

Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 26-0514.02 Jed Franklin x5484

HOUSE BILL 26-1415

HOUSE SPONSORSHIP

Ricks,

SENATE SPONSORSHIP

(None),

House Committees
Business Affairs & Labor

Senate Committees

A BILL FOR AN ACT

101 CONCERNING A PROGRAM FOR THE PERMISSIVE CERTIFICATION OF
102 RESIDENTIAL CONSTRUCTION CONTRACTORS.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

The bill creates the residential construction contractor certification enterprise (enterprise) in the department of law (department). The enterprise is and operates as a government-owned business within the department for the business purposes of using fee revenue to administer a residential construction contractor certification program (program).

The enterprise may assess a residential construction contractor

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

certification fee (fee) only on a residential construction contractor (contractor) that applies to the department for a residential construction certificate. The total annual fee revenue shall not exceed the cost of collecting the fee, administering the program, certifying contractors, and the direct and indirect costs of the enterprise. The amount of the fee must not exceed \$100 annually. The department may adopt rules to implement the fee.

The enterprise shall transmit all net revenue collected from the fee to the state treasurer, who shall credit the net revenue to the contractor certification cash fund, which is created by the bill. Money in the fund is continuously appropriated to the enterprise to administer the program.

The enterprise shall administer the program in accordance with the following goals:

- Preventing or reducing damage to homeowners caused by contractors who abandon work before a project is complete;
- Encouraging contractors to comply with the terms of a construction agreement with the homeowner; and
- Increasing the likelihood of a contractor performing competently by encouraging contractors to be certified by the enterprise in accordance with certain standards.

The enterprise is governed by a board of directors (board) composed of 13 individuals appointed by the attorney general or their designee. The board shall establish criteria to evaluate contractor applications for certification. To determine whether to issue a certification, the board shall consider specified criteria.

The board shall submit a report by July 1 of each year to the committees of reference of the general assembly to which the department is assigned pursuant to statute. The report must include certain information specified in the bill.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **add** 24-31-120 as
3 follows:

4 **24-31-120. Residential construction contractor certification**
5 **enterprise - fund - goals - certification program - gifts, grants, or**
6 **donations - legislative declaration - definitions - repeal.**

7 (1) **Legislative declaration.** THE GENERAL ASSEMBLY HEREBY:

8 (a) FINDS AND DETERMINES THAT:

1 (I) BY PROVIDING THE BENEFITS AND SERVICES SPECIFIED IN
2 SUBSECTION (7) OF THIS SECTION, THE RESIDENTIAL CONSTRUCTION
3 CONTRACTOR CERTIFICATION ENTERPRISE ENGAGES IN AN ACTIVITY
4 CONDUCTED IN THE PURSUIT OF A BENEFIT, GAIN, OR LIVELIHOOD AND
5 THEREFORE OPERATES AS A BUSINESS;

6 (II) CONSISTENT WITH THE DETERMINATION OF THE COLORADO
7 SUPREME COURT IN *NICHOLL V. E-470 PUBLIC HIGHWAY AUTHORITY*, 896
8 P.2d 859 (COLO. 1995), THAT THE POWER TO IMPOSE TAXES IS
9 INCONSISTENT WITH ENTERPRISE STATUS UNDER SECTION 20 OF ARTICLE
10 X OF THE STATE CONSTITUTION, IT IS THE CONCLUSION OF THE GENERAL
11 ASSEMBLY THAT THE FEE COLLECTED BY THE ENTERPRISE IS A FEE, NOT A
12 TAX, BECAUSE THE FEE IS IMPOSED FOR THE SPECIFIC PURPOSE OF
13 ALLOWING THE ENTERPRISE TO DEFRAY THE COSTS OF PROVIDING THE
14 BUSINESS SERVICES SPECIFIED IN SUBSECTION (1)(a)(I) OF THIS SECTION TO
15 CUSTOMERS THAT PAY THE FEE AND THE FEE IS COLLECTED AT A RATE
16 THAT IS REASONABLY CALCULATED BASED ON THE BENEFITS RECEIVED BY
17 THOSE CUSTOMERS;

