

1 demolition of a structure, and the appurtenances thereto. "Contractor" includes, but is not limited
2 to, any person who purchases or owns property and constructs or for compensation arranges for
3 the construction of one or more structures.

4 (ii) A certificate of registration is necessary for each "business entity" regardless of the
5 fact that each entity may be owned by the same individual.

6 (4) "Dwelling unit" means a single unit providing complete independent living facilities
7 for one or more persons, including permanent provisions for living, sleeping, eating, cooking, and
8 sanitation.

9 (5) "Hearing officer" means a person designated by the executive director, ~~with the~~
10 ~~approval of the director of the department of administration~~ to hear contested claims or cases,
11 contested enforcement proceedings, and contested administrative fines, in accordance with the
12 Administrative Procedures Act, chapter 35 of title 42.

13 (6) "Staff" means the executive director for the contractors' registration [and licensing](#)
14 board, and any other staff necessary to carry out the powers, functions and duties of the board
15 including inspectors, hearing officers and other supportive staff.

16 (7) "State" means the state of Rhode Island.

17 (8) "Structure" means [\(i\) any commercial building; or \(ii\)](#) any building containing one or
18 more residences and their appurtenances. The board's dispute resolution process shall apply only
19 to residential structures containing dwelling units as defined in the state building code or
20 residential portions of other types of buildings without regard to how many units any structure
21 may contain. The board retains jurisdiction and may conduct hearings regarding violations
22 against all contractors required to be registered [or licensed by the board](#).

23 (9) "Substantially" means any violation, which affects the health, safety, and welfare of
24 the general public.

25 **5-65-3. Registration for work on a structure required of contractor -- Issuance of**
26 **building permits to unregistered or unlicensed contractors prohibited -- Evidence of**
27 **activity as a contractor -- Duties of contractors.** -- (a) A person shall not undertake, offer to
28 undertake, or submit a bid to do work as a contractor on a structure or arrange to have work done
29 unless that person has a current, valid certificate of registration for all construction work issued
30 by the board. A partnership, corporation, or joint venture may do the work, offer to undertake the
31 work, or submit a bid to do the work only if that partnership, corporation, or joint venture is
32 registered for the work. In the case of registration by a corporation or partnership, an individual
33 shall be designated to be responsible for the corporation's or partnership's work. The corporation
34 or partnership and its designee shall be jointly and severally liable for the payment of the

1 registration fee, as requested in this chapter, and for violations of any provisions of this chapter.
2 Disciplinary action taken on a registration held by a corporation, partnership, or sole proprietor
3 may affect other registrations held by the same corporation, partnership, or sole proprietorship,
4 and may preclude future registration by the principal of that business entity.

5 (b) A registered partnership or corporation shall notify the board in writing immediately
6 upon any change in partners or corporate officers.

7 (c) A city, town, or the state shall not issue a building permit to anyone required to be
8 registered under this chapter who does not have a current, valid certificate of registration
9 identification card or valid license which shall be presented at the time of issuance of a permit
10 and shall become a condition of a valid permit. Each city, town, or the state which requires the
11 issuance of a permit as a condition precedent to construction, alteration, improvement,
12 demolition, movement or repair of any building or structure or the appurtenance to the structure
13 shall also require that each applicant for the permit file as a condition to issuing the permit a
14 written affidavit subject to the penalties of perjury, subscribed by the applicant, that the applicant
15 is registered under the provisions of this chapter, giving the number of the registration and stating
16 that the registration is in full force and effect, or, if the applicant is exempt from the provisions of
17 this chapter, listing the basis for the exemption. The city, town, or the state shall list the
18 contractor's registration number on the permit obtained by that contractor, and if a homeowner is
19 issued a permit, the building inspector or official must ascertain registration numbers of each
20 contractor on the premises and shall inform the registration board of any non-registered
21 contractors performing work at the site.

22 (d) Every city and town which requires the issuance of a business license as a condition
23 precedent to engaging, within the city or town, in a business which is subject to regulation under
24 this chapter, shall require that each licensee and each applicant for issuance or renewal of the
25 license file, or has on file, with the city or town a signed statement that the licensee or applicant is
26 registered under the provisions of this chapter and stating that the registration is in full force and
27 effect.

28 (e) It shall be prima facie evidence of doing business as a contractor when a person for
29 that person's own use performs, employs others to perform, or for compensation and with the
30 intent to sell the structure, arranges to have performed any work described in section 5-65-1(3) if
31 within any one twelve (12) month period that person offers for sale one or more structures on
32 which that work was performed.

33 (f) Registration under this chapter shall be prima facie evidence that the registrant
34 conducts a separate, independent business.

1 (g) The provisions of this chapter shall be exclusive and no city or town shall require or
2 shall issue any registrations or licenses nor charges any fee for the regulatory registration of any
3 contractor registered with the board. Nothing in this subsection shall limit or abridge the authority
4 of any city or town to license and levy and collect a general and nondiscriminatory license fee
5 levied upon all businesses, or to levy a tax based upon business conducted by any firm within the
6 city or town's jurisdiction, if permitted under the laws of the state.

7 (h) (1) Every contractor shall maintain a list which shall include the following
8 information about all subcontractors or other contractors performing work on a structure for that
9 contractor:

10 (i) Names and addresses.

11 (ii) Registration numbers or other license numbers.

