies, when ~~it appears to~~ the board or office has reason to believe that a person has engaged in,
28 or is engaging in, any act, practice, or transaction that violates the provisions of this chapter or the
29 regulations promulgated thereunder, the board or office may ~~direct~~ order such person to cease and
30 desist from the violation or request the attorney general to apply to the court for an injunction
31 restraining the person from violating the provisions of this chapter. An injunction shall not be issued
32 for failure to maintain the list provided for in § 5-65-3(h) unless the court determines that the failure
33 is intentional.

34 (c) Subject to providing notice and an opportunity for a hearing:

1 (1) For each first violation of a particular section of this chapter or any rule or regulation
2 promulgated by the board, a fine not to exceed five thousand dollars (\$5,000) may be imposed ~~after~~
3 ~~a hearing by the board. Provided, further, that the board, at its discretion, may, after a hearing,~~
4 ~~impose an additional fine up to but not to exceed the face value of the contract or the actual damages~~
5 ~~caused by the contractor, whichever shall be greater. Where the claim is for actual damages, the~~
6 ~~board shall require proof satisfactory to the board indicating the damages.~~ Where corrective work
7 is completed ~~as ordered by the board~~ and/or if restitution is made to the person for whom the work
8 was to be performed, the fine assessed may be reduced as determined by the board. Fines ~~and~~
9 ~~decisions on claims or for~~ violations, ~~inclusive of monetary awards, can~~ may be imposed against
10 registered contractors, as well as ~~contractors~~ those persons required to be registered, by the board.

11 (2) For each subsequent violation of a particular subsection of this chapter or of a rule or
12 regulation promulgated by the board, a fine not to exceed ten thousand dollars (\$10,000) may be
13 imposed, ~~after a hearing by the board. All fines collected by the board shall be deposited as general~~
14 ~~revenues until June 30, 2008, to be used to enforce the provisions of this chapter. Beginning July~~
15 ~~1, 2008, all~~ All fines collected by the board shall be deposited into a restricted-receipt account to
16 be used to enforce the provisions of this chapter.

17 (3) For ~~the first~~ a violation of § 5-65-3, only for nonregistered contractors, a fine of up to
18 five thousand dollars (\$5,000) for a first offense and up to ten thousand dollars (\$10,000) for each
19 subsequent offense shall be imposed.

20 (d) In any decision following a hearing, the ~~The~~ hearing officer, ~~upon rendering a~~
21 ~~conclusion,~~ board or office may require the registrant, in addition to or in lieu of a fine, to attend
22 continuing education courses as appropriate. Failure to adhere to the requirement may result in
23 immediate revocation of the registration.

24 (e) The expiration of a registration by operation of law or by order or decision of the board,
25 the office or a court, or the voluntary surrender of registration by the registrant, does not deprive
26 the board or office of jurisdiction of an action or disciplinary proceeding against the registrant, or
27 to render a decision suspending or revoking a registration.

28 (f)(1) In emergency situations, when a registrant is acting to the detriment of the health,
29 welfare, and safety of the general public, the director of the department of business regulation, or
30 the director's designee, may revoke or suspend a registration without a hearing for just cause for a
31 period of thirty (30) days.

32 (2) A registration revocation or suspension in an emergency situation may be extended
33 beyond thirty (30) days after notice and opportunity for a hearing.

34 (g) A registrant may petition the board to partially or completely expunge his or her record

1 ~~provided that notice of the expungement proceedings has been provided to the claimant who was~~
2 ~~the subject of the violation. For purposes of this subsection, "notice" shall consist of a mailing to~~
3 ~~the last known address of the claimant and need not be actual notice~~ and the board may grant or
4 deny such petition in its sole discretion.

5 (h) Any person or contractor, registered or not, who or that uses another contractor's
6 registration, ~~contractor's registration identification card,~~ or allows another person to use their
7 contractor's registration fraudulently in any way, will be subject to a fine not exceeding ten
8 thousand dollars (\$10,000).