18 (III) SO LONG AS THE RESIDENTIAL CONSTRUCTION CONTRACTOR
19 CERTIFICATION ENTERPRISE QUALIFIES AS AN ENTERPRISE FOR PURPOSES
20 OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION, THE REVENUE
21 FROM THE FEE COLLECTED BY THE ENTERPRISE IS NOT STATE FISCAL YEAR
22 SPENDING, AS DEFINED IN SECTION 24-77-102 (17), OR STATE REVENUES,
23 AS DEFINED IN SECTION 24-77-103.6 (6)(c), AND DOES NOT COUNT
24 AGAINST EITHER THE STATE FISCAL YEAR SPENDING LIMIT IMPOSED BY
25 SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION OR THE EXCESS
26 STATE REVENUES CAP, AS DEFINED IN SECTION 24-77-103.6 (6)(b)(I)(B);
27 AND

1 (IV) NO OTHER ENTERPRISE CREATED SIMULTANEOUSLY OR
2 WITHIN THE PRECEDING FIVE YEARS SERVES PRIMARILY THE SAME PURPOSE
3 AS THE RESIDENTIAL CONSTRUCTION CONTRACTOR CERTIFICATION
4 ENTERPRISE AND THE ENTERPRISE WILL GENERATE REVENUE FROM FEES
5 AND SURCHARGES OF LESS THAN ONE HUNDRED MILLION DOLLARS TOTAL
6 IN ITS FIRST FIVE FISCAL YEARS. ACCORDINGLY, THE CREATION OF THE
7 RESIDENTIAL CONSTRUCTION CONTRACTOR CERTIFICATION ENTERPRISE
8 DOES NOT REQUIRE VOTER APPROVAL PURSUANT TO SECTION 24-77-108.

9 (2) **Definitions.** AS USED IN THIS SECTION, UNLESS THE CONTEXT
10 OTHERWISE REQUIRES:

11 (a) "BOARD" MEANS THE BOARD OF DIRECTORS OF THE
12 ENTERPRISE.

13 (b) "CERTIFICATION PROGRAM" MEANS THE RESIDENTIAL
14 CONSTRUCTION CONTRACTOR CERTIFICATION PROGRAM CREATED IN
15 SUBSECTION (7) OF THIS SECTION.

16 (c) "CONTRACTOR" MEANS A PERSON UNDERTAKING OR
17 PERFORMING RESIDENTIAL CONSTRUCTION.

18 (d) "DEPARTMENT" MEANS THE DEPARTMENT OF LAW.

19 (e) "ENTERPRISE" MEANS THE RESIDENTIAL CONSTRUCTION
20 CONTRACTOR CERTIFICATION ENTERPRISE CREATED IN SUBSECTION (3) OF
21 THIS SECTION.

22 (f) "FEE" MEANS THE FEE DESCRIBED IN SUBSECTION (4) OF THIS
23 SECTION.

24 (g) "FUND" MEANS THE CONTRACTOR CERTIFICATION CASH FUND
25 CREATED IN SUBSECTION (5) OF THIS SECTION.

26 (h) "RESIDENTIAL CONSTRUCTION" MEANS WORK ON RESIDENTIAL
27 STRUCTURES FOR REMUNERATION AND INCLUDES THE BUILDING,

1 ALTERATION, REPAIR, REMODELING, DEMOLITION, OR IMPROVEMENT OF
2 ANY RESIDENTIAL STRUCTURE, AND GENERAL CONTRACTING, CARPENTRY,
3 ELECTRICAL, PLUMBING, HVAC, MASONRY, CONCRETE WORK, ROOFING,
4 OR OTHER SPECIALIZED TRADES THAT BENEFIT A RESIDENTIAL STRUCTURE.

5 (3) **Enterprise.**

6 (a) THE RESIDENTIAL CONSTRUCTION CONTRACTOR CERTIFICATION
7 ENTERPRISE IS CREATED IN THE DEPARTMENT OF LAW . THE ENTERPRISE IS
8 AND OPERATES AS A GOVERNMENT-OWNED BUSINESS WITHIN THE
9 DEPARTMENT FOR THE BUSINESS PURPOSES OF USING FEE REVENUE TO
10 ADMINISTER THE CERTIFICATION PROGRAM, EVALUATE CONTRACTORS
11 THAT HAVE APPLIED FOR CERTIFICATION, AND ISSUE CERTIFICATES TO
12 CONTRACTORS APPROVED BY THE BOARD. THE ENTERPRISE IS A **TYPE 2**
13 ENTITY AS DEFINED IN SECTION 24-1-105, AND EXERCISES ITS POWERS AND
14 PERFORMS ITS DUTIES AND FUNCTIONS UNDER THE DEPARTMENT.

