AGENDA ITEM or FINAL CONTRACT REVIEW SUBMITTAL FORM

Agenda Item: Proposed Building Contractor License Program

Action Requested: Discussion

Parties to the Agreement:

Term Begins: **Term Ends:** **Grant Contract #:**

Summary:

The purpose of this item is to introduce a proposed contractor licensing program

Fiscal Impact:

Submitted by: Crystal Lambert **Submitter's Email Address:** crystalroselambert@gunnisoncounty.org

Finance Review: (●) Required ( ) Not Required

Comments:
Reviewed, no concerns -KW (For Linda Nienhueser)

Reviewed by: GUNCOUNTY1\kweak Discharge Date: 3/6/2020

County Attorney Review: (●) Required ( ) Not Required

Comments:
ok db 3/6/20

Reveiwed by: GUNCOUNTY1\dBaumgarten Discharge Date: 3/6/2020 Certificate of Insurance Required

Yes ( ) No (●)

County Manager Review:

Comments:

Reveiwed by: GUNCOUNTY1\mbirnie Discharge Date: 3/6/2020

( ) Consent Agenda ( ) Regular Agenda ( ) Worksession Time Allotted: 30

Agenda Date: 3/10/2020

Revised April 2015

Gunnison County Community Development Department

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March 10, 2020

TO: **Board of County Commissioners**

FROM: **Crystal Lambert, Building & Environmental Health Official**

SUBJECT: **Building Contractor Licensing Program**

Purpose:
The purpose of this item is to introduce a proposed contractor licensing program.

Background:
The idea of a contractor licensing program came about from feedback received from the local building community over the last several years.

A General Contractor Stakeholder meeting was held on January 16, 2019 to discuss the potential contractor licensing program. Feedback from the group was favorable towards a licensing program with both an insurance requirement and competency testing.

A trades and sub-contractor Stakeholder meeting was held on April 17, 2019 to discuss including trades in a potential licensing program. At the meeting were professionals from the mechanical, insulation, and concrete industries. The feedback was mixed. Some saw value in a program through ensuring everyone was at the same level when competing for work. The general consensus was to implement a program for Building Contractors only at this time.

The Planning Commission held two work-session meetings, on May 17, 2019 and December 20, 2019, to discuss the contractor licensing program. A Public Hearing with the Planning Commission was held on January 24, 2020 in which the members voted unanimously to recommend that the proposed program be brought to the Board of County Commissioners for consideration of adoption. All Gunnison County contractors and builders for which we have contact information for were invited to all of the meetings and provided copies of the meeting memos. Additionally, people from the building community who attended the Planning Commission meetings provided generally favorable feedback and offered their opinions on specific requirements of the program.

Proposed Contractor Licensing Program:

Staff is proposing the following details for contractor licensing that includes passing of an exam provided by the International Code Council's Contractor/Trades examination program and proof of insurance, with details addressing issuance of a license, terms of a license, license renewal, and enforcement of the terms of a license. Implementation of this program

shall provide at least one year for Building Contractors to prepare and obtain the required certification(s).

Type of License	License Fee	Minimum Single Limit Insurance
Class A	$250	$1,000,000
Class B	$200	$1,000,000
Class C	$150	$1,000,000
License Term: Licenses are effective for thirty-six months after the date of issuance.		
License Re-application: Contractors holding licenses may apply for a new license within three months prior to the expiration of the license.		

Definitions:

Building Contractor: A person who for compensation directs, supervises, or undertakes any work for which a County building permit is required under the County Building Code or the County Land Use Resolution, with exception of the following:

- A person who acts as the contractor for the construction of a new residential dwelling on that person's own property no more than once within any four-year period, or any additions or alterations of a residential dwelling or accessory structure on that person's own property.
- A person whose sole function in the work is to perform labor under the supervision or direction of a building contractor.
- A person performing repair or maintenance work on property owned by that person.
- An employee performing repair or maintenance work on their employer's own property.
- A person required to be licensed by the State of Colorado who is performing work within the scope of their license, such as:
  - Electricians pursuant to Article 23, Title 12, C.R.S.,
  - Plumbers pursuant to Article 58, Title 12, C.R.S.,
  - Elevator and Conveyance Installers pursuant to Article 5.5, Title 9, C.R.S.,
  - Manufactured Home Installers pursuant to 24-32-3301 et sec C.R.S.

Building Official: The person directed and authorized to enforce the provisions of the building code in Gunnison County as the Building Official, who works under the direction of the Director of Community and Economic Development Department.

Board of Appeals: The Board appointed by the Board of County Commissioners of Gunnison County to hear and decide appeals of orders, decisions, or determinations made by the Building Official.

Types of Licenses: The following types of building contractor licenses are established and must be obtained as specified below:

- **Class A Contractors License-**This license entitles the holder to contract for the construction, alteration, tenant finish or repair of any type of structure

permitted by the International Building Code or the International Residential Code.

- **Class B Contractors License-**This license entitles the holder to contract for the construction, alteration, tenant finish or repair of commercial buildings and single- or multi dwelling buildings not exceeding three stories in height as permitted by the International Building Code or the International Residential Code.