12 ~~(iii) Contracts entered into must contain notice of right of rescission as stipulated in all~~
13 ~~pertinent Rhode Island consumer protection laws.~~

14 ~~(iv) The contractor must stipulate whether or not all the proper insurances are in effect~~
15 ~~for each job contracted.~~

16 ~~(v)~~ (2) The list referred to in subdivision (h)(1) of this subsection shall be delivered to
17 the board within twenty-four (24) hours after a request is made during reasonable working hours,
18 or a fine of twenty-five dollars (\$25.00) may be imposed for each the offense.

19 (i) The following subcontractors who are not employees of a registered contractor must
20 obtain a registration certificate prior to conducting any work: (1) carpenters, including finish
21 carpenters and framers; (2) siding installers; (3) roofers; (4) foundation installers, including
22 concrete installers and form installers; (5) drywall installers; (6) plasterers; (7) insulation
23 installers; (8) ceramic tile installers; (9) floor covering installers; (10) swimming pool installers,
24 both above ground and in ground; (11) masons, including chimney installers, fireplace installers,
25 and general masonry erectors. This list is not all inclusive and shall not be limited to the above
26 referenced contractors. No subcontractor licensed by another in-state agency pursuant to section
27 5-65-2 shall be required to register, provided that said work is performed under the purview of
28 that license.

29 (j) A contractor including, but not limited to, a general contractor, shall not hire any
30 subcontractor or other contractor to work on a structure unless the contractor is registered under
31 this chapter or exempt from registration under the provisions of section 5-65-2.

32 (k) A summary of this chapter, prepared by the board and provided at cost to all
33 registered contractors, shall be delivered by the contractor to the owner when the contractor
34 begins work on a structure; failure to comply may result in a fine.

1 (l) The registration number of each contractor shall appear in any advertising by that
2 contractor. Advertising in any form by an unregistered contractor shall be prohibited, including
3 alphabetical or classified directory listings, vehicles, business cards, and all other forms of
4 advertisements. The violations could result in a penalty being assessed by the board per
5 administrative procedures established.

6 (i) The board may publish, revoke or suspend registrations and the date the registration
7 was suspended or revoked on a quarterly basis.

8 (ii) Use of the word "license" in any form of advertising when only registered may
9 subject the registrant or those required to be registered to a fine of one hundred dollars (\$100) for
10 each offense at the discretion of the board. ~~Provided, however, that fines issued for a violation of~~
11 ~~this subsection shall only be issued as a secondary offense actionable only in connection with a~~
12 ~~final order issued by the board for violations of other sections of this chapter.~~

13 (m) The contractor must see that permits required by the state building code are secured
14 on behalf of the owner prior to commencing the work involved. The contractor's registration
15 number must be affixed to the permit as required by the state building code.

16 (n) The board may assess an interest penalty when claims have been filed with the board
17 at twelve percent (12%) annually.

18 (o) ~~Effective October 1, 2006, all~~ All work performed, including labor and materials, in
19 excess of one thousand dollars (\$1,000) shall be accompanied by a contract in writing. Contracts
20 required pursuant to this subsection shall include a location on or near the signature line location
21 on or in which the parties to the contract shall initial to evidence the receipt of certain consumer
22 education materials or information approved and provided by the board to the contractor. Said
23 educational materials and/or information shall include, but not be limited to, the following notice
24 and shall be provided by the contractor to the homeowner:

25 NOTICE OF POSSIBLE MECHANIC'S LIEN

26 To: Insert name of owner, lessee or tenant, or owner of less than the simple fee. The
27 undersigned is about to perform work and/or furnish materials for the construction, erection,
28 alterations or repair upon the land at (INSERT ADDRESS) under contract with you. This is a
29 notice that the undersigned and any other persons who provide labor and materials for the
30 improvement under contract with the undersigned may file a mechanic's lien upon the land in the
31 event of nonpayment to them. It is your responsibility to assure yourself that those other persons
32 under contract with the undersigned receive payment for their work performed and materials
33 furnished for the construction, erection, alteration or repair upon the land. ~~Failure to adhere to the~~
34 ~~provisions of this subsection may result in a one thousand dollars (\$1,000) fine against the~~

1 ~~contractor.~~ Failure to adhere to the provisions of this subsection may result in a one thousand
2 dollar (\$1,000) fine against the contractor and shall not affect the right of any other person
3 performing work or furnishing materials of claiming a lien pursuant to Chapter 34-28. However,
4 such person failing to provide such notice shall indemnify and hold harmless any owner, lessee or
5 tenant, or owner of less than the fee simple from any payment or costs incurred on account of any
6 liens claims by those not in privity with them, unless such owner, lessee or tenant, or owner of
7 less than the fee simple shall not have paid such person.

8 (p) Contracts entered into must contain notice of right of rescission as stipulated in all
9 pertinent Rhode Island consumer protection laws.

10 (q) The contractor must stipulate whether or not all the proper insurances are in effect for
11 each job contracted.

12 (r) Contractors who are in compliance with the provisions of this subsection shall be
13 exempt from the requirements of section 34-28-4.1.

