Form: TH- 02 3/31/00



# **Proposed Regulation Agency Background Document**

Agency Name:	50
VAC Chapter Number:	22
Regulation Title:	Board for Contractors Rules and Regulations
Action Title:	Amending
Date:	July 31, 2000

This information is required pursuant to the Administrative Process Act (§ 9-6.14:9.1 et seq. of the Code of Virginia), Executive Order Twenty-Five (98), Executive Order Fifty-Eight (99), and the Virginia Register Form, Style and Procedure Manual. Please refer to these sources for more information and other materials required to be submitted in the regulatory review package.

#### **Summary**

Please provide a brief summary of the proposed new regulation, proposed amendments to an existing regulation, or the regulation proposed to be repealed. There is no need to state each provision or amendment or restate the purpose and intent of the regulation; instead give a summary of the regulatory action and alert the reader to all substantive matters or changes. If applicable, generally describe the existing regulation.

The Board for Contractors (the Board) seeks to amend its current regulations to reflect statutory changes and to respond to changes in the industry. The regulations have not been significantly revised, except for a fee reduction, since 1995. The text of the regulations is also revised for clarity and ease of use.

#### Basis

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Please identify the state and/or federal source of legal authority to promulgate the regulation. The discussion of this statutory authority should: 1) describe its scope and the extent to which it is mandatory or discretionary; and 2) include a brief statement relating the content of the statutory authority to the specific regulation. In addition, where applicable, please describe the extent to which proposed changes exceed federal minimum requirements. Full citations of legal authority and, if available, web site addresses for locating the text of the cited authority must be provided. Please state that the Office of the Attorney General has certified that the agency has the statutory authority to promulgate the proposed regulation and that it comports with applicable state and/or federal law.

Section 54.1-1102 of the Code of Virginia provides the authority for the Board to promulgate regulations for the licensure of contractors in the Commonwealth. The content of the regulations is up to the discretion of the Board, but shall not be in conflict with the purposes of the statutory authority.

#### **Purpose**

Please provide a statement explaining the need for the new or amended regulation. This statement must include the rationale or justification of the proposed regulatory action and detail the specific reasons it is essential to protect the health, safety or welfare of citizens. A statement of a general nature is not acceptable, particular rationales must be explicitly discussed. Please include a discussion of the goals of the proposal and the problems the proposal is intended to solve.

In order to protect the public from inexperienced, irresponsible or incompetent contractors, the Commonwealth began licensing contractors in 1938. The purpose of amending these regulations is to 1) provide more specialty licensing for those individuals who specialize in one area; 2) to clarify that examinations may be required for certain classifications and/or specialty licenses as a means of protecting the public; 3) to clarify that applicants shall submit information regarding ability, character and financial responsibility when applying for licensure; and 4) to clarify the prohibited acts section to provide additional public protection.

#### **Substance**

Please identify and explain the new substantive provisions, the substantive changes to existing sections, or both where appropriate. Please note that a more detailed discussion is required under the statement providing detail of the regulatory action's changes.

The following substantive changes have been made:

#### 18 VAC 50-22-10 is amended:

- to add the definition of "business entity" as this term is used in the definition of "firm" and "responsible management"
- to delete the definition of "certificate holder" to comply with 1997 legislation which changed the Class C program from certification to licensure

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#### 18 VAC 50-22-20 is amended:

- to revise the definition of "building contractor"
- to allow "highway heavy contractors" to install backflow prevention devices incidental to their work when an installation competency and training program is approved by the Board
- to allow "HVAC contractors" to install backflow prevention devices incidental to their work when an installation competency and training program is approved by the Board

#### 18 VAC 50-22-30 is amended:

- to add several specialty licenses and describe the work of those specialties
- to revise existing specialty licenses to define more clearly the work that may be performed by that specialty
- to allow "fire sprinkler contractors" to install backflow prevention devices in the fire sprinkler supply main and sprinkler system, upon passage of an installation competency and training program approved by the Board.
- to allow "landscape irrigation contractors" to install backflow prevention devices incidental
  to their work, upon passage of an installation competency and training program approved by
  the Board

