



2005 SENATE BILL 516

January 23, 2006 - Introduced by Senators ZIEN, STEPP, BROWN, RISSER, OLSEN, COWLES, LASSA and ROESSLER, cosponsored by Representatives SUDER, OTT, PETTIS, LAMB, LOEFFELHOLZ, HUNDERTMARK, OWENS, MONTGOMERY, NISCHKE, KRAWCZYK, LOTHIAN, MCCORMICK, WIECKERT, ALBERS and HUEBSCH. Referred to Committee on Housing and Financial Institutions.

1 **AN ACT to repeal** 15.157 (4); **to renumber and amend** 101.625; **to amend**
2 101.63 (2), 101.64 (3), 101.65 (1m), 101.65 (1r) (intro.), 101.654 (title) and
3 101.654 (1) (a); and **to create** 15.157 (5), 101.625 (2), 101.625 (3), 101.654 (1m)
4 and 101.654 (5) of the statutes; **relating to:** continuing education and
5 certification requirements for building contractors and certification of building
6 inspectors.

Analysis by the Legislative Reference Bureau

Under current law, new one- and two-family dwellings must meet the requirements of the one- and two-family dwelling code (dwelling code) promulgated by the Department of Commerce (Commerce). Current law gives cities, villages, towns, and counties (municipalities) authority to exercise jurisdiction over the construction and inspection of new one- and two-family dwellings by passing ordinances that meet the requirements of the dwelling code. In those municipalities that do not pass such an ordinance, Commerce administers and enforces the dwelling code.

Current law provides that, with certain exceptions, a person may not begin construction on a building that is subject to the dwelling code unless that person obtains a building permit from the municipality administering the code, or, where no municipality is authorized to administer the code, from Commerce. Current law also provides that a person may not obtain a building permit unless the person

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annually obtains from Commerce a certificate of financial responsibility showing that the person has met certain bonding and insurance requirements.

This bill establishes new continuing education requirements for persons applying for a building permit under the dwelling code. Under this bill, a person may not obtain a building permit unless the person completes certain continuing education requirements and furnishes to the issuer of the permit proof of completion of those requirements. Among those requirements is a requirement that a permit applicant complete at least 12 hours of approved continuing education courses during the two calendar years before the person applies for the permit. The person must also have attended at least one professional meeting or education seminar during that two-year period. If the person has not previously held a certificate of financial responsibility, the person must also pass an examination developed by Commerce. The bill allows Commerce to specify different continuing education requirements that apply to experienced and nonexperienced permit applicants. The bill also authorizes Commerce to revoke or suspend a certificate of financial responsibility if the holder fails to comply with continuing education requirements, engages in the construction of a dwelling without a permit, is convicted of a crime related to the construction of a dwelling, or has been adjudged bankrupt on two or more occasions.

Under current law, the Contractor Financial Responsibility Council (Council) recommends for promulgation by Commerce rules for certifying the financial responsibility of contractors. This bill renames the Council the Contractor Certification Council and gives the Council additional responsibilities. Under the bill, the Council must also recommend to Commerce courses that meet continuing education requirements for persons applying for a building permit under the dwelling code and advise Commerce on the development of course examinations for those persons required under the bill to take an examination.

Under current law, municipalities must provide an owner who applies for a building permit with a statement advising the owner that if the owner hires a contractor who is not bonded or insured as required under current law, certain consequences might occur. Under this bill, the municipality must require the owner to sign such a statement.

Current law requires Commerce to promulgate rules for the certification of inspectors of buildings that are subject to the dwelling code. This bill requires that the rules specify that Commerce may suspend or revoke the certification of an inspector who knowingly authorizes the issuance of a building permit to a contractor who does not comply with financial responsibility or continuing education requirements.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

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1 **SECTION 1.** 15.157 (4) of the statutes is repealed.

2 **SECTION 2.** 15.157 (5) of the statutes is created to read:

3 15.157 **(5)** CONTRACTOR CERTIFICATION COUNCIL. There is created in the
4 department of commerce a contractor certification council consisting of 3 members
5 who are building contractors holding certificates of financial responsibility under s.
6 101.654 and who are involved in, or who have demonstrated an interest in,
7 continuing education for building contractors. The members shall be appointed by
8 the secretary of commerce for 3-year terms.

9 **SECTION 3.** 101.625 of the statutes is renumbered 101.625 (intro.) and amended
10 to read:

11 **101.625 Contractor ~~financial responsibility~~ certification council;**
12 **duties.** (intro.) The contractor ~~financial responsibility~~ certification council shall
13 ~~recommend~~ do all of the following:

14 **(1) Recommend** for promulgation by the department rules for certifying the
15 financial responsibility of contractors under s. 101.654. These rules shall include
16 rules providing for the assessment of fees upon applicants for certification of
17 financial responsibility under s. 101.654 and for the suspension and revocation of
18 that certification. The amount of the fees recommended under this ~~section~~
19 subsection may not exceed an amount that is sufficient to defray the costs incurred
20 in certifying the financial responsibility of applicants under s. 101.654.

21 **SECTION 4.** 101.625 (2) of the statutes is created to read:

22 101.625 **(2)** Recommend to the department for approval under s. 101.654 (1m)
23 (b) 1. courses that meet continuing education requirements.

