

1999 SENATE POLITICAL SUBDIVISIONS

SB 2149

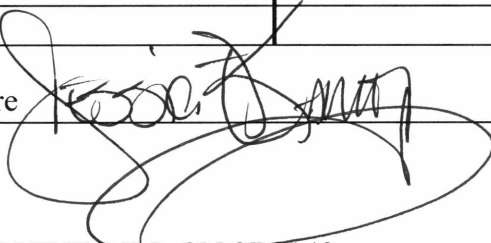
1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2149

Senate Political Subdivisions Committee

Conference Committee

Hearing Date January 13, 1999

Tape Number	Side A	Side B	Meter #
1		x	1,300
Committee Clerk Signature 			

Minutes:

SENATOR MUTCH: OPEN THE BILL ON SB2149

SECRETARY OF STATE: (AL JAEGAR TO INTRODUCE THIS BILL)

TESTIMONY INCLUDED

SENATOR MUTCH: how involved to you get in revolving licenses other than bonding requirements

SECRETARY OF STATE: have not revoked license for some time, revoked because terms of contract have not been provided for insurance coverage by law. Other remedies in the law but not at this time

SENATOR MUTCH: any further questions

DOREEN MELHOFF: support the bill and penalties for not complying with the law.

SENATOR MUTCH: questions, contractor should be licensed before going and doing work.

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Senate Political Subdivisions Committee

Bill/Resolution Number Sb2149

Hearing Date January 13, 1999

DOREEN MELHOFF: absolutely

GARY PETERSON: requirements for contractors and having no problem with this bill

DISCUSSION

SENATOR MUTCH: contract bonding and the requirements

SENATOR KLEIN: how much is the cost of a license

GARY PETERSON: Not sure exactly what the cost is

SENATOR KLEIN: who are the regulators of the unlicensed contractors

GARY PETERSON: unsure of question, but we don't go out looking for anyone, we respond to the consumers whom complain about the contractors, cooperation with workers comp and the informants that go against the contractors

SENATOR MUTCH: anyone else, conclude the hearing

SENATOR KLEIN: second the motion of DO PASS

SENATOR MUTCH: close session on SB2149

2070543

Date: 1/13/99

Roll Call Vote #: ~~2075~~ 2149

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO.

Senate INDUSTRY, BUSINESS, LABOR Committee

Subcommittee on _____

or

Conference Committee

Legislative Council Amendment Number _____

Action Taken DU PASS

Motion Made By THOMPSON Seconded By KLEIN

Senators	Yes	No	Senators	Yes	No
Senator Mutch	X				
Senator Sand	X				
Senator Klein	X				
Senator Krebsbach	X				
Senator Heitkamp	X				
Senator Mathern	X				
Senator Thompson	X				

Total (Yes) 7 No 0

Absent 1

Floor Assignment THOMPSON

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
January 13, 1999 11:48 a.m.

Module No: SR-07-0543
Carrier: Thompson
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2149: Industry, Business and Labor Committee (Sen. Mutch, Chairman) recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2149 was placed on the Eleventh order on the calendar.

1999 HOUSE INDUSTRY, BUSINESS AND LABOR

SB 2149

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2149

House Industry, Business and Labor Committee

Conference Committee

Hearing Date 2-3-99

Tape Number	Side A	Side B	Meter #
1	x		0
Committee Clerk Signature <i>Lisa Horner</i>			

Minutes:

SB 2149 Relating to Licensing of contractors, revoking a license, appointing an agent for service of process for a nonresident contractor, and civil penalties.

Chairman Berg opened the hearing on the bill.

Mr. Al Jaeger, ND Secretary of State, testified in support to the bill.

(see attached written testimony)

Representative Keiser asked if changing the 10 to 20 days in the bill for getting insurance will also allow contractors to work for 20 days without a license. Yes, it appears it does. Berg asked what the cost was if contractors don't get licensed. If contractors do not get licensed in a timely manner, the normal license fee is increased to double the normal amount for license fee plus

other possible penalties. Representative Keiser commented on the language and if its changed contractors could be held to 10 days if the need arises. Jaeger responded that the process is timely and has not been a problem but the department will research possible language changes.

Ms. Doreen Mehlhoff, ND Association of Builders, testified in support to the bill.

(see attached written testimony)

Representative Froseth asked about the penalty being sufficient. Yes, it appears to be adequate.

Representative Thorpe asked if period up to 5 years was a harsh penalty situation. Mehlhoff said it was not a problem. Chairman Berg summed up the bill questions and concerns with the issue of extension of time from 10 to 20 days change. The general consensus was that the change would not be problem. Representative Glassheim mentioned that the department could wait longer than 10 days to revoke a license. Jaeger responded with yes, they could go beyond the 10 days.

Chairman Berg closed the hearing on the bill.