9 (i) When ~~the use of~~ fraudulent advertising ~~entices~~ is used to entice an individual to hire an
10 unregistered contractor, a fine of up to ten thousand dollars (\$10,000) may be imposed on the
11 unregistered contractor by the board or office.

12 (j) ~~It shall be unlawful to retain~~ If a social security number or copy of the driver's license
13 is received from a registrant by a building official as a condition of obtaining a permit, such
14 information shall be maintained in accordance with applicable law.

15 ~~(k) The board is further authorized upon certain findings or violations to:~~

16 ~~(1) Put a lien on property held by a contractor.~~

17 ~~(2) Take action on registrant when the continuing education requirements have failed to be~~
18 ~~attained as required in rules and regulations.~~

19 ~~(3)~~(k) When upon investigation a complaint reveals: serious code infractions; unsatisfied
20 mechanic's liens; abandonment of a job for a substantial period of time without apparent cause; or
21 any other conduct detrimental to the public, the board can double the fines.

22 ~~(4) Suspend, revoke, or refuse to issue, reinstate, or reissue a certificate of registration to~~
23 ~~any registrant who has contracted, advertised, offered to contract, or submitted a bid when the~~
24 ~~contractor's registration is suspended, revoked, invalidated, inactive, or unregistered as required by~~
25 ~~the board.~~

26 (l) No person shall register as a contractor with the ~~contractors' registration~~ board for the
27 purpose of deceiving or circumventing the registration process by enabling a person whose
28 registration has been suspended or revoked to conduct business. Provided, ~~further~~ however, that
29 any person who, in good faith, relies on the board or the ~~contractor's registration~~ board's website
30 for information regarding registration status of another, shall be exempt from violations pursuant
31 to this section if the information provided by the board is not correct. Violators of this section shall
32 be jointly and individually liable and responsible for violations and for damages resulting from
33 their activities as contractors pursuant to this chapter. Violations of this subsection may result in a
34 suspension or revocation of registration and/or fines not to exceed ten thousand dollars (\$10,000)

1 ~~and/or up to one year in jail.~~ Furthermore, the director of the department of business regulation, or
2 the director's designee, shall require that all applicants for registration shall sign a statement that
3 they are aware of this provision and its implications.

4 (m) Upon receipt of notice of a final determination, after the exhaustion of all appeals, by
5 the department of labor and training, consent agreement, or court order that a registered contractor
6 violated any of the provisions of chapter 3 of title 25; 3, 12, 14, 36, or 50 of title 28; or 13 of title
7 37 and owes any wages, benefits, or other sums arising out of the violation, the board shall
8 immediately suspend the ~~contractor's~~ registration of the contractor in accordance with this
9 subsection. The suspension shall continue until all wages, benefits, or other sums owed have been
10 paid or the contractor has entered into a written, binding agreement to pay the same acceptable to
11 the department of labor and training and is not in default ~~in~~ of payment under the agreement. If the
12 contractor fails to remain current in payment under the agreement, the department of labor and
13 training shall notify the ~~contractors' registration~~ board and the suspension shall be imposed or
14 reinstated, as the case may be. The foregoing sanction is mandatory, but shall not be grounds for
15 imposition of a monetary penalty under subsection (c) above.

16 (n) When the registration of a contractor has been revoked or suspended, neither the
17 contractor nor any successor entity or sole proprietorship that: (1) Has one or more of the same
18 principals or officers as the partnership, limited partnership, limited-liability partnership, joint
19 venture, limited-liability company, corporation, or sole proprietorship as the subject contractor; and
20 (2) Is engaged in the same or equivalent trade or activity shall be qualified to register, apply, renew
21 or retain a registration as a contractor under this chapter, unless and until the board or office shall
22 determine that the basis of the revocation or suspension has been satisfied or removed and that the
23 registrant or applicant otherwise satisfies the requirements for registration under this chapter.
24 Notwithstanding the foregoing, a natural person may obtain relief from the application and
25 enforcement of this subsection as to him or her if he or she can establish that he or she was not
26 responsible for, and did not acquiesce to, the misconduct that is the basis of the revocation,
27 suspension, or denial of registration.