14 **5-65-5. Registered application.** -- (a) A person who wishes to register as a contractor
15 shall submit an application, under oath, upon a form prescribed by the board. The application
16 shall include:

17 (1) Workers' compensation insurance account number, or company name if a number has
18 not yet been obtained, if applicable;

19 (2) Unemployment insurance account number if applicable;

20 (3) State withholding tax account number if applicable;

21 (4) Federal employer identification number, if applicable, or if self-employed and
22 participating in a retirement plan;

23 (5) The individual(s) name and business address and residential address of:

24 (i) Each partner or venturer, if the applicant is a partnership or joint venture;

25 (ii) The owner, if the applicant is an individual proprietorship;

26 (iii) The corporation officers and a copy of corporate papers filed with the Rhode Island
27 secretary of state's office, if the applicant is a corporation;

28 (iv) Post office boxes are not acceptable as the only address.

29 (6) A signed affidavit subject to the penalties of perjury of whether or not the applicant
30 has previously applied for registration, or is or was an officer, partner, or venturer of an applicant
31 who previously applied for registration and if so, the name of the corporation, partnership, or
32 venture.

33 (7) Valid insurance certificate for the type of work being performed.

34 (b) A person may be prohibited from registering or renewing registration as a contractor

1 under the provisions of this chapter or his or her registration may be revoked or suspended if he
2 or she has any unsatisfied or outstanding judgments from arbitration, bankruptcy, courts and/or
3 administrative agency against him or her relating to their work as a contractor, and provided,
4 further, that an affidavit subject to the penalties of perjury shall be provided to the board attesting
5 to the information herein.

6 (c) Falsified information on, or failure to provide any document required by this chapter
7 is punishable by a fine not to exceed ten thousand dollars (\$10,000).

8 (d) Applicant must be at least eighteen (18) years of age.

9 (e) Satisfactory proof shall be provided to the board evidencing the completion of five (5)
10 hours of continuing education units which will be required to be maintained by residential
11 contractors as a condition of registration as determined by the board pursuant to established
12 regulations.

13 (f) An affidavit issued by the board shall be completed upon registration or renewal to
14 assure contractors are aware of certain provisions of this law and shall be signed by the registrant
15 before a registration can be issued or renewed.

16 **5-65-8. Term of registration -- Renewal -- Registration identification card. --** (a) A
17 certificate of registration shall be valid for two (2) years from the date of issuance unless the
18 registration is revoked or suspended as described in section 5-65-10. It may be renewed by the
19 same procedure provided for an original registration upon application and furnishing of any
20 additional supplemental information that the board may require by rule.

21 (b) The board shall issue a pocket-card certificate of registration to a contractor
22 registered under this chapter: including a picture of the registrant as prescribed by the board in the
23 rules and regulations. The Rhode Island department of administration, division of motor vehicles
24 shall, upon the board's request, provide electronic copies of the digital photos of any registrant
25 under this chapter on record to be incorporated into the contractors' registration data bank to
26 match the drivers licenses or IDs provided by registrants or applicants unless the applicant
27 provides written notification to the board to the contrary.

28 (c) The board may vary the dates of registration renewal by giving to the registrant
29 written notice of the renewal date assigned and by making appropriate adjustments in the renewal
30 fee.

31 (d) The presentation of the registration or license identification card shall be mandatory
32 at the time of permit application.

33 (e) If a registrant files in bankruptcy court, the board must be notified in writing by the
34 registrant and kept informed of the status of the case until dismissed, discharged or resolved in

1 court.

2 **5-65-9. Registration fee.** -- (a) Each applicant shall pay to the board:

3 (1) For original registration or renewal of registration, a fee of ~~one hundred twenty~~
4 ~~dollars (\$120).~~ two hundred dollars (\$200).

5 (2) A fee for all changes in the registration, as prescribed by the board, other than those
6 due to clerical errors.

7 (b) All fees and fines collected by the board shall be deposited as general revenues to
8 support the activities set forth in this chapter until June 30, 2008. Beginning July 1, 2008, all fees
9 and fines collected by the board shall be deposited into a restricted receipt account for the
10 exclusive use of supporting programs established by this chapter.

11 (c) Each year, the executive director shall prepare a proposed budget to support the
12 programs approved by the board. The proposed budget shall be submitted to the board for its
13 review. A final budget request shall be submitted to the legislature as part of the capital projects
14 and property management annual request.

15 (d) New or renewal registrations may be filed online or with a third-party approved by
16 the board, with the additional cost incurred to be borne by the registrant.

17 **5-65-10. Grounds for discipline -- Injunctions.** -- (a) The board or commission may
18 revoke, suspend, or refuse to issue, reinstate, or reissue a certificate of registration if the board or
19 commission determines after notice and opportunity for a hearing:

20 (1) That the registrant or applicant has violated section 5-65-3.

21 (2) That the insurance required by section 5-65-7 is not currently in effect.

22 (3) That the registrant, licensee or applicant has engaged in conduct as a contractor that
23 is dishonest or fraudulent that the board finds injurious to the welfare of the public.

24 (4) Has violated a rule or order of the board.

25 (5) That the registrant has knowingly assisted an unregistered person to act in violation
26 of this chapter.

27 (6) That a lien was filed on a structure under chapter 28 of title 34 because the registrant
28 or applicant wrongfully failed to perform a contractual duty to pay money to the person claiming
29 the lien.

30 (7) That the registrant has substantially violated state or local building codes.

31 (8) That the registrant has made false or fraudulent statements on his or her application.

