



February 23, 2021

**Testimony H.157 Residential Contractor Registration- House Committee on General, Housing & Military Affairs**

Associated General Contractors of Vermont (AGC/VT) is the trade organization for general contractors and construction workers in Vermont. We are Vermont's leading provider of industry specific training, Occupational and Safety Health Administration (OSHA), Mine Safety and Health Administration (MSHA) certifications and are home to nationally recognized instructors. Our members employ 15,000-20,000 in Vermont annually with careers offering incomes and benefits well above Vermont's livable wage. The association works directly with the Agency of Transportation, Building and General Services, Agency of Education and Department of Labor to enhance delivery of services to the state.

AGC/VT audits, evaluates and provides certifications and credentials for many programs to construction employers, builders, career technical centers and other VT tech programs. A short list of programs includes working in confined spaces, crane operator certification, electrical code updates, first aid CPR, multiple OSHA and MSHA certifications, traffic control technician, TQP fire code updates, federally recognized heavy equipment operator courses, supervisor and estimator training, NCCER curriculum, COVID-19 Safety Resource Officer training and more.

AGC/VT is supportive of the proposal to register residential contractors. We are comfortable with the language that directly links the contract to the owner of the property and allows sub-contractors to work for a registered general contractor. This will prevent any confusion who is ultimately responsible for the contract. We would like to advise caution on two aspects of this proposal.

First, the insurance requirements don't line up with available insurance plans. After consulting with several insurers policies begin at \$1 million per incident with \$2 million in aggregate. This means if the bill is passed as written contractors will be seeking a policy that does not exist which will cause frustration of all parties.

Second, the contract requirement stipulates that a contractor will guarantee material cost. Even before COVID-19 projecting material costs out more than a week can be problematic. After speaking with material vendors its clear prices are volatile right now and will likely be in the unforeseeable future. We would suggest language tying material costs to actual market value, contractually limit markups or an equivalent standard.

Thank you,

Matt Musgrave  
AGC/VT