28 **5-65-11. Types of allowable claims Submission of complaints.**

29 (a) The board and office shall ~~only~~ accept ~~and make determinations of the following types~~
30 ~~of claims for damages against contractors registered or required to be registered. This section shall~~
31 ~~apply to~~ and consider complaints for purposes of determining whether registered contractors or
32 other persons who are required to be registered have violated the provisions of this chapter or the
33 regulations promulgate thereunder. This includes complaints that contain the following types of
34 claims:

1 (1) Claims against a contractor by the owner of a ~~structure for~~ residential dwelling unit
2 asserting the following in performing any work subject to this chapter:

- 3 (i) Negligent work;
- 4 (ii) Improper work;
- 5 (iii) Breach of contract; or
- 6 (iv) Contract disputes.

7 (2) Claims against a contractor by the owner of a structure to discharge or to recoup funds
8 expended in discharging a lien established under chapter 28 of title 34 ~~and under circumstances~~
9 ~~described under this subsection. The board may reduce any amount adjudged by the board under~~
10 ~~this section by any amount the claimant owes the contractor. The board shall only determine claims~~
11 ~~under this subsection if:~~

- 12 ~~(i) The owner has paid the contractor for that contractor's work subject to this chapter; and~~
- 13 ~~(ii) A lien is filed against the structure of the owner under chapter 28 of title 34 because~~
14 ~~the contractor failed to pay the person claiming the lien for that person's contribution toward~~
15 ~~completion of the structure.~~

16 (3) Claims against a registered contractor by a registered contractor ~~for~~ asserting the
17 following in performing any work subject to this chapter:

- 18 (i) Negligent work;
- 19 (ii) Improper work;
- 20 (iii) Breach of contract;
- 21 (iv) Furnishing labor or material or renting or supplying equipment to a contractor; or
- 22 (v) Contract dispute.

23 (4) Claims by an employee of a registered contractor.

24 ~~(5) If at a hearing the contractor's registration number is not on the contract, or recession~~
25 ~~clause when required by law, or mechanic's lien notice; the registrant shall be subject to a fine.~~

26 ~~(6) If a settlement/agreement reached by the parties, or payment plan is breached, the board~~
27 ~~may hold an administrative hearing to suspend or revoke the contractors' registration, impose a~~
28 ~~fine, and provide monetary relief.~~

29 (b) While the board and office will accept complaints for purposes of determining
30 violations and taking enforcement action against registrants and other persons pursuant to the
31 provisions of this chapter, the board and office will not adjudicate any complainant claims, causes
32 of action, or rights or remedies, contractual or otherwise, or order payment of monetary damages,
33 other monetary relief, specific performance, or other contractual or equitable remedies or relief to
34 or for a complainant.

1 (c) Nothing in this section shall alter or impair the ability of a registrant or other person
2 who violates the provisions of this chapter from entering into a consensual agreement or order with
3 the board or office that includes performance of work and/or restitution to a complainant in
4 consideration and as a condition of such consensual resolution of proceedings.

5 **5-65-12. Procedure for making claims against a contractor -- Investigation by board**
6 **--Disciplinary action Procedure for making a complaint against a contractor -- Investigation**
7 **by board -- Disciplinary action.**

8 (a) Any person having a ~~claim~~ complaint against a contractor of the type referred to in § 5-
9 65-11, may file with the board a statement of the ~~claim~~ complaint in ~~any a~~ form and with any fee
10 that the board prescribes. ~~The filing fee may be reimbursed to the claimant by the respondent, if~~
11 ~~the respondent is found to be at fault. Claims~~ Complaints resolved prior to issuance of an order may
12 be removed from the contractors' registration board record pursuant to administrative regulations.

13 (1) All ~~claims~~ complaints filed with the contractors' registration board shall be ~~heard~~
14 processed by ~~a designated hearing officer, unless either party prior to the administrative hearing,~~
15 ~~files a civil action on the matter in a state court. Upon receipt of a written notice and a copy of the~~
16 ~~filed civil complaint~~ the office or the board for purposes of determining any violations as described
17 in this chapter. In the event a complainant or contractor files a civil action with respect to the matter,
18 the board ~~shall~~ may discontinue processing the ~~claim~~ complaint; ~~If documentation is not received, the hearing~~
19 ~~will be conducted.~~ provided, however, that nothing herein shall preclude the board or
20 office from continuing investigation and enforcement proceedings with respect to any violations of
21 this chapter or the regulations promulgated thereunder.