15 (b) THE ENTERPRISE CONSTITUTES AN ENTERPRISE FOR PURPOSES
16 OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION SO LONG AS IT
17 RETAINS THE AUTHORITY TO ISSUE REVENUE BONDS AND RECEIVES LESS
18 THAN TEN PERCENT OF ITS TOTAL REVENUES IN GRANTS FROM THE STATE
19 AND ALL LOCAL GOVERNMENTS COMBINED. SO LONG AS IT CONSTITUTES
20 AN ENTERPRISE PURSUANT TO THIS SUBSECTION (3)(b), THE ENTERPRISE IS
21 NOT SUBJECT TO SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION.

22 (c) THE ENTERPRISE'S PRIMARY POWERS AND DUTIES ARE TO:

23 (I) COLLECT THE FEE DESCRIBED IN SUBSECTION (4) OF THIS
24 SECTION;

25 (II) EVALUATE CONTRACTORS WHO HAVE APPLIED FOR
26 CERTIFICATION AND DETERMINE WHETHER TO CERTIFY THE CONTRACTOR
27 IN ACCORDANCE WITH SUBSECTION (7) OF THIS SECTION;

1 (III) BY RESOLUTION, AUTHORIZE AND ISSUE REVENUE BONDS
2 THAT ARE PAYABLE ONLY FROM THE MONEY IN THE FUND, WHICH MAY BE
3 ISSUED TO FURTHER THE ENTERPRISE'S PURPOSES;

4 (IV) ADOPT, AMEND, OR REPEAL POLICIES FOR THE REGULATION
5 OF ITS AFFAIRS AND THE CONDUCT OF ITS BUSINESS CONSISTENT WITH THIS
6 SECTION, INCLUDING ESTABLISHING APPLICATION, REVIEW, APPROVAL,
7 REPORTING, AND OTHER REQUIREMENTS FOR CERTIFICATION; AND

8 (V) ENGAGE THE SERVICE OF CONSTRUCTION CONTRACTORS,
9 CONSULTANTS, AND LEGAL COUNSEL, INCLUDING THE DEPARTMENT, FOR
10 PROFESSIONAL AND TECHNICAL ASSISTANCE AND ADVICE AND TO SUPPLY
11 OTHER SERVICES RELATED TO THE CONDUCT OF THE AFFAIRS OF THE
12 ENTERPRISE, WITHOUT REGARD TO THE "PROCUREMENT CODE", ARTICLES
13 101 TO 112 OF THIS TITLE 24.

14 (d) THE ENTERPRISE IS GOVERNED BY A BOARD OF DIRECTORS. THE
15 BOARD CONSISTS OF THE FOLLOWING THIRTEEN MEMBERS APPOINTED BY
16 THE ATTORNEY GENERAL OR THEIR DESIGNEE:

17 (I) ONE MEMBER REPRESENTING THE DEPARTMENT OF LAW;

18 (II) ONE MEMBER REPRESENTING THE DIVISION OF HOUSING IN THE
19 DEPARTMENT OF LOCAL AFFAIRS;

20 (III) ONE MEMBER REPRESENTING THE DIVISION OF PROFESSIONS
21 AND OCCUPATIONS IN THE DEPARTMENT OF REGULATORY AGENCIES;

22 (IV) ONE MEMBER WHO HAS EXPERIENCE IN LICENSING
23 ELECTRICIANS, PLUMBERS, HVAC, OR MECHANICAL TRADES;

24 (V) FOUR MEMBERS REPRESENTING RESIDENTIAL HOUSING
25 CONSUMERS, AT LEAST ONE OF WHOM REPRESENTS A RURAL AREA, ONE OF
26 WHOM REPRESENTS A MUNICIPALITY, AND ALL OF WHOM, TAKEN AS A
27 WHOLE AND TO THE GREATEST EXTENT POSSIBLE, REPRESENT THE

1 GEOGRAPHIC DIVERSITY OF THE STATE;

2 (VI) TWO MEMBERS WHO HAVE EXPERTISE IN RESOLVING
3 RESIDENTIAL CONSTRUCTION DISPUTES; AND

4 (VII) THREE MEMBERS REPRESENTING THE RESIDENTIAL
5 CONSTRUCTION CONTRACTING INDUSTRY.

