

SB 336 A STAFF MEASURE SUMMARY

Carrier: Rep. Hack

House Committee On Business and Labor

Action Date: 05/24/17

Action: Do pass with amendments. (Printed A-Eng.)

Vote: 8-0-1-0

Yeas: 8 - Barreto, Bynum, Doherty, Evans, Fahey, Hack, Heard, Holvey

Exc: 1 - Kennemer

Fiscal: Has minimal fiscal impact

Revenue: No revenue impact

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WHAT THE MEASURE DOES:

Allows construction contractor or business to operate with temporary responsible managing individual (RMI) for up to 14 days after former RMI ceased holding that role. Requires business or contractor to immediately notify Construction Contractors Board (CCB) of name and address of person serving as temporary RMI.

ISSUES DISCUSSED:

- Whether length of time 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 necessary courses and exam to become RMI
- Importance of having a designated RMI
- Concern that former RMI is no longer in that role due to CCB disciplinary action

EFFECT OF AMENDMENT:

Replaces proposal to allow contractor or business to temporarily operate without an RMI.

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 CCB 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 RMI, most have just one. This can cause problems when the RMI leaves a business unexpectedly before a replacement can become qualified and licensed.

Senate Bill 336-A establishes a process for a construction contractor or business to follow when it loses its RMI. The measure allows the business to operate with a temporary RMI for up to 14 days after notifying the CCB of the name and address of the temporary RMI.