22 (2) The commencement of a civil or criminal action and/or issuance of a ~~A~~ court judgment
23 may constitute the basis for regulatory action against a contractor's registration, which may result
24 in the imposition of fines and penalties. A petition to enforce a mechanic's lien does not necessarily
25 constitute a civil action for purposes of this section.

26 (b) The board may refuse to accept, or refuse at any time to continue processing a ~~claim~~
27 complaint or determine to hold a complaint in abeyance, if:

28 (1) The same facts and issues involved in the ~~claim~~ complaint have been submitted to any
29 other entity authorized by law or the parties to effect a resolution ~~and~~ and/or settlement;

30 (2) The ~~claimant~~ complainant does not permit the contractor against whom the ~~claim~~
31 complaint is filed to be present at any inspection made by the board;

32 (3) The board determines that the contractor against whom the ~~claim~~ complaint is filed is
33 capable of complying with ~~the~~ any recommendations made by the board relative to the ~~claim~~
34 complaint, but the ~~claimant~~ complainant does not permit the contractor to comply with the

1 recommendations. The board may refuse to ~~accept further process of a claim~~ continue processing
2 a complaint under this paragraph only if the contractor was registered at the time the work was first
3 performed and is registered at the time the board makes its recommendations; or

4 (4) The board or office determines that the nature, ~~or~~ complexity, or amount in controversy
5 of the ~~claim~~ complaint is such that a court is the appropriate forum for the adjudication of the ~~claim~~
6 complaint.

7 (c) The board shall not process a ~~claim~~ complaint unless it is filed in a timely manner as
8 follows:

9 (1) If the owner of a new structure files the ~~claim~~ complaint, the board must receive the
10 ~~claim~~ complaint not later than one year after the date the structure was first occupied as determined
11 from the date of issuance of the certificate of occupancy, or one year after the date of the closing
12 on the structure, whichever occurs later.

13 (2) If the owner of an existing structure files the ~~claim~~ complaint, the board must receive
14 the ~~claim~~ complaint not later than one year after the date the work was substantially completed as
15 determined by the certificate of occupancy, or the date that work ceased.

16 (3) Regardless of whether the ~~claim~~ complaint involves a new or existing structure, if the
17 owner files the ~~claim~~ complaint because the contractor failed to begin the work pursuant to a written
18 contract, the board must receive the ~~claim~~ complaint not later than one year after the date the parties
19 entered into a written contract.

20 (4) Regardless of whether the ~~claim~~ complaint involves a new or existing structure, if the
21 owner files a ~~claim~~ complaint because the contractor failed to substantially complete the work, the
22 board must receive the ~~claim~~ complaint not later than one year after the date the contractor ceased
23 work on the structure.

24 (5) If a registered general contractor files ~~the claim~~ a complaint against a registered
25 subcontractor because the subcontractor failed to substantially complete the work, the board must
26 receive the ~~claim~~ complaint not later than one year after the date the subcontractor ceased to work
27 on the structure.

28 (6) If a material or equipment supplier, an employee, or a registered subcontractor files the
29 ~~claim~~ complaint, the board must receive the ~~claim~~ complaint not later than one year after the date
30 the registrant incurred the indebtedness.

31 (7) The complainant will notify the board if after submission of the complaint, any
32 corrective work is performed to resolve the complaint. Any corrective work performed to resolve
33 a ~~claim~~ complaint shall be the responsibility of the contractor for one year beyond the completion
34 date but only for corrective work performed.