6 (e) THE MEMBER APPOINTED PURSUANT TO SUBSECTION (3)(d)(I)
7 OF THIS SECTION SHALL CALL THE FIRST MEETING OF THE BOARD. THE
8 BOARD SHALL ELECT A CHAIR FROM AMONG ITS MEMBERS TO SERVE FOR
9 A TERM NOT TO EXCEED TWO YEARS, AS DETERMINED BY THE BOARD.

10 (f) THE TERM OF OFFICE OF BOARD MEMBERS IS FOUR YEARS;
11 EXCEPT THAT THE ATTORNEY GENERAL OR THEIR DESIGNEE SHALL
12 DESIGNATE TWO MEMBERS APPOINTED PURSUANT TO SUBSECTION
13 (3)(d)(V) OF THIS SECTION, ONE OF THE MEMBERS APPOINTED PURSUANT
14 TO SUBSECTION (3)(d)(VI) OF THIS SECTION, AND THREE OF THE MEMBERS
15 APPOINTED PURSUANT TO SUBSECTIONS (3)(d)(I), (3)(d)(II), (3)(d)(IV),
16 AND (3)(d)(VII) OF THIS SECTION TO SERVE INITIAL TERMS OF TWO YEARS.

17 (g) A VACANCY ON THE BOARD SHALL BE FILLED BY THE
18 ATTORNEY GENERAL OR THEIR DESIGNEE AS SOON AS POSSIBLE. A PERSON
19 APPOINTED TO FILL A VACANCY SERVES FOR THE REMAINDER OF THE
20 UNEXPIRED TERM.

21 (h) THE BOARD SHALL MEET AT LEAST QUARTERLY AND THE CHAIR
22 MAY CALL ADDITIONAL MEETINGS AS NECESSARY FOR THE BOARD TO
23 COMPLETE ITS DUTIES.

24 (i) EACH MEMBER OF THE BOARD IS ENTITLED TO RECEIVE FROM
25 MONEY IN THE FUND A PER DIEM ALLOWANCE OF FIFTY DOLLARS FOR EACH
26 DAY SPENT ATTENDING OFFICIAL BOARD MEETINGS.

27 (4) **Fee.**

1 (a) A CONTRACTOR CERTIFICATION FEE IN AN AMOUNT SET BY THE
2 ENTERPRISE, UP TO A MAXIMUM OF ONE HUNDRED DOLLARS, IS IMPOSED
3 ONEACH RESIDENTIAL CONSTRUCTION CONTRACTOR THAT APPLIES TO THE
4 BOARD FOR A CERTIFICATION. EACH RESIDENTIAL CONSTRUCTION
5 CONTRACTOR THAT APPLIES FOR A CERTIFICATION SHALL PAY THE
6 CONTRACTOR CERTIFICATION FEE TO THE ENTERPRISE AT THE TIME AND IN
7 THE MANNER PRESCRIBED BY THE ENTERPRISE IN ACCORDANCE WITH
8 SUBSECTION (6) OF THIS SECTION. THE MONEY FROM THE FEE IMPOSED
9 PURSUANT TO THIS SUBSECTION (4)(a) IS EXCLUDED FROM THE STATE'S
10 FISCAL YEAR SPENDING.

11 (b) THE ENTERPRISE SHALL TRANSMIT THE MONEY FROM THE FEES
12 COLLECTED PURSUANT TO THIS SUBSECTION (4) TO THE STATE TREASURER,
13 WHO SHALL CREDIT THE MONEY TO THE CONTRACTOR CERTIFICATION FEE
14 CASH FUND CREATED IN SUBSECTION (5) OF THIS SECTION.