32 (9) That a registrant has engaged in repeated acts in violation of this chapter and the
33 board's rules and regulations inclusive of substandard workmanship and any misuse of
34 registration.

1 (10) The board may take disciplinary action against a contractor who performed work or
2 arranged to perform, while the registration was suspended, invalidated or revoked. Deposits
3 received by a contractor and ordered returned are not considered a monetary award when no
4 services or supplies have been received.

5 (11) That the registrant breached a contract.

6 (12) That the registrant performed negligent and/or improper work.

7 (13) That the registrant has advertised with a license number instead of using a
8 registration number.

9 (14) That the registrant has failed to complete a project(s) for construction or a willful
10 failure to comply with the terms of a contract or written warranty.

11 (15) That the registrant has misrepresented his registration status as valid when said
12 registration is suspended, revoked, invalidated, inactive or unregistered as required by the board.

13 (16) That the registrant has failed to pay a fine or respond to any order issued by the
14 board.

15 (17) That the registrant has failed to obtain or maintain the required continuing education/
16 units required by the board, or failed to sign the affidavit required by the board for registration or
17 renewal.

18 (18) When a violation for hiring a non-registered contractor, working as a non-registered
19 contractor, or not maintaining the insurance required is issued, the registration may become
20 invalidated until the violation is resolved or hearing is requested on this offense.

21 (b) In addition to all other remedies, when it appears to the board that a person has
22 engaged in, or is engaging in, any act, practice or transaction which violates the provisions of this
23 chapter, the board may direct the attorney general to apply to the court for an injunction
24 restraining the person from violating the provisions of this chapter. An injunction shall not be
25 issued for failure to maintain the list provided for in section 5-65-3(h) unless the court determines
26 that the failure is intentional.

27 (c) (1) The board at its discretion may, after a hearing, impose a fine up to but not to
28 exceed the face value of the contract or the actual damages caused by the contractor, whichever
29 shall be greater. Where the claim is for actual damages the board shall require proof satisfactory
30 to the board indicating said damages. Where corrective work is completed as ordered by the
31 board, the fine assessed may be reduced as determined by the board. Fines and decisions on
32 claims or violations can be imposed against registered as well as contractors required to be
33 registered by the board.

34 (2) For each subsequent violation of a particular subsection of this chapter or of a rule or

1 regulation promulgated by the board, a fine not to exceed ten thousand dollars (\$10,000) may be
2 imposed after a hearing by the board. All fines collected by the board shall be deposited as
3 general revenues until June 30, 2008 to be used to enforce the provisions of this chapter.
4 Beginning July 1, 2008, all fines collected by the board shall be deposited into a restricted receipt
5 account to be used to enforce the provisions of this chapter.

6 (3) For the first violation of section 5-65-3, only for non-registered contractors, a fine of
7 up to five thousand dollars (\$5,000) for a first offense and up to ten thousand dollars (\$10,000)
8 for each subsequent offense shall be imposed.

9 (d) The hearing officer, upon rendering a conclusion may require the registrant, in lieu of
10 a fine, to attend continuing education courses as appropriate. Failure to adhere to the requirement
11 could result in immediate revocation of registration.

12 (e) The expiration of a registration by operation of law or by order or decision of the
13 board or a court, or the voluntary surrender of registration by the registrant, does not deprive the
14 board of jurisdiction, an action or disciplinary proceeding against the registrant or to render a
15 decision suspending or revoking a registration.

16 (f) In emergency situations, when a registrant is acting to the detriment of the health,
17 welfare and safety of the general public, the board's executive director may revoke or suspend a
18 registration without a hearing for just cause for a period of thirty (30) days.

19 (g) A registrant may petition the board to partially or completely expunge his or her
20 record.

21 (h) Any person or contractor, registered or not, who uses another contractor's
22 registration, contractor's registration identification card, or allows another person to use their
23 contractor's registration fraudulently in any way, will be subject to a fine not exceeding ten
24 thousand dollars (\$10,000).

25 (i) When the use of fraudulent advertising entices an individual to hire an unregistered
26 contractor, a fine of up to ten thousand dollars (\$10,000) may be imposed by the board.

27 (j) It shall be unlawful to retain a social security number or copy of the driver's license
28 from a registrant by a building official as a condition of obtaining a permit.

29 (k) The board is further authorized upon certain findings or violations to:

30 (1) Put a lien on property held by a contractor.

31 (2) Take action on registrant when the continuing education requirements have failed to
32 be attained as required in rules and regulations.

33 (3) When upon investigation a complaint reveals: serious code infractions; unsatisfied
34 mechanic's liens; abandonment of a job for a substantial period of time without apparent cause; or

1 any other conduct detrimental to the public, the board can double the fines.

2 (4) Suspend, revoke or refuse to issue, reinstate or reissue a certificate of registration to
3 any registrant who has contracted, advertised, offered to contract or submitted a bid when the
4 contractor's registration is suspended, revoked, invalidated or inactive or unregistered as required
5 by the board.

