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H.157

Introduced by Representatives Campbell of St. Johnsbury, Anthony of Barre  
City, Austin of Colchester, Brumsted of Shelburne, Christie of  
Hartford, Cina of Burlington, Colburn of Burlington, Cordes of  
Lincoln, Masland of Thetford, McCullough of Williston, Ode of  
Burlington, Patt of Worcester, Stebbins of Burlington, Till of  
Jericho, Townsend of South Burlington, Troiano of Stannard,  
Walz of Barre City, White of Hartford, and Yantachka of  
Charlotte

Referred to Committee on

Date:

Subject: Commerce and trade; consumer protection; construction

Statement of purpose of bill as introduced: This bill proposes to create a  
framework for registering construction contractors.

An act relating to registration of construction contractors

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. FINDINGS

The General Assembly finds that:

(1) There is currently no master list of residential construction  
contractors operating in the State.

1           (2) There is no standard process for determining or adjudicating  
2           construction contract fraud complaints either on the part of contractors or  
3           consumers.

4           (3) Public authorities have no mechanism to contact all contractors  
5           when necessary to provide updates to public health requirements, safe working  
6           protocols, codes and standards, and available trainings and certifications.

7           (4) Wide dissemination of information on codes, standards, and  
8           trainings is vital to improving construction techniques throughout the State's  
9           construction industry. Since building thermal conditioning represents over  
10          one-quarter of the State's greenhouse gas emissions, improving energy  
11          performance is a key strategy for meeting the requirements of the Global  
12          Warming Solutions Act, 2020 Acts and Resolves No. 153.

13          (5) While registration is not licensure and confers no assurance of  
14          competence, consumers have no way of knowing whether a contractor is  
15          operating legally or has been subject to civil claims or disciplinary actions.

16          (6) A noncommercial, standardized public listing will provide  
17          contractors an opportunity to include in their record optional third-party, State-  
18          sanctioned certifications.

19          Sec. 2. 3 V.S.A. § 122 is amended to read:

20          § 122. OFFICE OF PROFESSIONAL REGULATION



1 systems; and other activities the Office specifies by rule consistent with this  
2 chapter.

3 § 5502. EXEMPTIONS

4 This chapter does not apply to:

5 (1) an employee acting within the scope of his or her employment for a  
6 business organization registered under this chapter;

7 (2) a professional engineer, licensed architect, or a tradesperson licensed  
8 by the Department of Public Safety acting within the scope of his or her  
9 license;

10 (3) delivery or installation of consumer appliances, audio-visual  
11 equipment, telephone equipment, or computer network equipment;

12 (4) landscaping;

13 (5) work on a structure that is not attached to a residential building; or

14 (6) work that would otherwise require registration that a person  
15 performs in response to an emergency, provided the person applies for  
16 registration within a reasonable time after performing the work.

17 § 5503. MANDATORY REGISTRATION AND VOLUNTARY

18 CERTIFICATION DISTINGUISHED

19 (a)(1) The system of mandatory registration established by this chapter is  
20 intended to protect against fraud, deception, breach of contract, and violations

1 of law, but is not intended to establish standards for professional qualifications  
2 or workmanship that is otherwise lawful.

3 (2) The provisions of 3 V.S.A. § 129a, with respect to a registration,  
4 shall be construed in a manner consistent with the limitations of this  
5 subsection.

6 (b) The system of voluntary certification established in this chapter is  
7 intended to provide consumers and contractors with a publicly available,  
8 noncommercial venue for contractors to list optional approved certifications.

9 The Director of Professional Regulation, in consultation with public safety  
10 officials and recognized associations or boards of builders, remodelers,  
11 architects, and engineers, may:

12 (1) adopt rules providing for the issuance of voluntary certifications, as  
13 defined in subdivision 3101a(1) of this title, that signify demonstrated  
14 competence in particular subfields and specialties related to residential  
15 construction;

16 (2) establish minimum qualifications, and standards for performance and  
17 conduct, necessary for certification; and

18 (3) discipline a certificant for violating adopted standards or other law,  
19 with or without affecting the underlying registration.

20 Subchapter 2. Administration

21 § 5505. DUTIES OF THE DIRECTOR

- 1        (a) The Director of Professional Regulation shall:
- 2            (1) provide information to the public concerning registration,
- 3        certification, appeal procedures, and complaint procedures;
- 4            (2) administer fees established under this chapter;
- 5            (3) receive applications for registration or certification, issue
- 6        registrations and certifications to applicants qualified under this chapter, deny
- 7        or renew registrations or certifications, and issue, revoke, suspend, condition,
- 8        and reinstate registrations and certifications as ordered by an administrative
- 9        law officer; and
- 10          (4) prepare and maintain a registry of registrants and certificants.
- 11        (b) The Director, after consultation with an advisor appointed pursuant to
- 12        section 5506 of this title, may adopt rules to implement this chapter.

13        § 5506. ADVISORS

- 14        (a) The Secretary of State shall appoint two persons pursuant to 3 V.S.A.
- 15        § 129b to serve as advisors in matters relating to residential contractors and
- 16        construction.
- 17        (b) To be eligible to serve, an advisor shall:
- 18            (1) register under this chapter;
- 19            (2) have at least three years' experience in residential construction
- 20        immediately preceding appointment; and
- 21            (3) remain active in the profession during his or her service.

1       (c) The Director of Professional Regulation shall seek the advice of the  
2       advisors in implementing this chapter.

3       § 5507. FEES

4       A person regulated under this chapter shall pay the following fees at initial  
5       application and biennial renewal:

6           (1) Registration, individual: \$75.00.

7           (2) Registration, business organization: \$250.00.