- **Class C Contractors License-**This license entitles the holder to contract for the construction, alteration, or repair of one- and two- family dwellings and accessory buildings as permitted by the International Building Code or the International Residential Code.

Conditions for Issuance of a License:

1. Submits a complete license application form along with the required administrative licensing fee.
2. Achieves a passing grade on the applicable International Code Council (ICC) exam related to the particular license type being applied for as follows:
    a. Class A Contractors License ICC Exam: National Standard General Building Contractor (A)
    b. Class B Contractors License ICC Exam: National Standard Building Contractor (B)
    c. Class C Contractors License ICC Exam: National Standard Residential Building Contractor (C)
3. Provides proof of current insurance coverage, including:
    a. Worker's Compensation Insurance as required by the State of Colorado.
    b. General Liability Insurance with a minimum combined single limit for each occurrence of $1,000,000.00. Certificate of insurance issued to the County.

License Term and Expiration/Reapplication:
Licenses shall be effective for thirty-six (36) months after their date of issuance. Licenses shall expire at the end of this term. Contractors holding licenses may apply for a new license within three (3) months prior to the expiration of their existing license. Contractors holding a valid County license who apply for a new license shall not have any unresolved building code violations.

Exams Administered by the International Code Council:

The International Code Council's Contractor/Trades examination program is an independent testing program designed to provide licensing agencies with information regarding qualified contractors.

The tests can be taken at testing centers or online through a proctored online testing option that requires a computer with an internet connection, a webcam and working audio. The three exams, for Class A, B, and C licenses, are open book and have a four hour time limit. The Class A exam is 90 Questions and the Class B and C exams are 80 questions.

The ICC provides outlines for each exam that can be used as a study reference, for example, the Class A exam is approximately 15% on Administration General Requirements, including code definitions and terms, and plan reading; 25% on Building Planning and Life Safety, including fire and smoke alarms, occupancy needs and the interior environment, exiting and means of egress, and accessibility; 45% on Structural Systems, including footings and foundation, concrete, floors, wall framing and stairs, roof ceiling construction; and 15% on Building Envelope, which includes interior finishes, glass and glazing, and exterior finishes and roof coverings.

Certifications need to be renewed every three years and requires that a certain amount of Continuing Education Units (CEUs) have been earned. The ICC provides links to and lists of ways to earn CEUs that includes seminars, courses and trainings, many of which are available on-line. One certification requires 1.5 CEUs (15 hours of course duration) to renew every three years.

Proposed Enforcement:

Violations of the Licensing Program:

It shall be a violation for any Building Contractor to:

1. Provide any false or misleading information on a license application.
2. Fail to have or maintain adequate insurance as required.
3. Fail to obtain a required building or land-use permit or to follow any other applicable requirements of the Gunnison County Building Code and Land Use Resolution.
4. Perform work outside of the scope of an issued license, transfer a license to a person other than the licensee, or employ person in work under a County building permit who are required to be licensed.
5. Perform work as a Building Contractor without a license.

Actions that may be taken for violation of the Licensing Program:

1. A fine equal to the license fee for failure to obtain the required license prior to engaging in the business of being a building contractor.
2. The Building Official may revoke or suspend the Contractor's license.
3. The Building Official may stop/suspend work under an issued building or land-use permit; may stop work on a project that requires but does not have an issued building or land-use permit, may refuse to issue a Certificate of Occupancy or Completion or perform a final inspection under an issued building or land-use permit.
4. The Building Official may issue a written determination that a person is a Building Contractor required to obtain a license.
5. The County may pursue any other remedy allowed in law or equity.

Reapplication for Revoked License:

If a license is revoked, the applicant may reapply for a license, but not sooner than 90 days after the final decision of the Building Official or the Board of Appeals, as applicable.

Appeals to the Board of Appeals:

The decision may be appealed to the Gunnison County Board of Appeals.

A. Appeals to the Board of Appeals may be made by any person aggrieved by the following final decisions made in the course of administering the licensing program, including:

1. Denial of a license application;
2. Suspension or revocation of a license;
3. Issuance of a stop work/suspension order or revocation of a building or land-use permit;
4. Written determination that a person is a building contractor required to obtain a license.

B. Appeals to the Board of Appeals shall be in writing, state in reasonable detail the basis for the appeal and shall be received no later than 14 calendar days after the date of the decision.

C. Upon receipt of a complete and timely appeal the Building Official shall schedule a hearing with the Board of Appeals. The hearing shall be held as soon as practical after receipt of the appeal.

Recommendation:

Staff is recommending that the Building Contractor Licensing program be implemented for the unincorporated areas of Gunnison County. The licensing program would ensure that a person who for compensation directs, supervises, or undertakes any work for which a County building permit is required under the County Building Code has general liability insurance and has competency with the building code. Staff is recommending that implementation of the Building Contractor Licensing program provide at least one year for Building Contractors to prepare and obtain the required certification(s). County workstations at the Blackstock Government Center can be made available to Building Contractors wishing to utilize the on-line testing option, if needed. Additionally, staff is prepared to host building code study groups that will include, among other things, taking practice exams.