#### 18 VAC 50-22-40 is amended:

- to clarify that applicants for a Class C contractor license shall be a licensed tradesman
  pursuant to the tradesman regulations or have passed an examination and/or obtained
  licensure in a classification or specialty listed in the regulations. This allows for an
  examination for applicants seeking licensure in electrical, gas fitting, HVAC, and plumbing.
  In 1997 the law authorized testing of these specialties and this amendment is the first since
  that date. This allows for completion of an education and training program for applicants
  seeking licensure in the fire sprinkler specialty.
- to clarify that applicants shall report pending or past bankruptcies
- to clarify that applicants shall report all misdemeanor convictions in the past three years and all felony convictions

#### 18 VAC 50-22-50 is amended:

- to clarify that applicants for a Class B contractor license shall be a licensed tradesman pursuant to regulations or have passed an examination and/or obtained licensure in a classification or specialty listed in the regulations. This allows for completion of an education and training program for applicants seeking licensure in the fire sprinkler specialty.
- to clarify that applicants shall report pending or past bankruptcies
- to clarify that applicants shall disclose any current or previous substantial identities of interest with any contractor licenses in accordance with Section 54.1-1110 of the Code of Virginia

• to clarify that applicants shall report all misdemeanor convictions in the past three years and all felony convictions

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18 VAC 50-22-60 is amended:

- to clarify the requirements for a Class A license
- to clarify that the qualified individual for the firm shall obtain a master tradesman license pursuant to regulations or have passed an examination and/or obtained licensure in a classification or specialty listed in the regulations. This allows for completion of an education and training program for applicants seeking licensure in the fire sprinkler specialty.
- to clarify that applicants shall report pending or past bankruptcies
- to clarify that applicants shall disclose any current or previous substantial identities of interest with any contractor licenses in accordance with Section 54.1-1110 of the Code of Virginia
- to clarify that applicants shall report all misdemeanor convictions in the past three years and all felony convictions

18 VAC 50-22-80 is amended to clarify how the examination fees are established.

18 VAC 50-22-100 is amended to add a fee for the qualified individual exam.

18 VAC 50-22-130 is amended to clarify that renewal fees received after the 30-day period will be processed as a reinstatement.

18 VAC 50-22-210 is amended to clarify that licenses are not transferable, and any change in the license including the formation or dissolution of a corporation shall be reported to the Board.

18 VAC 50-22-260 is amended to clarify and add prohibited acts with the intent of providing more clarity and increased protection to the public.

#### **I** ssues

Please provide a statement identifying the issues associated with the proposed regulatory action. The term "issues" means: 1) the primary advantages and disadvantages to the public, such as individual private citizens or businesses, of implementing the new or amended provisions; 2) the primary advantages and disadvantages to the agency or the Commonwealth; and 3) other pertinent matters of interest to the regulated community, government officials, and the public. If there are no disadvantages to the public or the Commonwealth, please include a sentence to that effect.

In amending these regulations, the Board is providing necessary public protection. The public will benefit from the increased assurance that licensed contractors have met minimum standards of competency and financial responsibility. The potential licensee may be slightly disadvantaged by additional entry requirements, but the regulations also provide for more specialty licenses so the licensee can more easily qualify for a license in their specialty. The contractor licensee for certain specialties will also benefit because the scope of work is expanded including the

installation of backflow prevention devices for certain specialty contractors who pass a competency and training program approved by the Board. The primary advantage to the Board and the Commonwealth is the improved clarity of the regulations and the public's understanding thereof.

# Fiscal Impact

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Please identify the anticipated fiscal impacts and at a minimum include: (a) the projected cost to the state to implement and enforce the proposed regulation, including (i) fund source / fund detail, (ii) budget activity with a cross-reference to program and subprogram, and (iii) a delineation of one-time versus ongoing expenditures; (b) the projected cost of the regulation on localities; (c) a description of the individuals, businesses or other entities that are likely to be affected by the regulation; (d) the agency's best estimate of the number of such entities that will be affected; and e) the projected cost of the regulation for affected individuals, businesses, or other entities.