8           (3) State certifications: \$75.00 for a first certification and \$25.00 for  
9       each additional certification.

10                           Subchapter 3. Registrations

11       § 5508. ELIGIBILITY

12       To be eligible for registration, the Director of Professional Regulation shall  
13       find that the applicant is in compliance with the provisions of this chapter and  
14       applicable State law, and has satisfied any judgment order related to the  
15       provision of professional services to a homeowner.

16       § 5509. REQUIREMENTS OF REGISTRANTS

17       (a) Insurance. A person registered under this chapter shall maintain  
18       liability insurance in the amount of \$300,000.00 per claim and \$1,000,000.00  
19       aggregate, evidence of which may be required as a precondition to issuance or  
20       renewal of a registration.

21       (b) Writing.

1           (1) A person registered under this chapter shall execute a written  
2           contract prior to receiving a deposit or commencing residential construction  
3           work if the estimated value of the labor and materials exceeds \$1,000.00.

4           (2) A contract shall specify:

5           (A) Price. One of the following provisions for the price of the  
6           contract:

7                   (i) a maximum price for all work and materials;

8                   (ii) a statement that billing and payment will be made on a time  
9           and materials basis, not to exceed a maximum price; or

10                   (iii) a statement that billing and payment will be made on a time  
11           and materials basis and that there is no maximum price.

12           (B) Work dates. Estimated start and completion dates.

13           (C) Scope of work. A description of the services to be performed and  
14           a description of the materials to be used.

15           (D) Change order provision. A description of how and when  
16           amendments to the contract may be approved and recorded.

17           (3) The parties shall record an amendment to the contract in a signed  
18           writing.

19           (c) Down payment. Unless a contract specifies that billing and payment  
20           will be made on a time and materials basis and that there is no maximum price,



1 the contract may require a down payment of up to one-third of the contract  
2 price, or of the price of materials, whichever is greater.

3 § 5510. PROHIBITIONS AND REMEDIES

4 (a) A person who does not register pursuant to this chapter when required  
5 engages in unauthorized practice pursuant to 3 V.S.A. § 127.

6 (b) The Office of Professional Regulation may discipline a registrant or  
7 certificant for unprofessional conduct as provided in 3 V.S.A. § 129a, except  
8 that 3 V.S.A. § 129a(b) does not apply to a registrant.

9 (c) The following conduct by a registrant, certificant, applicant, or person  
10 who later becomes an applicant constitutes unprofessional conduct:

11 (1) failure to enter into a written contract when required by this chapter;

12 (2) failure to maintain liability or workers' compensation insurance as  
13 required by law;

14 (3) committing a deceptive act in commerce in violation of 9 V.S.A.  
15 § 2453;

16 (4) falsely claiming certification under this chapter, provided that this  
17 subdivision does not prevent accurate and nonmisleading advertising or  
18 statements related to credentials that are not offered by this State; and

19 (5) selling or fraudulently obtaining or furnishing a certificate of  
20 registration, certification, license, or any other related document or record, or  
21 assisting another person in doing so, including by reincorporating or altering a

1 trade name for the purpose or with the effect of evading or masking revocation,  
2 suspension, or discipline against a registration issued under this chapter.

3 Sec. 4. IMPLEMENTATION

4 (a) Notwithstanding any contrary provision of 26 V.S.A. chapter 107:

5 (1) The initial biennial registration term for residential contractors  
6 pursuant to 26 V.S.A. chapter 107 shall begin on April 1, 2022.

7 (2) The Secretary of State may begin receiving applications for the  
8 initial registration term on December 1, 2021.

9 (3)(A) The registration fee for individuals who submit complete  
10 registration requests between December 1, 2021 and March 31, 2022 is \$25.00  
11 and between April 1, 2022 and March 31, 2023, the fee is \$50.00.

12 (B) The registration fee for business organizations that submit  
13 complete registration requests between December 1, 2021 and March 31, 2022  
14 is \$175.00 and between April 1, 2022 and March 31, 2023, the fee is \$200.00.

15 (4) Prior to April 1, 2023, the Office of Professional Regulation shall  
16 not take any enforcement action for unauthorized practice under 26 V.S.A.  
17 § 5510(a) against a residential contractor who fails to register as required by  
18 this act.

19 (b) On or before July 1, 2022, the Director of Professional Regulation shall  
20 establish an initial set of voluntary certifications, to include at minimum  
21 OSHA standards on construction projects and components of energy-efficient

1 “green” building for insulators, carpenters, and heating and ventilation  
2 installers.

3 Sec. 5. CREATION OF POSITIONS WITHIN THE OFFICE OF  
4 PROFESSIONAL REGULATION; LICENSING.

5 (a) There are created within the Secretary of State’s Office of Professional  
6 Regulation two new positions in the licensing division.

7 (b) Any funding necessary to support the positions created in subsection (a)  
8 of this section and the implementation of 26 V.S.A. chapter 107 created in  
9 Sec. 2 of this act shall be derived from the Office’s Professional Regulatory  
10 Fee und and not from the General Fund.

11 Sec. 6. SECRETARY OF STATE; STATUS REPORT

12 On or before January 15, 2023, the Office of Professional Regulation shall  
13 report to the House Committees on Commerce and Economic Development  
14 and on Government Operations and to the Senate Committees on Economic  
15 Development, Housing and General Affairs and on Government Operations  
16 concerning the implementation of 26 V.S.A. chapter 107, including:

17 (1) the number of registrations and certifications;

18 (2) the resources necessary to implement the chapter;

19 (3) the number and nature of any complaints or enforcement actions;

20 and

21 (4) any other issues the Office deems appropriate.

1       Sec. 7. EFFECTIVE DATE

2       This act shall take effect on July 1, 2021.