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**HOUSE BILL NO. 1802**

Offered January 9, 2013

Prefiled January 8, 2013

*A BILL to amend and reenact §§ 54.1-1106, 54.1-1108, and 54.1-1108.2 of the Code of Virginia, relating to the Board for Contractors; creation of residential and commercial contractor license categories.*

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Patron—Marshall, D.W.

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Referred to Committee on General Laws

**Be it enacted by the General Assembly of Virginia:**

**1. That §§ 54.1-1106, 54.1-1108, and 54.1-1108.2 of the Code of Virginia are amended and reenacted as follows:**

**§ 54.1-1106. Application for Class A license; fees; examination; issuance.**

A. Any person desiring to be licensed as a Class A contractor shall file with the Department a written application on a form prescribed by the Board. The application shall be accompanied by a fee set by the Board pursuant to § 54.1-201. The application shall contain the name, place of employment, and business address of the proposed designated employee, and information on the knowledge, skills, abilities, and financial position of the applicant. The Board shall determine whether the past performance record of the applicant, including his reputation for paying material bills and carrying out other contractual obligations, satisfies the purposes and intent of this chapter. The Board shall also determine whether the applicant has complied with the laws of the Commonwealth pertaining to the domestication of foreign corporations and all other laws affecting those engaged in the practice of contracting as set forth in this chapter. If the Board determines that sufficient questions or ambiguities exist in an individual applicant's presentation of his financial information, the Board may require the applicant to provide a balance sheet reviewed by a certified public accountant licensed in accordance with § 54.1-4409.1. In addition, if the applicant is a sole proprietor, he shall furnish to the Board his name and address. If the applicant is a member of a partnership, he shall furnish to the Board the names and addresses of all of the general partners of the partnership. If the applicant is a member of an association, he shall furnish to the Board the names and addresses of all of the members of the association. If the applicant is a corporation, it shall furnish to the Board the names and addresses of all officers of the corporation. If the applicant is a joint venture, it shall furnish to the Board the names and addresses of (i) each member of the joint venture and (ii) any sole proprietor, general partner of any partnership, member of any association, or officer of any corporation who is a member of the joint venture. The applicant shall thereafter keep the Board advised of any changes in the above information.

B. If the application is satisfactory to the Board, the proposed designated employee shall be required by Board regulations to take an oral or written examination to determine his general knowledge of contracting, including the statutory and regulatory requirements governing contractors in the Commonwealth. If the proposed designated employee successfully completes the examination and the applicant meets or exceeds the other entry criteria established by Board regulations, a Class A contractor license shall be issued to the applicant. The license shall permit the applicant to engage in contracting only so long as the designated employee is in the full-time employment of the contractor or is a member of the contractor's responsible management. No examination shall be required where the licensed Class A contractor changes his form of business entity provided he is in good standing with the Board. In the event the designated employee leaves the full-time employ of the licensed contractor or is no longer a member of the contractor's responsible management, no additional examination shall be required of such designated employee, except in accordance with § 54.1-1110.1, and the contractor shall within 90 days of that departure provide to the Board the name of the new designated employee.

C. The Board may grant a Class A license in any of the following classifications: (i) *residential building contractor*, (ii) *commercial building contractor*, (iii) *highway/heavy contractor*, ~~(iii)~~ (iv) *electrical contractor*, ~~(iv)~~ (v) *plumbing contractor*, ~~(v)~~ (vi) *heating, ventilation, and air conditioning contractor*, and ~~(vi)~~ (vii) *specialty contractor*.

**§ 54.1-1108. Application for Class B license; fees; examination; issuance.**

A. Any person desiring to be licensed as a Class B contractor shall file with the Department a written application on a form prescribed by the Board. The application shall be accompanied by a fee set by the Board pursuant to § 54.1-201. The application shall contain the name, place of employment, and business address of the proposed designated employee; information on the knowledge, skills, abilities, and financial position of the applicant; and evidence of holding a current local license pursuant

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59 to local ordinances adopted pursuant to § 54.1-1117. The Board shall determine whether the past  
60 performance record of the applicant, including his reputation for paying material bills and carrying out  
61 other contractual obligations, satisfies the purpose and intent of this chapter. The Board shall also  
62 determine whether the applicant has complied with the laws of the Commonwealth pertaining to the  
63 domestication of foreign corporations and all other laws affecting those engaged in the practice of  
64 contracting as set forth in this chapter. In addition, if the applicant is a sole proprietor, he shall furnish  
65 to the Board his name and address. If the applicant is a member of a partnership, he shall furnish to the  
66 Board the names and addresses of all of the general partners of that partnership. If the applicant is a  
67 member of an association, he shall furnish to the Board the names and addresses of all of the members  
68 of the association. If the applicant is a corporation, it shall furnish to the Board the name and address of  
69 all officers of the corporation. If the applicant is a joint venture, it shall furnish to the Board the names  
70 and addresses of (i) each member of the joint venture and (ii) any sole proprietor, general partner of any  
71 partnership, member of any association, or officer of any corporation who is a member of the joint  
72 venture. The applicant shall thereafter keep the Board advised of any changes in the above information.

73 B. If the application is satisfactory to the Board, the proposed designated employee shall be required  
74 by Board regulations to take an oral or written examination to determine his general knowledge of  
75 contracting, including the statutory and regulatory requirements governing contractors in the  
76 Commonwealth. If the proposed designated employee successfully completes the examination and the  
77 applicant meets or exceeds the other entry criteria established by Board regulations, a Class B contractor  
78 license shall be issued to the applicant. The license shall permit the applicant to engage in contracting  
79 only so long as the designated employee is in the full-time employment of the contractor and only in the  
80 counties, cities, and towns where such person has complied with all local licensing requirements and for  
81 the type of work to be performed. No examination shall be required where the licensed Class B  
82 contractor changes his form of business entity provided he is in good standing with the Board. In the  
83 event the designated employee leaves the full-time employ of the licensed contractor, no additional  
84 examination shall be required of such designated employee, except in accordance with § 54.1-1110.1,  
85 and the contractor shall within 90 days of that departure provide to the Board the name of the new  
86 designated employee.

87 C. The Board may grant a Class B license in any of the following classifications: (i) *residential*  
88 building contractor, (ii) *commercial building contractor*, (iii) highway/heavy contractor, ~~(iii)~~ (iv)  
89 electrical contractor, ~~(iv)~~ (v) plumbing contractor, ~~(v)~~ (vi) HVAC contractor, and ~~(vi)~~ (vii) specialty  
90 contractor.

91 **§ 54.1-1108.2. Application for Class C license; fees; issuance.**

92 A. Any person desiring to be licensed as a Class C contractor shall file with the Department a  
93 written application on a form prescribed by the Board. The application shall be accompanied by a fee  
94 set by the Board pursuant to § 54.1-201. The application shall contain information concerning the name,  
95 location, nature, and operation of the business, and information demonstrating that the applicant  
96 possesses the character and minimum skills to properly engage in the occupation of contracting.

97 B. The Board may grant a Class C license in any of the following classifications: (i) *residential*  
98 building contractor, (ii) *commercial building contractor*, (iii) highway/heavy contractor, ~~(iii)~~ (iv)  
99 electrical contractor, ~~(iv)~~ (v) plumbing contractor, ~~(v)~~ (vi) heating, ventilation, and air conditioning  
100 contractor, and ~~(vi)~~ (vii) specialty contractor.