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ROLL NUMBER

DESCRIPTION

1138

2001 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1138

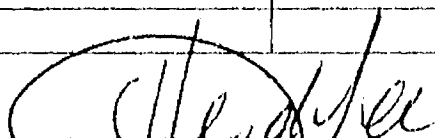
2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1138

House Industry, Business and Labor Committee

Conference Committee

Hearing Date Jan 22, 2001

Tape Number	Side A	Side B	Meter #
1	X		0-26.3-38-48
Committee Clerk Signature 			

Minutes: Chairman R. Berg, Vice-Chair G. Keiser, Rep. M. Ekstrom, Rep. R. Froelich, Rep. G. Froseth, Rep. R. Jensen, Rep. N. Johnson, Rep. J. Kasper, Rep. M. Klein, Rep. Koppang, Rep. D. Lemieux, Rep. B. Pietsch, Rep. D. Ruby, Rep. D. Severson, Rep. E. Thorpe.

Al Jaeger: *Secretary of State* **written testimony** Administrative procedure is impractical and we try not to use it because of time and expense. We need to do something to get the proof of insurance in our office so paper work can be filed.

Rep Johnson: What percentage don't have insurance?

Jaeger: About 10% of the COL2 respond, the rest are unknown.

Rep Froelich: What are the license fees?

Jaeger: Class A equals \$300, D equals \$50.

Rep Koppang: What does the change do?

Jaeger: It provides that you can not contract any new work until we receive proof of insurance.

Vice-Chairman Keiser: What if we charge a fee for late proof?

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House Industry, Business and Labor Committee
Bill/Resolution Number HB 1138
Hearing Date Jan 22, 2001

Jaeger: I have no problem with stiffer regulations.

Doreen Mehlhoff: *ND Assoc. of Builders* we support this bill.

Vice-Chairman Keiser: We'll close the hearing on HB 1138.

Rep Klein: I move a do pass.

Rep Thorpe: I second.

Rep Severson: What about adding a \$25 per week fine.

Rep Klein: Let's try it without the fee first.

11 yeas, 1 nay, 3 absent **Carrier Rep Ruby**

Date: 1-22-01
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. ~~Click here to type Bill/Resolution No~~ 1138

House Industry, Business and Labor Committee

- Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Klein Seconded By Thorpe

Representatives	Yes	No	Representatives	Yes	No
Chairman- Rick Berg	✓		Rep. Jim Kasper	✓	
Vice-Chairman George Keiser	✓		Rep. Matthew M. Klein	✓	
Rep. Mary Ekstorm			Rep. Myron Koppang	✓	
Rep. Rod Froelich			Rep. Doug Lemieux		✓
Rep. Glen Froseth			Rep. Bill Pietsch	✓	
Rep. Roxanne Jensen	✓		Rep. Dan Ruby	✓	
Rep. Nancy Johnson	✓		Rep. Dale C. Severson	✓	
			Rep. Elwood Thorpe	✓	

Total (Yes) 11 No 1

Absent 3

Floor Assignment Ruby

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

REPORT OF STANDING COMMITTEE (410)
January 22, 2001 11:36 a.m.

Module No: HR-10-1369
Carrier: Ruby
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1138: Industry, Business and Labor Committee (Rep. Berg, Chairman) recommends DO PASS (11 YEAS, 1 NAY, 3 ABSENT AND NOT VOTING). HB 1138 was placed on the Eleventh order on the calendar.

2001 SENATE INDUSTRY, BUSINESS AND LABOR

HB 1138

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1138

Senate Industry, Business and Labor Committee

Conference Committee

Hearing Date February 19, 2001.

Tape Number	Side A	Side B	Meter #
1	x		0 to 11.6
Committee Clerk Signature <i>Doris E. Perez</i>			

Minutes:

The meeting was called to order. All committee members present. Hearing was opened on HB 1138 relating to contractor licenses.

Al Jaeger, Secretary of State. Written testimony attached. The goal of this bill is to uphold the spirit of the law and make administration of it as efficient and fair as possible.

Senator Espgaard: If the law doesn't change you'd need a revocation of the license?

A Jaeger: Yes and this is a lengthy and expensive process. A "not in good standing" notice will open their eyes.

Senator Tollefson: How many licensed contractors?

A Jaeger: Approximately a thousand. They need proof of certificate of liability insurance before being issued the license

Doreen Mehlhoff, ND Assn. of Builders, this bill is a good thing, definitively support it.

No opposing testimony. Hearing closed.

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Senate Industry, Business and Labor Committee

Bill/Resolution Number SB 1138

Hearing Date February 19, 2001.

Senator Espegard: Motion : do pass. Senator Every: Second.

Roll call vote: 7 yes; 0 no. Motion carried. Floor assignment : Senator Every.