6 **5-65-14. Builder board -- Member -- Terms -- Confirmation -- Vacancies --**

7 **Qualification.** -- (a) The board shall consist of ~~thirteen (13)~~ fifteen (15) members appointed by
8 the governor, eight (8) of whom shall be registered contractors, of which two (2) shall be licensed
9 roofers; one shall be a current member of the building codes standards committee pursuant to
10 section 23-27.3-100.1.4; one shall be a representative of the general public; one shall be a
11 licensed and practicing architect; two (2) shall be licensed home inspectors. The building code
12 standards committee member shall be designated by the state building commissioner, and shall be
13 appointed as provided in subsection (b) of this section; one who shall be the president of the
14 Rhode Island Builders Association or designee; and one who shall be the executive director of the
15 Rhode Island Association of General Contractors or designee. ~~This board shall report to the state~~
16 ~~building commissioners department.~~

17 (b) Except for the commissioner's designee the governor shall appoint seven (7)
18 members for a term of three (3) years and five (5) members for a term of two (2) years. The
19 governor shall appoint the member designated by the state building commissioner for a term of
20 two (2) years. Each member reappointed by the governor shall serve for the term of his or her
21 original appointment. Before the expiration of the term of a member, the governor shall appoint a
22 successor. A member is eligible for reappointment. If there is a vacancy for any cause, the
23 governor shall make an appointment immediately effective for the unexpired term. At the
24 expiration of their terms, members shall remain and shall continue in their official capacity until a
25 new member is appointed and confirmed.

26 (c) In order to be eligible for board membership, the six (6) contractor members of the
27 board must be registered and/or licensed under this chapter and maintain their registrations and/or
28 licenses in good standing during their term of office. In order to be eligible for board
29 membership, the two (2) home inspector members shall be licensed pursuant to chapter 65.1 of
30 this title and shall maintain their license in good order during their terms of office.

31 **5-65-24. Limited applicability of chapter to non-residential contractors.** -- (a)

32 Notwithstanding anything set forth in this chapter to the contrary, the provisions of the following
33 sections of this chapter shall not apply to any contractor who does not regularly in the course of
34 his or her or its business as a contractor engage in construction activities as contemplated under

1 this chapter on residential structures:

- 2 [\(1\) section 5-65-3\(p\);](#)
- 3 ~~(1)~~ [\(2\) section 5-65-3\(k\);](#)
- 4 ~~(2)~~ [\(3\) section 5-65-4;](#)
- 5 ~~(3)~~ [\(4\) section 5-65-11;](#)
- 6 ~~(4)~~ [\(5\) section 5-65-12; and](#)
- 7 ~~(5)~~ [\(6\) section 5-65-18; and](#)
- 8 [\(7\) Subsection 5-65-5\(e\).](#)

9 [\(b\)](#) Notwithstanding anything set forth in this chapter to the contrary, the provisions of
10 the following sections of this chapter shall have only the limited applicability set forth below
11 respecting any contractor who does not regularly in the course of his or her or its business as a
12 contractor engage in construction activities as contemplated under this chapter on residential
13 structures:

14 (1) the provisions of section 5-65-3(a) concerning the joint and several liability of
15 applicable corporations or partnerships and their respective designees for the payment of the
16 registration fee as requested in this chapter and for violations of any provisions of this chapter
17 shall apply; and

18 (2) the provisions of section 5-65-10(a)(4) concerning violation of a rule or order of the
19 board shall only apply to the extent that any such rule or order does not relate to or is not derived
20 from one of the inapplicable provisions referenced in this section.

21 **5-65-25. Violations -- Notice.** -- The board shall provide, by way of the contractors'
22 registration [and licensing board](#) website, by request, or by any other means approved by the
23 board, a posting of all final orders issued by the board, all proposed orders of the board, and any
24 and all hearing notices issued by the board. Provided, however, that all claims adjudicated in
25 favor of the contractor shall be removed from the website or publications as soon as practicable.

26 [Provided however, this shall not prevent the board from expunging a contractor's record](#)
27 [pursuant to established rules and regulations.](#)

28 **5-65-26. Notice of final order -- Service of process -- Restitution for homeowner**
29 **contributions.** -- The board is hereby authorized to assess against any contractor a monetary ~~fine~~
30 [award to the claimant](#) up to but not to exceed one thousand dollars (\$1,000) for the costs of
31 service of process for any final orders of the board when the funds for said service of process
32 were provided by an aggrieved party under this chapter. The aggrieved party's claim shall be
33 limited to the actual cost of the service of process or one thousand dollars (\$1,000), whichever is
34 less. The board shall require proof of costs from the aggrieved party evidencing said expense for

1 the service of process.

2 SECTION 3. Sections 5-65.1-2, 5-65.1-4, 5-65.1-9, 5-65.1-10, 5-65.1-11, 5-65.1-13 and
3 5-65.1-14 of the General Laws in Chapter 5-65.1 entitled "Home Inspectors" are hereby amended
4 to read as follows:

5 **5-65.1-2. Definitions.** -- When used in this chapter:

6 (1) "Associate home inspector" means a person who is employed by a licensed home
7 inspector to conduct a home inspection of a residential building on behalf of a client for a fee
8 under the direct supervision of the licensed home inspector and is licensed pursuant to the
9 provisions of this chapter.

10 (2) "Board" means the contractors' registration board.

11 (3) "Client" means any person who engages, or seeks to engage, the services of a home
12 inspector for the purpose of obtaining an inspection of, and written report upon, the condition of a
13 residential building.

14 (4) "Home inspector" means any person licensed as a home inspector to conduct a home
15 inspection of a residential building on behalf of a client for a fee pursuant to the provisions of this
16 chapter.

