

2026 -- S 2205

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S T A T E O F R H O D E I S L A N D

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2026

A N A C T

**RELATING TO BUSINESS AND PROFESSIONS -- CONTRACTORS' REGISTRATION
AND LICENSING BOARD**

Introduced By: Senators Appollonio, Thompson, Britto, and Murray

Date Introduced: January 23, 2026

Referred To: Senate Commerce

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 5-65-1 of the General Laws in Chapter 5-65 entitled "Contractors'
2 Registration and Licensing Board" is hereby amended to read as follows:

3 **5-65-1. Definitions.**

4 As used in this chapter:

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

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

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

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

18 (5) "Complaint" means a written complaint submitted to the board or office with

1 allegations against or disputes involving a contractor, which may contain a claim component and/or
2 allegations that a contractor has violated provisions of this chapter or the regulations promulgated
3 hereunder.

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

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

20 (ii) "Contractor" also means any person who performs services as an "insurance adjuster"
21 as defined in § 27-10-1.1, and who evaluates, inspects, opines upon, or recommends the feasibility,
22 method, scope, or cost of repair or replacement of a building component regulated under the state
23 building code, for use in the investigation, negotiation, appraisal, or settlement of an insurance
24 claim, shall be deemed to be engaging in contractor activity and must be properly registered under
25 this chapter unless otherwise licensed.

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

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

31 (8) "Deliverable" means a project close-out document that shall be submitted by the person
32 seeking payment of retainage under the person's contract for construction; provided, however, that
33 a lien waiver or release, which is a deliverable, shall comply with chapter 28 of title 34; provided,
34 further, that "deliverable" shall not include any document affirming, certifying, or confirming

1 completion or correction of labor, materials, or other items furnished or incomplete or defective
2 work.

3 (9) "Dwelling unit" means a single unit providing complete independent-living facilities
4 for one or more persons, including permanent provisions for living, sleeping, eating, cooking, and
5 sanitation.

6 (10) "Hearing officer" means a person designated by the director of the department of
7 business regulation or the director's designee to hear contested cases, contested enforcement
8 proceedings, contested administrative fines, and to render decisions or orders in accordance with
9 the "administrative procedures act," chapter 35 of title 42.

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

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

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

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

24 (15) "Prime contractor" means a person who or that enters into a contract for construction
25 with the project owner.

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

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

30 (18) "State" means the state of Rhode Island.

31 (19) "Structure" means (i) Any commercial building; or (ii) Any building containing one
32 or more residences and their appurtenances. The board's dispute resolution process shall apply only
33 to residential structures containing dwelling units, as defined in the state building code, or
34 residential portions of other types of buildings without regard to how many units any structure may

1 contain. The board retains jurisdiction and may conduct hearings regarding violations against all
2 contractors required to be registered or licensed by the board.

3 (20) "Substantial completion" means the stage in the progress of the project when the work
4 required by the contract for construction with the project owner is sufficiently complete in
5 accordance with the contract for construction so that the project owner may occupy or utilize the
6 work for its intended use; provided, further, that "substantial completion" may apply to the entire
7 project or a phase of the entire project if the contract for construction with the project owner
8 expressly permits substantial completion to apply to defined phases of the project.

9 (21) "Violation" means a violation of any provision of this chapter or the regulations
10 promulgated hereunder or any order of the board or office.

11 SECTION 2. Section 5-65.1-2 of the General Laws in Chapter 5-65.1 entitled "Home
12 Inspectors" is hereby amended to read as follows:

13 **5-65.1-2. Definitions.**

14 When used in this chapter:

15 (1) "Associate home inspector" means a person who is employed by a licensed home
16 inspector to conduct a home inspection of a residential building on behalf of a client for a fee under
17 the direct supervision of the licensed home inspector and is licensed pursuant to the provisions of
18 this chapter.

19 (2) "Board" means the contractors' registration and licensing board.

20 (3) "Client" means any person who engages, or seeks to engage, the services of a home
21 inspector for the purpose of obtaining an inspection of, and written report upon, the condition of a
22 residential building.

23 (4) "Home inspection" means an inspection and a written evaluation of the following
24 readily visible and accessible components of a residential building: heating, cooling, plumbing, and
25 electrical systems, structural components, foundation, roof, masonry structure, exterior and interior
26 components, and any other related residential housing components, unless the scope of the
27 inspection is otherwise clearly limited, in writing, in the inspection report. Unless otherwise
28 expressly agreed to, in writing, a home inspection shall be based solely on observation of the readily
29 visible and apparent condition of the foregoing components of a residential building as they exist
30 on the date of the inspection, and it is not the purpose of the inspection to identify violations of, or
31 noncompliance with, governmental codes or regulation. A home inspection shall, at a minimum,
32 conform to any standards of practice promulgated by the board.

33 (5) "Home inspector" means any person licensed as a home inspector to conduct a home
34 inspection of a residential building on behalf of a client for a fee pursuant to the provisions of this

1 chapter.