1 (d) Upon acceptance of the ~~statement of claim~~ claimant, the board shall give notice to the
2 party against whom the ~~claim~~ complaint is made and shall initiate proceedings to determine the
3 validity of the ~~claim~~ complaint. If, after investigation, the board determines that a violation of this
4 chapter or of any rule promulgated under this chapter has occurred, the board shall ~~order take~~ any
5 action deemed appropriate, including action on the contractor's registration ~~and compensation to~~
6 ~~the claimant for any damages incurred as the result of the violation or claim. If the contractor~~
7 ~~performs accordingly, the board shall give that fact due consideration in any subsequent~~
8 ~~disciplinary proceeding brought by the board~~ and/or imposition of fines pursuant to § 5-65-10;
9 provided, that the board shall suspend for a period of one year certification of any registrant who
10 is found by final determination to have willfully and knowingly violated any provisions of this
11 chapter with respect to three (3) or more structures within a one-year period.

12 (e) ~~In any action brought by a person under this chapter, the board may award, in addition~~
13 ~~to the relief provided in this section, treble damages, reasonable attorney's fees and costs, and any~~
14 ~~award for service of process costs pursuant to § 5-65-26.~~

15 (f) Notwithstanding any language limiting an action pursuant to this chapter, whenever a
16 consumer shall notify, in writing, a contractor of any problem with work performed by a contractor
17 or subcontractor within one year of the completion of the work and the problem has not been
18 corrected by the contractor or subcontractor, the aggrieved party shall have up to ~~two (2) years~~ one
19 year from the date of completion of the contractor's work to file a ~~claim~~ complaint with the
20 ~~contractors' registration~~ board. The ~~two-year (2)~~ one year period shall not be construed as an
21 extension of any one-year warranty period expressed in any contract.

22 **5-65-13. Nonlawyer may represent corporation before board.**

23 A corporation or limited liability company that is registered or required to be registered as
24 a contractor under this chapter and that is a party in any proceeding before the board ~~or any~~
25 ~~representative of a party~~ or office may appear or be represented in the proceeding by an officer of
26 the corporation who is not a member of the state bar; provided such officer provides satisfactory
27 documentation and attestation to the board confirming that such officer is the sole owner, officer,
28 director, manager, member of the corporation or limited liability company.

29 **5-65-14. Builder board -- Members -- Terms -- Confirmation -- Vacancies --**
30 **Qualification.**

31 (a) The board shall consist of seventeen (17) members appointed by the governor, at least
32 ten (10) of whom shall be registered contractors, of which, Of the seventeen (17), two (2) shall be
33 licensed roofers; one shall be a current member of the building codes standards committee pursuant
34 to § 23-27.3-100.1.4; one shall be a representative of the general public; one shall be a licensed and

1 practicing architect; ~~and~~ two (2) shall be licensed home inspectors; one who shall be the president
2 of the Rhode Island Builders Association or designee; one shall be the executive director of the
3 Utility Contractors Association of Rhode Island, or designee; one shall be the executive director of
4 the Rhode Island Independent Contractors and Associates, or designee; and one who shall be the
5 executive director of the Rhode Island Association of General Contractors or designee. The
6 building code standards committee member shall be designated by the state building commissioner,
7 and shall be appointed as provided in subsection (b) of this section.

8 (b) ~~Except for the~~ The commissioner's designee, ~~the governor shall appoint seven (7)~~
9 ~~members for a term of three (3) years and five (5) members for a term of two (2) years. The governor~~
10 ~~shall appoint the member designated by the state building commissioner for a term of two (2) years.~~
11 ~~Each member reappointed by the governor shall serve for the term of his or her original appointment~~
12 and the other members appointed by the governor shall each serve a term of three (3) years. Before
13 the expiration of the term of a member, the governor shall either reappoint the member or appoint
14 a successor. ~~A member is eligible for reappointment.~~ If there is a vacancy for any cause, the
15 governor shall make an appointment immediately effective for the unexpired term. At the
16 expiration of their terms, members shall remain and shall continue in their official capacity until a
17 new member is appointed and confirmed.