Date: Feb 19/01
Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1138

Senate Industry, Business and Labor Committee

- Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By S. Espigard Seconded By S. Every

Senators	Yes	No	Senators	Yes	No
Senator Mutch - Chairman	✓		Senator Every	✓	
Senator Klein - Vice Chairman	✓		Senator Mathern	✓	
Senator Espigard	✓				
Senator Krebsbach	✓				
Senator Tollefson	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Sen Every

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

REPORT OF STANDING COMMITTEE (410)
February 19, 2001 9:28 a.m.

Module No: SR-30-3831
Carrier: Every
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1138: Industry, Business and Labor Committee (Sen. Mutch, Chairman) recommends DO PASS (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1138 was placed on the Fourteenth order on the calendar.

2001 TESTIMONY

HB 1138

ALVIN A. JOGGER
SECRETARY OF STATE

11 PAGE <http://www.state.nd.us/sos>



SECRETARY OF STATE
STATE OF NORTH DAKOTA
600 EAST BOULEVARD AVENUE, SUITE 1000
BISMARCK ND 58505-0500

January 22, 2001

TO: Rep. Borg and Members - House Industry, Business and Labor Committee

FR: ~~Al Jogger, Secretary of State~~

RE: HB 1138 - Related to Licensing of Contractors

In the 1993 session, the Legislative Assembly passed SB 2474 (1993 Session Laws, Chapter 418), which required a contractor to provide a certificate of liability insurance to the Secretary of State's office when applying for or renewing their contractor's license.

In each session since then, the Secretary of State's office has offered, and the legislature has approved, amendments to the laws pertaining to the administrative procedures related to the certificate of liability insurance requirement.

However, because of the agency's experiences the past two years, the Secretary of State's office is once again before the legislature in an attempt to fine-tune the administrative procedures. As in previous sessions, the goal of this bill is to uphold the spirit of the law while at the same time making the administration of it as efficient, cost-effective, and un-bureaucratic as possible.

Most contractors are cooperative and timely with the various filing requirements that they have with the Secretary of State's office. Unfortunately, there are exceptions.

For example, under the current law, it still happens too often that a contractor does not file a certificate of insurance within the twenty-day window after the Secretary of State's office has informed the contractor that they do not have a current certificate of insurance on file with the agency. Then, if they fail to respond, the Secretary of State's only recourse is to initiate a license revocation process under the administrative agencies act in Chapter 28-32 of the North Dakota Century Code. However, this is a very expensive and time-consuming procedure. Naturally, if the contractor commits a flagrant violation of the state's contractor licensing law, the agency would not hesitate to pursue such a process.

On the other hand, the Secretary of State's office is somewhat reluctant to begin a costly and time-consuming revocation proceedings because of a contractor's failure to respond and file a certificate of insurance within the twenty-day window. The reason for this reluctance is because the failure to file is most often due to carelessness or a lack of urgency on the part of the licensee. Therefore, one of the intents of this bill is to create "urgency" by encouraging a licensee to respond in a timelier manner to filing requirements without the agency being forced into a position of having to initiate a license revocation action, which is costly and time-consuming for both the contractor and the agency.

This bill would allow the Secretary of State to place a "not in good standing" status on the license of a contractor who fails to abide by any one of the seven subsections currently listed under 43-07-04. This "not in good standing" status would make it illegal for a contractor to secure "new work" as long as the license was identified with the "not in good standing" status. Then, if the contractor still did not respond within 30 days or secured "new work" while having a "not good standing" status, the Secretary of State's office could then appropriately proceed with a license revocation action.

At first glance, the initial "not good standing" consequences may seem rather harsh. However, a licensee's failure to have liability insurance in force, or not be in compliance with one of the other six subsections in 43-07-04 is unfair to the hundreds of other contractors who abide by the requirements of the state's contractor licensing law. More importantly and as an example, it is unfair to the public, which believes that contractors licensed by the State of North Dakota have liability insurance coverage.

Handwritten signature

	1998 January	February	March	April	May	June	July	August	September	October	November	December
Renewal Notice	5240											
Non-Renewal												
Credit Card	85					505						
1 COL						249		159	96	166	236	195
2 COL						25		34	17	17	27	40
												104

	1999 January	February	March	April	May	June	July	August	September	October	November	December
Renewal Notice	5338											
Non-Renewal												
Credit Card	115			818		327						
1 COL		100		540		129		165	341	153	147	
2 COL		6		71		31		28	62	25	32	

	January	February	March	April	May	June	July	August	September	October	November	December
Renewal Notice												
Non-Renewal												
Credit Card						477						
1 COL				58	38	430	432	233	291	181	176	127
2 COL						46		82	26	34	28	33
												23

Handwritten note: 2 COL 2475 to not input showing

	January	February	March	April	May	June	July	August	September	October	November	December
Renewal Notice	5763											
Non-Renewal												
Credit Card												
1 COL												
2 COL												

HBS1138