The Board of Contractors regulates individuals in the practice of building construction and improvement as prescribed in Title 54.1, Chapter 11 of the Code of Virginia. The Board consists of 13 members, and generally meets monthly in Richmond. The Department of Professional and Occupational Regulation supports the Board by performing a variety of tasks including: assisting applicants seeking a license, assisting licensees with the renewal process, and helping consumers file and resolve complaints against a licensee who has violated regulations. All costs incurred in support of board activities and regulatory operations are paid by the department and funded through fees paid by applicants and licensees. The following analysis explains the types of costs incurred by the department in support of the Board's operations, and provides estimates of revenues expected to be generated on behalf of the Board.

# **Fiscal Impact of Proposed Regulation**

#### **Summary:**

#### 18 VAC 50-22-30 is amended:

- to add several specialty licenses and describe the work of those specialties
- to revise existing specialty licenses to define more clearly the work that may be performed by that specialty
- to allow "fire sprinkler contractors" to install backflow prevention devices in the fire sprinkler supply
  main and sprinkler system, upon passage of an installation competency and training program
  approved by the Board.
- to allow "landscape irrigation contractors" to install backflow prevention devices incidental to their work, upon passage of an installation competency and training program approved by the Board

#### 18 VAC 50-22-40 is amended:

• to clarify that applicants for a Class C contractor license shall be a licensed tradesman pursuant to the tradesman regulations or have passed an examination and/or obtained licensure in a classification or specialty listed in the regulations. This allows for an examination for applicants seeking licensure in

electrical, gas fitting, HVAC, and plumbing. In 1997 the law authorized testing of these specialties and this amendment is the first since that date. This allows for completion of an education and training program for applicants seeking licensure in the fire sprinkler specialty.

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- to clarify that applicants shall report pending or past bankruptcies
- to clarify that applicants shall report all misdemeanor convictions in the past three years and all felony convictions

#### 18 VAC 50-22-50 is amended:

- to clarify that applicants for a Class B contractor license shall be a licensed tradesman pursuant to regulations or have passed an examination and/or obtained licensure in a classification or specialty listed in the regulations. This allows for completion of an education and training program for applicants seeking licensure in the fire sprinkler specialty.
- to clarify that applicants shall report pending or past bankruptcies
- to clarify that applicants shall disclose any current or previous substantial identities of interest with any contractor licenses in accordance with Section 54.1-1110 of the Code of Virginia
- to clarify that applicants shall report all misdemeanor convictions in the past three years and all felony convictions

#### 18 VAC 50-22-60 is amended:

- to clarify the requirements for a Class A license
- to clarify that the qualified individual for the firm shall obtain a master tradesman license pursuant to regulations or have passed an examination and/or obtained licensure in a classification or specialty listed in the regulations. This allows for completion of an education and training program for applicants seeking licensure in the fire sprinkler specialty.
- to clarify that applicants shall report pending or past bankruptcies
- to clarify that applicants shall disclose any current or previous substantial identities of interest with any contractor licenses in accordance with Section 54.1-1110 of the Code of Virginia
- to clarify that applicants shall report all misdemeanor convictions in the past three years and all felony convictions

18 VAC 50-22-80 is amended to clarify how the examination fees are established.

18 VAC 50-22-100 is amended to add a fee for the qualified individual exam.

18 VAC 50-22-130 is amended to clarify that renewal fees received after the 30-day period will be processed as a reinstatement.

18 VAC 50-22-210 is amended to clarify that licenses are not transferable, and any change in the license including the formation or dissolution of a corporation shall be reported to the Board.

18 VAC 50-22-260 is amended to clarify and add prohibited acts with the intent of providing more clarity and increased protection to the public.

All costs incurred in support of board activities and regulatory operations are paid by the department and funded through fees paid by applicants and licensees.

All Boards within the Department of Professional and Occupational Regulation must operate within the Code provisions of the Callahan Act (54.1-113), and the general provisions of 54.1-201. Each regulatory program's revenues must be adequate to support both its direct costs and a proportional share of indirect

costs. The department allocates costs to its regulatory programs based on consistent, equitable, and cost-effective methodologies.