18 (c) In order to be eligible for board membership, the ~~eight (8)~~ ten (10) contractor members
19 of the board must be registered and/or licensed under this chapter and maintain their registrations
20 and/or licenses in good standing during their term of office. ~~In order to be eligible for board~~
21 ~~membership, the two (2) home inspector members shall be licensed pursuant to chapter 65.1 of this~~
22 ~~title and shall maintain their license in good order during their terms of office.~~

23 **5-65-16. Powers and duties of the board -- Investigatory powers of board -- Use of city**
24 **or county inspectors -- Conduct of hearings.**

25 (a) The board may investigate the activities of any person engaged in the building and
26 construction industry to determine compliance with this chapter.

27 (b) ~~With the assistance of the city or town, the~~ The board may conduct investigations with
28 the assistance of the local building officials.

29 (c) The board has the power to administer oaths; issue notices and subpoenas in the name
30 of the board; compel the attendance of witnesses and the production of evidence; hold hearings and
31 perform any other acts that are reasonably necessary to carry out its duties under this chapter.

32 (d) If any person fails to comply with a subpoena issued under subsection (c) or refuses to
33 testify on matters on which the person may be lawfully interrogated, such person shall be
34 considered in contempt and the board or director may compel ~~obedience~~ compliance and/or punish

1 [any contempt of the authority in like manner as may be punished in either the supreme or the](#)
2 [superior court.](#)

3 (e) The board shall have the authority to hire private investigators or constables to carry
4 out the duties of this chapter. The costs and expenses incurred by the hiring of private investigators
5 may be borne by the contractor or nonprevailing party.

6 (f) In addition to all powers granted to the board [and office](#) under this chapter the board
7 [and office, and their designees](#), shall have the power and authority to:

8 (1) ~~Award monetary damages and~~ [Assess](#) fines [as](#) provided by this chapter;

9 (2) ~~Order specific performance of any contract; and~~

10 (3) Provide any other relief and/or remedy provided by this chapter and the ~~contractors'~~
11 ~~registration~~ board's rules and regulations.

12 (g) The board may, at its discretion, require any contractor who has had action taken against
13 his/her registration to obtain a bond ~~not to exceed thirty thousand dollars (\$30,000)~~ [in such amount](#)
14 [as determined by the board.](#)

15 ~~**5-65-19. Penalty for operating without a registration— Failure to comply with a final**~~
16 ~~**order of the board— Repeat offense a felony**~~ **Penalty for operating without a registration --**
17 **Failure to comply with a final order or decision -- Repeat offense a felony.**

18 [In addition to any other penalties provided under this chapter:](#)

19 (a) Any person who fails to register as a contractor as adjudged in a final order issued by
20 the board, upon proper written notification, is deemed guilty of a misdemeanor and, upon
21 conviction, shall be imprisoned for a term not exceeding one year, fined not more than one thousand
22 dollars (\$1,000), or both, for a first or second offense. A third or subsequent violation of this
23 ~~subsection~~ [chapter by a person for failure to register as a contractor](#) is ~~to be~~ deemed a felony and,
24 upon conviction, the violator shall be imprisoned for a term not exceeding two (2) years, fined not
25 more than two thousand dollars (\$2,000), or both.

26 (b) Any person who violates a final order of the board where the monetary total of the order
27 ~~including, but not limited to, the monetary judgment and/or fines,~~ is not more than five thousand
28 dollars (\$5,000), upon proper written notification, is deemed guilty of a misdemeanor, and, upon
29 conviction, shall be imprisoned for a term not exceeding one year, fined not more than one thousand
30 dollars (\$1,000), or both.

31 (c) Any person who violates a final order of the board where the monetary total of the order
32 ~~including, but not limited to, the monetary judgment and/or fines,~~ is five thousand dollars (\$5,000)
33 or more, upon written notification, is deemed guilty of a felony and, upon conviction, shall be
34 imprisoned for a term not exceeding ten (10) years, fined not more than ten thousand dollars

1 (\$10,000), or both.

2 (d) ~~A final order shall be considered delivered when served to a defendant or designated~~
3 ~~agent to accept service.~~ In addition to any sentence or fine imposed by the court under subsections
4 (a), (b), and (c), the court shall order a defendant to comply with any outstanding final order or
5 decision of the board or office, including ~~any monetary judgment and to pay payment of to the~~
6 ~~board~~ any outstanding fine or fines previously imposed by the board or office pursuant to this
7 chapter.