2 (i) “Home inspector” also means any person who performs an inspection of commercial
3 and residential structures, roofing systems, or building envelopes in connection as an “insurance
4 adjuster” as defined in § 27-10-1.1, for an insurer or any insurer-retained vendor, where the results
5 are used in the investigation, negotiation, appraisal, or settlement of an insurance claim, shall be
6 licensed as a home inspector under this chapter unless exempt under another professional licensure
7 statute.

8 (6) “Public body” or “agency” means any executive, legislative, judicial, regulatory, or
9 administrative body of the state or any political subdivision thereof, including, but not limited to:
10 public officials elected or appointed; any department, division, agency, commission, board, office,
11 bureau, authority; any school, fire, or water district; or other agency or quasi-public agency of state
12 or local government that exercises governmental functions.

13 (7) “Residential building” means a structure consisting of one or more residences and their
14 appurtenances.

15 SECTION 3. Section 27-10-1.1 of the General Laws in Chapter 27-10 entitled "Claim
16 Adjusters" is hereby amended to read as follows:

17 **27-10-1.1. Definitions.**

18 (a) “Adjuster” means an individual licensed as either a public, company, or independent
19 adjuster.

20 (b) “Catastrophic disaster” according to the Federal Response Plan, means an event that
21 results in large numbers of deaths and injuries; causes extensive damage or destruction of facilities
22 that provide and sustain human needs; produces an overwhelming demand on state and local
23 response resources and mechanisms; causes a severe long-term effect on general economic activity;
24 and severely affects state, local, and private sector capabilities to begin and sustain response
25 activities. A catastrophic disaster shall be declared by the President of the United States, the
26 governor of the state, or the insurance commissioner.

27 (c) “Company adjuster” means a person who:

28 (1) Is an individual who contracts for compensation with insurers or self-insurers as an
29 employee; and

30 (2) Investigates, negotiates, or settles property, casualty, or workers’ compensation claims
31 for insurers or for self-insurers as an employee.

32 (d) “Department” means the insurance division of the department of business regulation.

33 (e) “Home state” means the District of Columbia and any state or territory of the United
34 States in which the adjuster’s principal place of residence or principal place of business is located.

1 If neither the state in which the independent or company adjuster maintains the principal place of
2 residence, nor the state in which the adjuster maintains the principal place of business, has a
3 substantially similar law governing adjusters, the adjuster may declare another state in which it
4 becomes licensed and acts as an independent or company adjuster to be the “home state.”

5 (f) “Independent adjuster” means a person who:

6 (1) Is an individual who contracts for compensation with insurers or self-insurers as an
7 independent contractor; or
8 (2) Investigates, negotiates, or settles property, casualty, or workers’ compensation claims
9 for insurers or for self-insurers as an independent contractor.

10 (g) “Insurance adjuster” means a person who:

11 (1) On behalf of an insurer or any person or entity acting for or retained by an insurer,
12 investigates, inspects, evaluates, measures, documents, reports upon, or provides opinions
13 regarding damage, causation, scope of loss, repairability, replacement, or valuation of property,
14 when such activity is undertaken in connection with the investigation, negotiation, appraisal, or
15 settlement of an insurance claim.

16 (2) The term “insurance adjuster” shall apply regardless of the title, designation, or
17 description used by the person performing such services including, but not limited to, inspector,
18 consultant, field representative, building consultant, or appraiser, and regardless of whether such
19 services are performed directly for the insurer or indirectly through a vendor, contractor, or other
20 third party.

21 (3) Any person performing the activities described in this subsection without holding a
22 license issued pursuant to this chapter shall be deemed to be acting as an unlicensed insurance
23 adjuster.

24 (g)(h) “Insurance commissioner” means the director of the department of business
25 regulation or the director’s designee.

26 (h)(i) “NAIC” means the National Association of Insurance Commissioners.

27 (h)(j) “Public adjuster” means any person who, for compensation or any other thing of value
28 on behalf of the insured:

29 (1) Acts or aids, solely in relation to first-party claims arising under insurance contracts
30 that insure the real or personal property of the insured, other than automobile, on behalf of an
31 insured in negotiating for, or effecting the settlement of, a claim for loss or damage covered by an
32 insurance contract;

33 (2) Advertises for employment as a public adjuster of insurance claims or solicits business
34 or represents themselves to the public as a public adjuster of first-party insurance claims for losses or

1 damages arising out of policies of insurance that insure real or personal property; or
2 (3) Directly or indirectly solicits business, investigates or adjusts losses, or advises an
3 insured about first-party claims for losses or damages arising out of policies of insurance that insure
4 real or personal property for another person engaged in the business of adjusting losses or damages
5 covered by an insurance policy, for the insured.

6 ~~④(k)~~ “Uniform individual application” means the current version of the National
7 Association of Insurance Commissioners (NAIC) Uniform Individual Application for resident and
8 nonresident individuals.

9 SECTION 4. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

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

- 1 This act would expand various definitions relative to contractors, home inspectors, and
- 2 claim adjusters to provide clarity regarding licensed and unlicensed vendors, consultants, or third-
- 3 party representatives.
- 4 This act would take effect upon passage.

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