

SB 336 -2 STAFF MEASURE SUMMARY

House Committee On Business and Labor

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Meeting Dates: 5/8, 5/24

WHAT THE MEASURE DOES:

Allows a construction contractor or business to temporarily operate without a responsible managing individual if the responsible managing individual (RMI) ceases service in that role. Directs Construction Contractors Board (CCB) to adopt rule setting maximum time contractor or business can operate with temporary RMI.

- Minimal expenditure impact; No revenue impact
- Senate vote 28-0

ISSUES DISCUSSED:

- Whether length of time period business operates with RMI should be set in statute or through rulemaking
- Role of RMI to protect business and consumers
- Length of time and expense to take courses and exam necessary to become RMI
- Importance of having a designated, temporary RMI
- Concern if RMI is no longer in that role because of CCB disciplinary action

EFFECT OF AMENDMENT:

-2 Requires contractor or business to notify Construction Contractors Board immediately when RMI ceases to hold that role. Requires notification to include name and address of qualified employee who will serve as RMI or person who will serve as temporary RMI. Allows business or contractor to operate with temporary RMI for up to 14 days while waiting for verification that person qualifies to hold the position.

BACKGROUND:

The Construction Contractors Board (CCB) is the state's licensing and regulatory agency for residential and commercial construction contractors, subcontractors and home inspectors. The Board investigates and adjudicates complaints filed against licensees and assesses sanctions where applicable, and provides education and testing on construction laws and business practices.

Every contractor or business licensed by the CCB must have a responsible managing individual RMI. The RMI can be either an owner or employee of the business who exercises management or supervisory authority and who has successfully completed the training and passed the examination or has demonstrated the experience required by the CCB. While it is not prohibited for a business to have more than one licensed responsible managing individual, most have just one. This can cause problems when the responsible managing individual leaves a business unexpectedly before a replacement can become qualified and licensed.

Senate Bill 336 establishes a procedure by which a construction contracting business may temporarily operate without a responsible managing individual, and directs CCB to adopt rules establishing the maximum period for operating without one.