17 (5) "Home inspection" means an inspection and a written evaluation of the following
18 readily visible and accessible components of a residential building: heating, cooling, plumbing,
19 and electrical systems, structural components, foundation, roof, masonry structure, exterior and
20 interior components and any other related residential housing components, unless the scope of the
21 inspection is otherwise clearly limited, in writing, in the inspection report. Unless otherwise
22 expressly agreed to, in writing, a home inspection shall be based solely on observation of the
23 readily visible and apparent condition of the foregoing components of a residential building as
24 they exist on the date of the inspection, and it is not the purpose of the inspection to identify
25 violations of or noncompliance with governmental codes or regulation. A home inspection shall,
26 at a minimum, conform to any standards of practice promulgated by the board.

27 (6) "Public body" or "agency" means any executive, legislative, judicial, regulatory or
28 administrative body of the state or any political subdivision thereof; including, but not limited to,
29 public officials elected or appointed and any department, division, agency, commission, board,
30 office, bureau, authority, any school, fire, or water district, or other agency or quasi-public agency
31 of state or local government which exercises governmental functions.

32 (7) "Residential building" means a structure consisting of one ~~to four (4) family dwelling~~
33 ~~units that has been occupied as a dwelling prior to the time when a home inspection is requested~~
34 ~~or contracted for in accordance with this chapter, but shall not include any structure newly~~

1 ~~constructed and not previously occupied.~~ or more residences and their appurtenances.

2 **5-65.1-4. Eligibility for licensure as home inspector.** -- (a) To be eligible for licensure
3 as a home inspector, an applicant shall fulfill the following requirements:

4 (1) Be of good moral character;

5 (2) Have successfully completed high school or its equivalent;

6 (3) Have been engaged as a licensed associate home inspector for no less than one year,
7 and have performed not less than one hundred (100) home inspections for compensation, or have
8 been a registered/licensed contractor in good standing in any state for an aggregate of not less
9 than five (5) years; and

10 (4) Have passed an examination approved or administered by the board. The
11 examination may have been passed before the effective date of this chapter. ~~July 1, 2001.~~

12 (b) ~~For the first three hundred and sixty five (365) days after July 1, 2001,~~ After the
13 effective date of this chapter the board shall issue a license to any person upon application,
14 provided that the applicant meets:

15 (1) The requirements of subdivisions (a)(1), (2) and (4) of this section, and either:

16 (i) Has been engaged in the practice of home inspections for compensation for not less
17 than one year prior to ~~July 1, 2003,~~ the effective date of this chapter and has performed not less
18 than one hundred (100) home inspections for compensation prior to ~~July, 2003;~~ the effective date
19 of this chapter; or

20 (ii) Is a registered/licensed contractor in good standing in any state for an aggregate of
21 not less than five (5) years; or

22 (2) The requirements of subdivisions (a)(1) and (2) of this section, and has been engaged
23 in the practice of home inspections for compensation for not less than two (2) years and
24 performed not less than one hundred fifty (150) home inspections for compensation prior to July
25 1, ~~2003.~~ 2006.

26 **5-65.1-9. Fees.** -- (a) The board is empowered and directed to establish a fee schedule for
27 the application, continuing education, examination and re-examination of applicants for licensing;
28 provided, that the fee for home inspector and associate home inspector licenses, and all
29 subsequent renewals shall be two hundred dollars (\$200). All licenses issued by the board shall be
30 valid for two (2) years.

31 (b) Any fees established, prescribed, or changed by the board shall be to the extent
32 necessary to defray all proper expenses incurred by the board and any staff employed to
33 administer this chapter, except that fees shall not be fixed at a level that will raise revenues in
34 excess of the amount estimated to be so required.

1 (c) All fees and fines collected by the board shall be deposited as general revenues until
2 June 30, 2008 and shall be allocated to provide sufficient resources to properly administer this
3 program. Beginning July 1, 2008, all fees and fines collected by the board shall be deposited into
4 a restricted receipt account and shall be allocated to provide sufficient resources to properly
5 administer this program.

6 **5-65.1-10. Insurance requirements.** -- (a) Every licensed home inspector and associate
7 home inspector shall secure, maintain, and file with the board a certificate of insurance for an
8 errors and omissions policy and a certificate of insurance for a general liability policy; both shall
9 be for a minimum amount of ~~two hundred and fifty thousand dollars (\$250,000) per occurrence,~~
10 ~~and~~ five hundred thousand dollars (\$500,000) in the aggregate. These certificates must be valid
11 from the date a license is issued until the license expires. This proof shall be deemed satisfactory
12 if the policy is carried by the corporation, partnership or franchise for which the home inspector is
13 a contracted employee and the home inspector or associate home inspector is specifically covered
14 by such policy.

15 (b) Every proof of an errors and omissions or general liability policy required to be filed
16 with the board shall not be effective unless it provides that the insurance may not be canceled
17 until at least ten (10) days notice of intention to cancel or to not renew has been received in
18 writing by the board.

19 (c) Failure of the licensee or corporation or partnership to maintain this insurance will
20 result in the immediate loss of his or her license.