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#### **Fiscal Impact:**

	FY 2001	FY 2002	FY2003	FY2004
Fund	NGF (0900)	NGF (0900)	NGF (0900)	NGF (0900)
Program/Subprogram	560 44	560 44	560 44	560 44

Impact of Regulatory Changes:					
One-Time Costs	0	0	0	0	
Ongoing Costs	0	0	0	0	
Total Fiscal Impact	0	0	0	0	

#### **Description of Costs:**

One-Time: None

Ongoing: None

**Cost to Localities:** None anticipated.

**Description of Individuals, Businesses, or Other Entities Impacted:**Class A, B, and C contractor businesses (sole proprietorships as well as corporations).

**Estimated Number of Regulants:** Approximately 47,475 licensed contractors.

### **Detail of Changes**

Please detail any changes, other than strictly editorial changes, that are being proposed. Please detail new substantive provisions, all substantive changes to existing sections, or both where appropriate. This statement should provide a section-by-section description - or cross-walk - of changes implemented by the proposed regulatory action. Where applicable, include citations to the specific sections of an existing regulation being amended and explain the consequences of the proposed changes.

18 VAC 50-22-10 is amended to:

Add a definition of "business entity" which is used in the definition of firm and responsible management. The definition outlines the different business organizations that are formed.

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Delete the definition of "certificate holder" and other referrals to such. This is to comply with 1997 legislation changing Class C from certification to licensure. (This change is made throughout the regulations and will only be cited in this passage.)

Delete "applicable indicia" from the definition of "controlling financial interest" to simplify the definition, while clarifying that a controlling interest is 50% or more.

Clarify the definition of "firm" to mean any "business entity recognized under the laws of the Commonwealth of Virginia." This clarifies and extends the types of entities allowed to obtain licensure.

Extend the definition of "responsible management" to include "individuals in other business entities."

Clarify the definition of "tenants by the entirety" to mean that the spouse would hold title to the whole to exclusion of the deceased's remaining heirs.

18 VAC 50-22-20 is amended to:

Revise the definition of the building contractor classification. The intent is to clarify that a building contractor can do general contracting, but that specialty designations are required for certain types of work.

Delete the language "adopted by each locality" from each trade-related contractor license definition. The definitions already state that these firms are responsible for meeting all applicable tradesman licensing standards.

Define the acronyms in the definition of "electrical contractors."

Delete "lines up to five feet from any building or structure" in the definition of highway/heavy contractor, and add "connections to residential, commercial, and industrial sites, subject to local ordinances." The Board allows highway/heavy contractors to complete the final connections of service lines if allowed by the local building official.

Add hot water heaters to the list of appliances HVAC contractors may install. This increases the scope of work allowed by this classification. Likewise, this classification may install backflow prevention devices incidental to the work of this classification upon passage of an installation competency and training program approved by the Board.

Clarify the definition of plumbing contractors to include the installation of "limited area" sprinklers as defined by BOCA. General practice supports the fact that plumbing contractors primarily install this type of sprinkler.

Add "related to plumbing" as it pertains to venting systems to the definition of plumbing contractor. This clarifies the definition so it is not confused with venting systems associated with HVAC contracting.

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18 VAC 50-22-30 is amended to:

Change the term "tradesman certification standards adopted by each locality" to "rules and regulations adopted by each locality" in the definition of alarm/security contracting. This complies with the statutory changes made by the 1997 General Assembly.

Add the specialty "alternative energy system contracting." This replaces the "passive energy system contracting" specialty and more adequately reflects the advances and changes in this industry.

Add the specialty "asphalt paving and sealcoating contracting" for those who many not offer all the services of a highway/heavy contractor, but specialize in this area of work.

Add building contractor to the definition of "billboard/sign contracting." This is consistent with the revision to the building contractor definition that states that they may complete this type of work.

Amend commercial improvement contracting to delete "additions". This is consistent with the definition of home improvement contracting. The Board has determined that "additions" are included under the definition of building and should not be in the scope of improvements.

Add the specialty of "concrete contracting" for those who may not offer all the services of highway/heavy contractor, but specialize in this area of work.