8 (e) If ~~a contractor is a repeat offender with violations of three (3) or more~~ by final orders
9 or decisions of the board or office, ~~a contractor is found to have committed violations of this chapter~~
10 with respect to three (3) or more separate contracts ~~executed by~~ with three (3) separate
11 individuals/aggrieved parties and the violations ~~are filed~~ occurred within a twenty-four-month (24)
12 period, the ~~violation~~ violations shall be deemed and prosecuted as a felony and upon conviction the
13 violator shall be subject to imprisonment for a term not to exceed ten (10) years or fined not more
14 than ten thousand dollars (\$10,000).

15 **5-65-20. Administrative hearings.**

16 (a) Contested ~~claims or~~ cases, contested enforcement proceedings, and contested
17 administrative fines shall be heard, in accordance with the administrative procedures act, chapter
18 35 of title 42, and the administrative regulations promulgated by the board, by the hearings
19 officer(s) assigned by the director of the department of business regulation or the director's
20 designee.

21 (b) The board has jurisdiction to hear appeals from decisions of the hearing officer(s), and
22 may by regulation impose a filing fee, not to exceed twenty dollars (\$20.00), for any appeal.

23 (c) Notwithstanding the preceding, the director of the department of business regulation,
24 ~~or~~ the director's designee, and the office is authorized to resolve complaints and contested
25 enforcement ~~or claim~~ proceedings through informal disposition pursuant to regulations
26 promulgated by the board.

27 **5-65-23. Registration required as part of bidding process.**

28 Whenever any bid is solicited by the state or any municipality or private party in the state
29 of Rhode Island, the registration and/or license number of any bidder who is a contractor required
30 to be registered and/or licensed under the laws of the state of Rhode Island shall be provided by the
31 bidder. A space on the bid form, quotation, proposal, or other document shall indicate the bid price
32 to perform the particular work involved and shall also indicate the registration and/or license
33 number of the contractor, as issued by the state of Rhode Island, to perform that work.

34 **5-65-25. Violations -- Notice.**

1 The board shall provide, by way of the contractors' registration and licensing board website,
2 by request, or by any other means approved by the board, a posting of all final decisions and orders
3 issued by the board, ~~all proposed orders of the board, and any and all hearing notices issued by the~~
4 ~~board~~. Provided, however, that all claims and violations adjudicated in favor of the contractor shall
5 be removed from the website or publications as soon as practicable.

6 Provided however, this shall not prevent the board from expunging a contractor's record
7 pursuant to established rules and regulations.

8 ~~**5-65-26. Notice of final order -- Service of process -- Restitution for homeowner**~~
9 ~~**contributions**~~ **Notice of final order -- Service of process.**

10 In any final order or decision of the board or office determining that a contractor has
11 violated the provisions of this chapter or the regulations promulgated thereunder, the ~~The~~ board or
12 office is hereby authorized to assess against any the contractor ~~a monetary award to the claimant~~
13 the costs of service of process up to but not to exceed one thousand dollars (\$1,000) ~~for the costs~~
14 ~~of service of process for any final orders of the board when the funds for the service of process~~
15 ~~were provided by an aggrieved party under this chapter.~~ The ~~aggrieved party's claim~~ assessment
16 shall be limited to the actual cost of the service of process or one thousand dollars (\$1,000),
17 whichever is less. The board shall ~~require~~ provide the contractor with proof of costs ~~from the~~
18 ~~aggrieved party~~ evidencing the expense for the service of process upon request.

19 SECTION 2. This act shall take effect upon passage.

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LC004836
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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO BUSINESSES AND PROFESSIONS -- CONTRACTORS' REGISTRATION
AND LICENSING BOARD

1 The act would revise the manner in which complaints against contractors are made,
2 processed, investigated, and resolved in a more efficient and expeditious manner and would make
3 various technical and grammatical corrections.

4 This act would take effect upon passage.

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