21 **5-65.1-11. Grounds for discipline -- Injunctions.** -- (a) After a hearing in accordance
22 with the administrative regulations promulgated by the board, the board may revoke, suspend, or
23 refuse to issue, reinstate, or reissue a license if the board determines that a licensee or applicant
24 has:

25 (1) Disclosed any information concerning the results of the home inspection without the
26 approval of a client or the client's representatives;

27 (2) Accepted compensation from more than one interested party for the same service
28 without the consent of all interested parties;

29 (3) Accepted commissions or allowances, directly or indirectly, from other parties
30 dealing with their client in connection with the inspection for which the licensee is responsible;

31 (4) Failed to promptly disclose to a client information about any business interest of the
32 licensee which may affect the client in connection with the home inspection;

33 (5) Obtained a license or authorization to sit for an examination, as the case may be,
34 through fraud, deception, or misrepresentation;

1 (6) Engaged in the use or employment of dishonesty, fraud, deception,
2 misrepresentation, false promise, or false pretense;

3 (7) Engaged in gross negligence, gross malpractice, or gross incompetence;

4 (8) Engaged in repeated acts of negligence, malpractice, or incompetence;

5 (9) Engaged in professional or occupational misconduct as may be determined by the
6 board;

7 (10) Been convicted of any crime involving moral turpitude or any crime relating
8 adversely to the activity regulated by the board. For the purpose of this subsection a plea of
9 guilty, or nolo contendere shall be deemed a conviction;

10 (11) Had his or her authority to engage in the activity regulated by the board revoked or
11 suspended by any other state, agency or authority for reasons consistent with this section;

12 (12) Attempted to limit liability for negligent or wrongful errors or omissions by use of a
13 clause within a performance contract that limits the damages for negligent or wrongful errors or
14 omissions;

15 (13) Failed to provide a written report of the completed home inspection;

16 (14) Violated or failed to comply with any order of the board or provisions of this
17 chapter or any rule or regulation promulgated and administered by the board pursuant to this
18 chapter;

19 (15) Become incapable, for medical or any other material reason, of discharging the
20 functions of a licensee in a manner consistent with the public's health, safety, and welfare;

21 (16) Failed to obtain or maintain the insurance required by section 5-65.1-10;

22 (17) Knowingly assisted an unlicensed person to act in violation of this chapter; or

23 (18) Failed to comply with the provisions of section 5-20.8-8.

24 (b) In addition to all other remedies, when it appears to the board that a person has
25 engaged in, or is engaging in, any act, practice or transaction which violates the provisions of this
26 chapter, the board may direct the attorney general to apply to the court for an injunction
27 restraining the person from violating the provisions of this chapter.

28 (c) (1) The board may, after a hearing, impose a fine in an amount not to exceed ~~five~~
29 ~~hundred dollars (\$500)~~ five thousand dollars (\$5,000) for the first violation of this chapter, or any
30 rules or regulations promulgated by the board.

31 (2) For each second violation of a particular subsection of this chapter or of a rule or
32 regulation promulgated by the board, a fine not to exceed ~~one thousand dollars (\$1,000)~~ ten
33 thousand dollars (\$10,000) may be imposed after a hearing by the board.

34 (d) The board, may, in lieu of a fine or other sanction, order a licensee to attend

1 continuing education courses as appropriate. Failure to adhere to the requirement could result in
2 immediate revocation of a license.

3 **5-65.1-13. Violations -- Penalties.** -- (a) Any person who violates a final order of the
4 board is deemed guilty of a misdemeanor and, upon conviction, may be imprisoned for a term not
5 exceeding one year, or fined not more than one thousand dollars (\$1,000) for each offense.

6 (b) In addition to any sentence or fine imposed by the court under subsection (a) of this
7 section, the court may order a defendant to comply with any outstanding fine or fines previously
8 imposed by the board pursuant to this chapter. A final order of the board may also be enforced in
9 a civil contempt proceeding brought upon complaint in the district court.

10 **5-65.1-14. Home inspector appointments to the board.** -- Notwithstanding any
11 provisions in section 5-65-14 to the contrary, for a period of one year after ~~July 1, 2001, the~~
12 effective date of this chapter the initial two (2) home inspectors appointed to the board shall not
13 be required, at the time of their initial appointment, to be licensed under the provisions of this
14 chapter, provided the appointed home inspectors have been engaged as home inspectors in this
15 state for not less than five (5) years immediately preceding their appointment, and have
16 performed not less than one thousand (1000) home inspections for compensation. Subsequent
17 appointees to the board shall be licensed pursuant to this chapter and shall possess the foregoing
18 minimum qualifications.

19 SECTION 4. Sections 5-73-1, 5-73-3 and 5-73-4 of the General Laws in Chapter 5-73
20 entitled "Roofing Contractors" are hereby amended to read as follows:

21 **5-73-1. Definitions.** -- As used in this chapter, the following terms have the following
22 meanings:

23 (1) "Board" means the contractors registration and licensing board as defined in section
24 5-65-1.

25 (2) "Nonresidential structure" means and includes any and all commercial or industrial
26 structures or buildings, and shall not include any residential structures consisting of four (4)
27 dwelling units or less ~~as the terms are defined in 5-65-1(4) and (6).~~

28 (3) "Roofing" means and includes any and all construction, renovation or other work
29 performed on or about the roof, as the term is commonly used, of any nonresidential structure or
30 similar building and shall specifically include sealing, water proofing, weatherproofing, related
31 sheet metal work, and similar work.