Add the specialty of "environmental specialties contracting." There has been an increase in firms specializing in remediation and/or industrial pollution control device installation. This will allow a specialty designation for this service.

Add language to "equipment/machinery contracting." This specialty includes work related to installation or removal of equipment or machinery, but should not be limited to conveyors or heavy machinery.

Add language to "fire sprinkler contracting" to expand the scope of work for this specialty. A 1999 legislative study conducted by the Board recommended that this specialty classification include minimum competency requirements. In addition, the specialty will be allowed to install backflow prevention devices in the fire sprinkler supply main and sprinkler system, upon passage of an installation competency and training program approved by the Board.

Add language to "gas fitting contracting" to require that this specialty contractor meet all applicable tradesman licensure standards.

Amend "home improvement contracting" to clarify that this specialty does include decks, patios, etc., but not new construction beyond the existing building structure.

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Amend "landscape irrigation contracting" to allow for the installation of backflow prevention devices incidental to the work of this specialty, upon passage of an installation competency and training program approved by the Board.

Add language to "landscape service contracting" to clarify that a contractor with the building classification can perform the work of this specialty.

Add the "liquefied petroleum gas contracting" specialty pursuant to 1997 legislation which created this specialty in the tradesman program.

Add language to "marine facility contracting" to clarify that the building classification may perform work of this specialty. This is consistent with the building definition. Also clarifies that this specialty does not provide for the construction of accessory structures.

Delete "miscellaneous contracting." The Board concluded that the addition of specialties should provide alternatives to contractors who may have selected the miscellaneous specialty.

Delete "mobile" from "modular/mobile/manufactured building contracting." This follows current industry practice. Provides for this specialty to install piers covered under HUD regulations.

Delete "passive energy systems contracting" as this is now covered under "alternative energy system contracting."

Add "natural gas fitter provider contracting" in response to 1999 legislation which created this specialty in the tradesman program.

Add the "painting and wallcovering contracting" specialty. This specialty is currently covered under the building classification and the home improvement and commercial improvement specialties. This specialty would allow individuals who specialize exclusively in this area to obtain licensure without meeting requirements of the building classification.

Add "drinking fountains" to the "refrigeration contracting" specialty. This increases the scope of activity for this specialty.

Add the "roofing contracting" specialty. This is currently covered under the building classification and home improvement and commercial improvement specialties. This would allow individuals who specialize exclusively in this area to obtain licensure without meeting requirements of the building classification.

Add the "swimming pool construction" specialty. This allows individuals who specialize exclusively in swimming pool construction to obtain this specialty license. This is in line with the majority of other states in the regulation of swimming pool contractors.

Amend the "waterwell/pump contracting" to clarify that the specialty allows for the installation up to and including the point of connection to the plumbing and electrical systems.

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Deletes terms from the "note" because these items are now covered by the addition of one of the specialties.

18 VAC 50-22-40 is amended to:

Delete reference to specific examinations currently required and add language that the Board may require examination requirements for any classification or specialty. This would allow the Board to ensure that qualified individuals of licensed contractors have a basic knowledge of the classification/specialty shown on the license.

Add language requiring the qualified individual to be a licensed tradesman and to add the examination requirement for the fire sprinkler specialty.

Require firms to provide information regarding pending or past bankruptcies. This was included in an effort to clarify the Board's financial reporting requirements.

Clarify language regarding the applicant's responsibility to report information concerning past disciplinary actions.

Modify language regarding the criminal history reporting requirements to include all misdemeanor convictions in the past three years and all felonies.

18 VAC 50-22-50 is amended to:

Modify language regarding the examination requirements or exemptions thereto. This conforms the regulations to the statute which states that the designated employee shall be required by board regulations to take an oral or written examination to determine his general knowledge of contracting unless exempt by § 54.1-1108.1.

Add language requiring the qualified individual to be a licensed tradesman to add the examination requirement for the fire sprinkler specialty.

Require firms to provide information regarding pending or past bankruptcies. This was included in an effort to clarify the Board's financial reporting requirements.