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2149

House Industry, Business and Labor Committee

Conference Committee

Hearing Date 3-1-99

Tape Number	Side A	Side B	Meter #
2		x	1180 - 1360
Committee Clerk Signature <i>Lisa Homer</i>			

Minutes: **SB 2149**

Chairman Berg opened the discussion of SB 2149.

Rep. Keiser made a motion for a Do Pass.

Rep. Klein second the motion.

The roll call vote was 13 yea, 1 nay, 1 absent.

The motion carried.

Rep. Keiser will carry the bill.

Date: 3-1-99
 Roll Call Vote #: 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO. 2149

House Industry, Business and Labor Committee

Subcommittee on _____
 or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken do pass

Motion Made By Keiser Seconded By Klein

Representatives	Yes	No	Representatives	Yes	No
Chair - Berg	/		Rep. Thorpe		/
Vice Chair - Kempenich	/				
Rep. Brekke	/				
Rep. Eckstrom	/				
Rep. Froseth	/				
Rep. Glassheim					
Rep. Johnson	/				
Rep. Keiser	/				
Rep. Klein	/				
Rep. Koppang	/				
Rep. Lemieux	/				
Rep. Martinson	/				
Rep. Severson	/				
Rep. Stefonowicz	/				

Total (Yes) 13 No 1

Absent 1

Floor Assignment Keiser

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
March 1, 1999 4:30 p.m.

Module No: HR-36-3816
Carrier: Keiser
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2149: Industry, Business and Labor Committee (Rep. Berg, Chairman) recommends **DO PASS** (13 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING). SB 2149 was placed on the Fourteenth order on the calendar.

1999 TESTIMONY

SB 2149



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NORTH DAKOTA ASSOCIATION OF BUILDERS

Doreen Mehlhoff, Executive Officer



Testimony in Support of SB2149

Senate Industry, Business and Labor Committee
January 13, 1999

Prepared by

Doreen Mehlhoff, Executive Officer
North Dakota Association of Builders

Mr. Chairman and members of the Senate Industry, Business and Labor Committee, the North Dakota Association of Builders encourages your support of SB2149. Our state association represents 1,418 builder and associate members belonging to the six local home builders associations in Dickinson, Minot, Bismarck-Mandan, Jamestown, Grand Forks, and Fargo-Moorhead.

Our organization has had discussions with Secretary of State Jaeger regarding the concerns of the building industry in respect to contractor licensing. The stronger penalty outlined in this bill (Page 4, Line 2) is a step in the right direction, though we realize more needs to be done.

We strongly believe that more **enforcement** is needed to ensure that people acting as contractors are actually licensed in that capacity. Unlicensed contractors are in the marketplace underbidding legitimate contractors on jobs, primarily because they are not incurring the costs of licensure, insurance, Workers Compensation coverage, etc. This is unfair to the contractors out there who are following the law and obtaining the licenses and coverages necessary for being a contractor in our state.

Consumer **education** encouraging consumers to use only licensed contractors would also help bring this issue to the awareness of the public.

The North Dakota Association of Builders respectfully asks you to vote favorably on SB2149 to update the laws on contractor licensing.



SECRETARY OF STATE

STATE OF NORTH DAKOTA
600 EAST BOULEVARD AVENUE DEPT 108
BISMARCK ND 58505-0500

January 13, 1999

TO: Senator Mutch and Members - Senate Industry, Business and Labor Committee
FR: Al Jaeger, Secretary of State
RE: SB 2149 – Contractors

This bill makes several changes to the chapter of the North Dakota Century Code governing the licensing of contractors.

Section 1: The change (page 1, line 18) increases from 10 to 20 days the time period for submitting certain documentation to the Secretary of State's office. One of these documents, in particular, is the certificate of having liability insurance coverage in force. We have found that the current 10 day provision is too short and is an unreasonable expectation.

Section 2: The change (page 2, lines 16 and 17) allows new licensees up to an extra two months with their initial license if they applied for a license in either January or February. With this extension, they would not be required to renew their contractor's license again on March 1.

Section 3: The change (page 2, lines 30 and 31) makes it clear that a contractor does not need to submit a new certificate of liability insurance with their renewal application if they already have one on file.

Section 4: Under the current provisions of law, a contractor, whose license had been revoked, could conceivably apply again within just a matter of months for a new license. The change (page 3, lines 24 and 25) would allow a period of up to five years. The actual length of time would depend on the terms of a settlement agreement or the ruling of an administrative law judge.

Section 5: The change (page 4, line 2) allows the Secretary of State to access a penalty, up to three times the amount of the application fee, when a contractor has been working without a license.

Section 6: The changes scattered throughout this section, merely makes clearer this section of law as it pertains to the role of the Secretary of State as agent for service of process for nonresident contractors.