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SENATE BILL NO. 313

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Joint Conference Committee
on March 7, 2024)

(Patron Prior to Substitute—Senator VanValkenburg)

A *BILL to amend and reenact § 54.1-1102 of the Code of Virginia, relating to the Board for Contractors; required regulations and disclosures.*

Be it enacted by the General Assembly of Virginia:

1. That § 54.1-1102 of the Code of Virginia is amended and reenacted as follows:

§ 54.1-1102. Board for Contractors membership; offices; meetings; seal; record.

A. The Board for Contractors shall be composed of 16 members as follows: one member shall be a licensed Class A general contractor; the larger part of the business of one member shall be the construction of utilities; the larger part of the business of one member shall be the construction of commercial and industrial buildings; the larger part of the business of one member shall be the construction of single-family residences; the larger part of the business of one member shall be the construction of home improvements; one member shall be a subcontractor as generally regarded in the construction industry; one member shall be in the business of sales of construction materials and supplies; one member shall be a local building official; one member shall be a licensed plumbing contractor; one member shall be a licensed electrical contractor; one member shall be a licensed heating, ventilation and air conditioning contractor; one member shall be a certified elevator mechanic or a licensed elevator contractor; one member shall be a certified water well systems provider; one member shall be a professional engineer licensed in accordance with Chapter 4 (§ 54.1-400 et seq.); and two members shall be nonlegislative citizen members. The terms of the Board members shall be four years.

The Board shall meet at least once each year and at such other times as may be deemed necessary. Annually, the Board shall elect from its membership a chairman and a vice-chairman to serve for a one-year term. Nine members of the Board shall constitute a quorum.

B. The Board shall promulgate regulations not inconsistent with statute necessary for the licensure of contractors and tradesmen and the certification of backflow prevention device workers, and for the relicensure of contractors and tradesmen and for the recertification of backflow prevention device workers, after license or certificate suspension or revocation. The Board shall include in its regulations a requirement that as a condition for initial licensure as a contractor, the designated employee or a member of the responsible management personnel of the contractor shall have successfully completed a Board-approved basic business course, which shall not exceed eight hours of classroom instruction. In addition, the Board shall (i) require a contractor to appropriately classify all workers as employees or independent contractors, as provided by law and (ii) provide that any contractor who is found to have intentionally misclassified any worker is subject to sanction by the Board.

C. The Board ~~may~~ *shall* adopt regulations requiring all Class A, B, and C residential contractors, excluding subcontractors to the contracting parties and those who engage in routine maintenance or service contracts, to use legible written contracts including the following terms and conditions:

1. General description of the work to be performed;
2. Fixed price or an estimate of the total cost of the work, the amounts and schedule of progress payments, a listing of specific materials requested by the consumer, and the amount of down payment;
3. Estimates of time of commencement and completion of the work; and
4. Contractor's name, address, office telephone number, and license or certification number and class.

In transactions involving door-to-door solicitations *or any residential rooftop solar installation*, the Board ~~may~~ *shall* require that a statement of protections be provided by the contractor to the homeowner, consumer, or buyer, as the case may be.

D. The Board shall adopt a seal with the words "Board for Contractors, Commonwealth of Virginia." The Director shall have charge, care, and custody of the seal.

E. The Director shall maintain a record of the proceedings of the Board.

2. That, by July 1, 2025, the Department of Professional and Occupational Regulation shall review its licensing exam for alternative energy system contracting to ensure such exam includes questions related to the physical installation of alternative energy systems on preexisting structures.

3. That, by July 1, 2025, the Board for Contractors (the Board) shall create a disclosure form to be provided in any transaction involving a residential rooftop solar installation to include specific disclosures regarding the risks associated with residential rooftop solar installation. The disclosure form shall be provided in a fillable format to be used by each contractor in transactions involving residential rooftop solar installations and shall require each such contractor to provide, at a minimum, the following information: (i) a description of the solar facility and the make and model

60 of its major components; (ii) the total cost of the solar facility project; (iii) any guarantee from the
61 seller of the energy production output that such solar facility will provide; (iv) any available tax
62 credits or rebates; (v) a description of the risks involved with installing such solar facility on or
63 removing such solar facility from the roof of the dwelling, including a description of any warranty
64 for the repair of any damage to such roof resulting from such installation or removal; (vi) a
65 disclosure of the transferability of the obligations under any written contract for such installation
66 to any third party, future or present; and (vii) an explanation of any interest, installation fees,
67 document preparation fees, service fees, escalation rates, cancellation fees, roof repair costs, or
68 other costs to be paid by the consumer. The Board shall also amend its regulations to require that
69 such disclosure form be provided to consumers in the form of a cover sheet attached to any
70 written contract in a transaction involving residential rooftop solar installation.

71 4. That the State Corporation Commission shall convene a work group of relevant stakeholders to
72 develop recommendations for any additional consumer protections regarding the sale, lease, or
73 installation of a solar energy facility with a generating capacity of 25 kilowatts or less. The work
74 group shall include (i) consumer advocates, (ii) solar industry groups, (iii) environmental and
75 renewable energy advocates, (iv) representatives of incumbent electric utilities, (v) a representative
76 from the Office of the Attorney General, (vi) the Commissioner of the Department of Agriculture
77 and Consumer Services or his designee, (vii) the Director of the Department of Professional and
78 Occupational Regulation or his designee, and (viii) other stakeholders as deemed necessary by the
79 State Corporation Commission. The State Corporation Commission shall submit a written report
80 of the work group's recommendations to the Chairmen of the House Committees on Agriculture,
81 Chesapeake and Natural Resources and Labor and Commerce and the Senate Committees on
82 Agriculture, Conservation and Natural Resources and Commerce and Labor by November 30,
83 2024.

84 5. That the provisions of the first enactment of this act shall become effective on July 1, 2025.