Require firms to provide information regarding substantial identities of interest with any contractor licenses pursuant to § 54.1-1110.

Modify language regarding the criminal history reporting requirements to include all misdemeanors in the past three years and all felonies.

18 VAC 50-22-60 is amended to:

Delete reference to previous subsections. This simplifies the regulations and eliminates the need for applicants to refer to requirements in previous sections of the regulations. This change makes this section stand by itself.

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Modify language regarding the examination requirements or exemptions thereto. This conforms the regulations to the statute which states that the designated employee shall be required by Board regulations to take an oral or written examination to determine his general knowledge of contracting unless exempt by § 54.1-1108.1.

Add language requiring the qualified individual to be a master tradesman to add the examination requirement for the fire sprinkler specialty.

Require firms to provide information regarding pending or past bankruptcies. This was included in an effort to clarify the board's financial reporting requirements.

Require firms to provide information regarding substantial identities of interest with any contractor licenses pursuant to § 54.1-1110.

Modify language regarding the criminal history reporting requirements to include all misdemeanors in the past three years and all felonies.

18 VAC 50-22-80 is amended to clarify that the examination contract shall be established in compliance with the Virginia Public Procurement Act and that the examination shall not exceed a cost of \$100 per element to the candidate.

18 VAC 50-22-100 is amended to add the fee for the qualified individual examination. This brings the technical examination to the qualified individual and away from the designated employee. This will make it easier for applicants to comply with the examination requirements by having a separate business exam from technical exam.

18 VAC 50-22-120 is amended to delete reference to the "renewal application" and replaces it with "notice of renewal" since this more appropriately identifies what the licensee receives at the time of renewal.

18 VAC 50-22-130 is amended to include language at the beginning of this subsection to clearly state that if the licensee's completed renewal form and appropriate fees are not received within thirty days of the expiration date, the applicant must apply for reinstatement. This was previously included in the section containing renewal fees and was frequently missed by regulants.

18 VAC 50-22-140 is amended to delete language regarding requirement for renewal to be received within thirty days of expiration. Language was moved to 18 VAC 50-22-130.

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18 VAC 50-22-150 is amended to delete reference to transfer of a license in subsection B. Transfer of a license is prohibited under the current regulations.

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18 VAC 50-22-160 is amended to clarify that the renewal form and appropriate fee must be submitted to reinstate the license. Also requires the applicant for reinstatement to meet the qualifications for initial licensure.

18 VAC 50-22-170 is amended to revise reinstatement fees to clarify that the renewal fee is included. Current regulations require an applicant for reinstatement to pay both the reinstatement fee and the renewal fee. The current fee chart tends to be confusing to regulants and causes delays in many applications for reinstatement. There is no increase in fees.

18 VAC 50-22-190 is amended to delete reference to transfer of a license in subsection B. Transfer of a license is prohibited under the current regulations.

18 VAC 50-22-210 is amended to:

Rename the section title to conform more to the content.

Clarify that licenses are not transferable.

Clarify that a firm shall apply for a new license whenever there is a change in the business entity and shall be done within thirty days on a form provided by the board. Staff receives many questions regarding this requirement and more specific references should provide more clarity.

Add language that expands the types of acceptable business entities.

18 VAC 50-22-220 is amended to change the time requirement from 45 to 90 days. This is consistent with current statute (§ 54.1-1106.B and § 54.1-1108.B).

18 VAC 50-22-250 is amended to delete reference to "certificate of licensure/certificate" from the table. This item was deleted because the Department of Professional and Occupational Regulation establishes the fee.

18 VAC 50-22-260 is amended to:

Add "incompetence" to prohibited act #5.

Separate the requirement for a contract from the required elements of the contract. This simplifies this prohibited act for enforcement purposes. The revision clarifies that a contract is required and that such contract shall include the enumerated items.

Increase the record retention period from three to five years in prohibited act #11. The Board noted that the federal government requires certain records for seven years so this should not be an increased burden.

Delete the word "on demand" from prohibited act #12. The Board noted that when the licensee fails to produce information upon request, it is a prohibited act.