15 (c) THE ENTERPRISE SHALL ENSURE, BY LOWERING THE FEE
16 IMPOSED BY THIS SUBSECTION (4) TO THE EXTENT NECESSARY, THAT THE
17 TOTAL AMOUNT OF FEE REVENUE DOES NOT EXCEED ONE HUNDRED
18 MILLION DOLLARS OVER THE FIRST FIVE FISCAL YEARS OF THE
19 ENTERPRISE'S EXISTENCE.

20 (5) **Fund.**

21 (a) THE CONTRACTOR CERTIFICATION CASH FUND IS CREATED IN
22 THE STATE TREASURY. THE FUND CONSISTS OF MONEY CREDITED TO THE
23 FUND PURSUANT TO SUBSECTION (4) OF THIS SECTION AND ANY OTHER
24 MONEY THAT THE GENERAL ASSEMBLY MAY APPROPRIATE OR TRANSFER
25 TO THE FUND.

26 (b) THE MONEY IN THE FUND SHALL NOT BE DEPOSITED IN OR
27 TRANSFERRED TO THE GENERAL FUND OR ANY OTHER FUND. THE STATE

1 TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED FROM THE
2 DEPOSIT AND INVESTMENT OF MONEY IN THE FUND TO THE FUND.

3 (c) MONEY IN THE FUND IS CONTINUOUSLY APPROPRIATED TO THE
4 ENTERPRISE FOR:

5 (I) THE COSTS OF COLLECTING THE FEE, ADMINISTERING THE
6 CERTIFICATION PROGRAM, AND CERTIFYING RESIDENTIAL CONSTRUCTION
7 CONTRACTORS IN ACCORDANCE WITH SUBSECTION (7) OF THIS SECTION;

8 (II) ANY DIRECT AND INDIRECT ADMINISTRATIVE EXPENSES
9 INCURRED BY THE ENTERPRISE; AND

10 (III) REPAYING THE GENERAL FUND LOAN MADE PURSUANT TO
11 SUBSECTION (5)(e) OF THIS SECTION.

12 (d) THE BOARD MAY SEEK, ACCEPT, AND EXPEND GIFTS, GRANTS,
13 OR DONATIONS FROM PRIVATE OR PUBLIC SOURCES FOR THE PURPOSES OF
14 THIS SECTION, SO LONG AS THE TOTAL AMOUNT OF ALL GRANTS RECEIVED
15 FROM THE STATE AND LOCAL GOVERNMENTS IS LESS THAN TEN PERCENT
16 OF THE ENTERPRISE'S TOTAL ANNUAL REVENUE.

17 (e) (I) ON JUNE 30, 2026, THE STATE TREASURER SHALL TRANSFER
18 TEN THOUSAND DOLLARS FROM THE GENERAL FUND TO THE FUND FOR THE
19 PURPOSE OF DEFRAYING EXPENSES INCURRED BY THE ENTERPRISE BEFORE
20 IT RECEIVES FEE REVENUE OR REVENUE BOND PROCEEDS.
21 NOTWITHSTANDING ANY OTHER LAW, THE ENTERPRISE MAY ACCEPT AND
22 EXPEND ANY MONEY SO TRANSFERRED, AND, NOTWITHSTANDING ANY
23 STATE FISCAL RULE OR GENERALLY ACCEPTED ACCOUNTING PRINCIPLE
24 THAT COULD OTHERWISE BE INTERPRETED TO REQUIRE A CONTRARY
25 CONCLUSION, THE TRANSFER IS A LOAN FROM THE STATE TREASURER TO
26 THE ENTERPRISE THAT IS REQUIRED TO BE REPAYED AND IS NOT A GRANT FOR
27 PURPOSES OF SECTION 20 (2)(d) OF ARTICLE X OF THE STATE

1 CONSTITUTION OR AS DEFINED IN SECTION 24-77-102 (7). ALL MONEY
2 TRANSFERRED AS A LOAN TO THE ENTERPRISE IS CREDITED TO THE FUND
3 OR TO AN ACCOUNT WITHIN THE FUND. LOAN LIABILITIES THAT ARE
4 RECORDED IN THE FUND BUT THAT ARE NOT REQUIRED TO BE PAID IN THE
5 CURRENT FISCAL YEAR SHALL NOT BE CONSIDERED WHEN CALCULATING
6 THE SUFFICIENT STATUTORY FUND BALANCE FOR PURPOSES OF SECTION
7 24-75-109.