24 **SECTION 5.** 101.625 (3) of the statutes is created to read:

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1 101.625 (3) Advise the department on the development of course examinations
2 for those persons who are required to pass an examination under s. 101.654 (1m) (b).

3 **SECTION 6.** 101.63 (2) of the statutes is amended to read:

4 101.63 (2) Adopt rules for the certification, including provisions for suspension
5 and revocation thereof, of inspectors for the purpose of inspecting building
6 construction, electrical wiring, heating, ventilating, air conditioning and other
7 systems, including plumbing, as defined in s. 145.01 (10), of one- and 2-family
8 dwellings under sub. (1). The rules shall specify that the department may suspend
9 or revoke the certification of an inspector under this subsection for knowingly
10 authorizing the issuance of a building permit to a contractor who is not in compliance
11 with s. 101.654. Persons certified as inspectors may be employees of the department,
12 a city, village, town, county or an independent inspection agency. The department
13 may not adopt any rule which prohibits any city, village, town or county from
14 licensing persons for performing work on a dwelling in which the licensed person has
15 no legal or equitable interest.

16 **SECTION 7.** 101.64 (3) of the statutes is amended to read:

17 101.64 (3) Revise the rules under this subchapter after consultation with the
18 dwelling code council or with the contractor ~~financial responsibility~~ certification
19 council, as appropriate.

20 **SECTION 8.** 101.65 (1m) of the statutes is amended to read:

21 101.65 (1m) May not issue a building permit to a person who is required to be
22 certified under s. 101.654 unless that person, on applying for a building permit,
23 produces a certificate of financial responsibility issued by the department or other
24 evidence satisfactory to the department showing that the person is in compliance

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1 with s. 101.654 and proof of completion of the continuing education requirements
2 specified in the rules promulgated by the department under s. 101.654 (1m).

3 **SECTION 9.** 101.65 (1r) (intro.) of the statutes is amended to read:

4 101.65 **(1r)** (intro.) Shall ~~provide~~ require an owner who applies for a building
5 permit ~~with to sign~~ a statement advising the owner that if the owner hires a
6 contractor to perform work under the building permit and the contractor is not
7 bonded or insured as required under s. 101.654 (2) (a), the following consequences
8 might occur:

9 **SECTION 10.** 101.654 (title) of the statutes is amended to read:

10 **101.654** (title) **Contractor financial responsibility certification;**
11 **education.**

12 **SECTION 11.** 101.654 (1) (a) of the statutes is amended to read:

13 101.654 **(1)** (a) Subject to par. (b), no person may obtain a building permit
14 unless the person annually obtains from the department a certificate of financial
15 responsibility showing that the person is in compliance with sub. (2), completes the
16 continuing education requirements described under sub. (1m), and furnishes to the
17 issuer of the permit proof of completion of those continuing education requirements.

18 **SECTION 12.** 101.654 (1m) of the statutes is created to read:

19 101.654 **(1m)** (a) The department shall promulgate rules establishing
20 continuing education requirements for persons seeking to obtain a building permit
21 under sub. (1) (a).

22 (b) The rules promulgated under this subsection shall require all of the
23 following:

24 1. That a person may not obtain a building permit unless that person has
25 completed at least 12 hours of continuing education courses, approved by the

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1 department, during the 2 calendar years preceding the calendar year in which the
2 person applies for a building permit.

3 2. That a person may not obtain a building permit unless that person has
4 attended at least one professional meeting or educational seminar designed for both
5 building contractors and building inspectors during the 2 calendar years preceding
6 the calendar year in which the person applies for a permit.

7 3. That a person who does not hold a certificate of financial responsibility on
8 the effective date of this subdivision [revisor inserts date], may not obtain a
9 building permit unless that person has passed an examination developed by the
10 department on the continuing education courses required under this subsection.

11 (c) The rules promulgated under this subsection may not require a person who
12 holds a certificate of financial responsibility on the effective date of this paragraph
13 [revisor inserts date], to take an examination on the continuing education courses
14 required under this subsection.

15 (d) Subject to the continuing education requirements under pars. (b) and (c),
16 the rules promulgated under par. (a) may specify different continuing education
17 course requirements for persons who hold a certificate of financial responsibility on
18 the effective date of this paragraph [revisor inserts date], and for persons who do
19 not hold a certificate of financial responsibility on the effective date of this paragraph
20 [revisor inserts date].

21 (e) The courses approved by the department under par. (b) 1. shall include
22 courses offered by private organizations with whom the department contracts under
23 s. 101.657. The department may approve courses that are offered by other states.

24 **SECTION 13.** 101.654 (5) of the statutes is created to read:

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1 101.654 (5) The department may revoke or suspend a certificate of financial
2 responsibility if any of the following apply:

3 (a) The holder fails to comply with the continuing education requirements
4 specified under subs. (1) and (1m).

5 (b) The holder engages in the construction of a dwelling without a permit
6 required under this chapter.

7 (c) The holder is convicted of a crime related to the construction of a dwelling.

8 (d) The holder has been adjudged bankrupt on 2 or more occasions.

9 **SECTION 14. Effective date.**

10 (1) This act takes effect on January 1, 2007.

11

(END)