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Separate prohibited act regarding failing to respond to an investigator. Adds specific language that providing false, misleading or incomplete information to an investigator is a prohibited act.

Separate prohibited act #14 so that each stands alone as a prohibited act.

Delete "of a character likely to" in #17 as this language was unclear and misleading.

Replace "unlicensed contractor" with "another" to clarify that assisting anyone (not just unlicensed contractors) in violating provisions of the statute or regulations is a prohibited act, as is allowing a firm's license to be used by anyone.

Add language in #24 to highlight disciplinary actions by the Virginia Department of Health.

Add language suggested by the Board's counsel in #25 regarding the failure "to abate a violation" of the Virginia Uniform Statewide Building Code.

Delete #24 regarding a licensee's responsibility to include the license number and class on all business cards, etc. The Board found this regulation unnecessary and costly to the licensee since license numbers are not permanent in all cases. Current Board policy instructs that the Enforcement Division of the Department of Professional and Occupational Regulation not enforce this regulation.

Add language that failure to satisfy any judgment related to the practice of contracting is a prohibited act. This could be used for regulants who have claims paid against them from the Contractor Transaction Recovery Fund. This would allow disciplinary action against the regulant.

Add prohibited act #29 in response to the concern of building officials in many localities. Situations have occurred on a regular basis where a licensed contractor has utilized unlicensed subcontractors.

Add prohibited act #30 in response to numerous situations where the contractor has not honored the terms and conditions of a warranty.

Add prohibited act #31 in response to concern that a contractor should obtain written change orders that are signed by the consumer and the licensee.

#### **Alternatives**

Please describe the specific alternatives to the proposal considered and the rationale used by the agency to select the least burdensome or intrusive alternative that meets the essential purpose of the action.

In reviewing the regulations, the Board considered whether there was a less burdensome alternative. Alternatives that failed to meet this consideration were rejected. The Board believes that failure to adopt these changes will allow unnecessary and outdated requirements to remain in the regulations. The regulations need to be revised in order to comply with statutory requirements and to delete unclear language.

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The Board will consider all comments received during the comment period as to proposed alternatives.

#### **Public Comment**

Please summarize all public comment received during the NOIRA comment period and provide the agency response.

The Board received the following public comment during the NOIRA comment period:

The American Fire Sprinkler Association (AFSA) requested that the Board amend its regulations to require minimum competency for all licensed contractors who desire the specialty "fire sprinkler contracting." In addition, the AFSA requested that the definition of fire sprinkler contracting be amended to clarify that fire sprinkler contractors may install backflow prevention devices within a sprinkler system.

#### Clarity of the Regulation

Please provide a statement indicating that the agency, through examination of the regulation and relevant public comments, has determined that the regulation is clearly written and easily understandable by the individuals and entities affected.

The Board and Department of Professional and Occupational Regulation staff made considerable effort to identify unnecessary and or confusing language. The Board submits that the regulations are clearly written and understandable.

#### **Periodic Review**

Please supply a schedule setting forth when the agency will initiate a review and re-evaluation to determine if the regulation should be continued, amended, or terminated. The specific and measurable regulatory goals should be outlined with this schedule. The review shall take place no later than three years after the proposed regulation is expected to be effective.

The regulations will be reviewed during the Board's normal course of regulatory review that in no case shall exceed three years from the effective date of these regulations. Fees are evaluated at the end of every biennium and if fee adjustments are necessary, then the regulatory review

process is initiated which could include this review. Otherwise, within 24 to 36 months of the effective date of these regulations, this matter will be placed on the Board's agenda for consideration.

# Family Impact Statement

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Please provide an analysis of the proposed regulatory action that assesses the potential impact on the institution of the family and family stability including the extent to which the regulatory action will: 1) strengthen or erode the authority and rights of parents in the education, nurturing, and supervision of their children; 2) encourage or discourage economic self-sufficiency, self-pride, and the assumption of responsibility for oneself, one's spouse, and one's children and/or elderly parents; 3) strengthen or erode the marital commitment; and 4) increase or decrease disposable family income.

The proposed regulations are expected to have no adverse impact on families in the Commonwealth.

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