32 (4) "Roofing contractor" means any person or entity engaged in the state of Rhode Island
33 in the business of commercial or industrial roofing, or any combination of these.

34 (5) "Shingles" mean wood or other materials, excluding slate, used in courses to cover

1 roofs.

2 **5-73-3. Registration and licensing of roofing contractors.** -- (a) All roofing
3 contractors, in addition to the requirements of chapter 65 of this title entitled "Contractor's
4 Registration and Licensing Board", if applicable, prior to conducting roofing business in the state
5 of Rhode Island, shall first submit an application to and be licensed by the contractor registration
6 [and licensing](#) board on the form or forms that the board requires. The application shall include the
7 following information:

- 8 (1) The name of the applicant;
- 9 (2) The business address of the applicant;
- 10 (3) The mailing address of the applicant;
- 11 (4) The telephone number of the applicant;
- 12 (5) The name of the party or officer who shall be responsible for all roofing activities
13 conducted in the state of Rhode Island;
- 14 (6) Any registration number and/or other license numbers issued by the state, or any city
15 or town; and
- 16 (7) A statement of the skills, training and experience of the applicant sufficient to ensure
17 public safety, health and welfare.

18 (b) Licensing requirements shall not apply to roofing contractors applying shingles only.

19 (c) To be eligible for licensure as a roofing contractor an applicant shall also fulfill the
20 following requirements:

- 21 (1) Be of good moral character;
- 22 (2) Pass an examination approved or administered by the contractors' registration board
23 or has previously been registered as a commercial roofer in good standing and has met all the
24 requirements of the rules and regulations established by the board;
- 25 (3) Be in good standing with the contractors' registration [and licensing](#) board;
- 26 (4) All field personnel of the roofing contractor must have a current certificate of
27 completion of the ten (10) hours OSHA safety course or equivalent thereof as determined by the
28 contractors' registration [and licensing](#) board;
- 29 (5) Take ten (10) hours continuing roofing education per year as set forth and recognized
30 by the contractors' registration board;
- 31 (6) Be bonded in the aggregate amount of the total dollar value of any contract entered
32 into to perform roofing work; single project in the amount of one hundred thousand dollars
33 (\$100,000) minimum; and
- 34 (7) Provide the board with an insurance certificate in the amount of one million five

1 hundred thousand dollars (\$1,500,000) per occurrence pursuant to the established rules and
2 regulations, with the board as the holder, from the date of issuance, continuously.

3 (d) (1) The contractors' registration [and licensing](#) board is authorized to adopt rules and
4 regulations pursuant to the Administrative Procedures Act, chapter 35 of title 42, necessary to
5 effectuate the purposes of this chapter.

6 (2) Rules and regulations shall provide a fine schedule, which will establish grounds for
7 discipline for licensee holders or non-licensed contractors.

8 (3) Fines shall be structured not to exceed five thousand dollars (\$5,000) per day per
9 offense for conduct injurious to the welfare of the public as well as those required pursuant to
10 section 5-65-10.

11 (e) Any person applying for a license or registration and making any material
12 misstatement as to his or her experience or other qualifications, or any person, firm, or
13 corporation subscribing to or vouching for any misstatement shall be subject to the discipline and
14 penalties provided in section 5-65-10.

15 (f) No corporation, firm, association, or partnership shall engage in the business of
16 commercial roofing or represent itself as a commercial roofing contractor unless a licensed
17 commercial roofer as provided in this chapter is continuously engaged in the supervision of its
18 commercial roofing work, provided that the commercial roofer is a general partner or an officer
19 and shareholder in the firm or corporation. If the license holder dies or otherwise becomes
20 incapacitated, the corporation, firm, or association shall be allowed to continue to operate until
21 the next examination shall be given or such times as the board shall see fit. In no event, shall the
22 corporation, firm, association, or partnership continue to operate longer than twelve (12) months
23 or in accordance with the board's established rules and regulations without satisfying the license
24 requirements of this chapter. Those roofers who have been registered with the board on July 1,
25 2003, and remain in good standing, shall be exempt from the testing requirements set forth in this
26 chapter.

27 (g) Complaints filed with the board shall be heard only in regard to those issues so
28 established in the rules and regulations.

29 **5-73-4. Registration fee.** – All roofing contractors shall submit a payment in the amount
30 of four hundred dollars (\$400), which shall support the licensing program, representing a license
31 fee along with the application referenced in section 5-73-3, and be required to comply with the
32 provisions of chapter 65 of this title and those provisions shall be interpreted to include
33 commercial roofers as defined in this chapter. [Beginning July 1, 2008, all fines and fees collected](#)
34 [pursuant to this chapter shall be deposited into a restricted receipt account for the exclusive use of](#)

1 [supporting programs established by the board.](#)

2 SECTION 5. Sections 1 and 2 of this act shall take effect upon passage. Sections 3 and 4
3 shall take effect upon rules and regulations being filed by the board with the secretary of state.

=====
LC03275/SUB A/3
=====

EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO BUSINESSES AND PROFESSIONS - CONTRACTORS REGISTRATION

- 1 This act would amend various sections of law relative to contractors.
- 2 Sections 1 and 2 of this act would take effect upon passage. Sections 3 and 4 would take
- 3 effect upon rules and regulations being filed by the board with the secretary of state.

=====
LC03275/SUB A/3
=====