8 (II) NO LATER THAN DECEMBER 31, 2027, THE ENTERPRISE SHALL
9 REPAY THE LOAN OF TEN THOUSAND DOLLARS RECEIVED PURSUANT TO
10 SUBSECTION (5)(e)(I) OF THIS SECTION AND ACCUMULATED INTEREST.
11 INTEREST ACCRUES ON THE MONEY BORROWED AT THE RATE PER ANNUM
12 ON THE MOST RECENTLY ISSUED TEN-YEAR UNITED STATES TREASURY
13 NOTE, ROUNDED TO THE NEAREST ONE-TENTH OF ONE PERCENT, AS
14 REPORTED BY THE WALL STREET JOURNAL AS OF THE DATE THE TRANSFER
15 REQUIRED BY SUBSECTION (5)(e)(I) OF THIS SECTION IS MADE, BEGINNING
16 ON THAT DATE AND CONTINUING UNTIL THE DATE ON WHICH THE MONEY
17 IS REPAYED.

18 (III) THIS SUBSECTION (5)(e) IS REPEALED, EFFECTIVE JULY 1,
19 2028.

20 (6) **Residential construction improvement goals.** THE
21 ENTERPRISE SHALL ADMINISTER THE CERTIFICATION PROGRAM IN
22 ACCORDANCE WITH THE FOLLOWING GOALS:

23 (a) PREVENTING OR REDUCING DAMAGE TO HOMEOWNERS CAUSED
24 BY CONTRACTORS WHO ABANDON WORK BEFORE A PROJECT IS COMPLETE;

25 (b) ENCOURAGING CONTRACTORS TO COMPLY WITH THE TERMS OF
26 A CONSTRUCTION AGREEMENT WITH A HOMEOWNER; AND

27 (c) INCREASING THE LIKELIHOOD OF A CONTRACTOR PERFORMING

1 COMPETENTLY BY ENCOURAGING CONTRACTORS TO BE CERTIFIED BY THE
2 ENTERPRISE.

3 (7) **Certification program.**

4 (a) THE RESIDENTIAL CONSTRUCTION CONTRACTOR CERTIFICATION
5 PROGRAM, BY WHICH A CONTRACTOR MAY OBTAIN CERTIFICATION FROM
6 THE BOARD TO PERFORM RESIDENTIAL CONSTRUCTION PROJECTS, IS
7 CREATED. THE ENTERPRISE SHALL ADMINISTER THE CERTIFICATION
8 PROGRAM AND ISSUE CERTIFICATES AS PROVIDED IN THIS SUBSECTION (7).

9 (b) THE PURPOSE OF THE CERTIFICATION PROGRAM IS TO ACHIEVE
10 THE GOALS SPECIFIED IN SUBSECTION (6) OF THIS SECTION BY
11 ENCOURAGING CONTRACTORS TO PARTICIPATE IN THE CERTIFICATION
12 PROGRAM AND OBTAIN A CERTIFICATION FROM THE BOARD PURSUANT TO
13 THIS SECTION, PROVIDE BETTER SERVICE TO CONSUMERS, AND FOSTER A
14 SENSE OF CONFIDENCE IN CONSUMERS THAT CERTIFIED CONTRACTORS ARE
15 RELIABLE, SAFE, AND COMPETENT. THE BOARD SHALL ESTABLISH CRITERIA
16 TO EVALUATE APPLICATIONS FOR CERTIFICATION BASED ON:

17 (I) WHETHER THE CONTRACTOR PROCURES AND MAINTAINS
18 ADEQUATE FINANCIAL SECURITY TO COVER ITS POTENTIAL LIABILITIES.
19 ADEQUATE FINANCIAL SECURITY INCLUDES A SURETY BOND OR LIABILITY
20 INSURANCE IN COMMERCIALY REASONABLE COVERAGE AMOUNTS TAKING
21 INTO ACCOUNT THE POTENTIAL LIABILITY EXPOSURE OF A CONTRACTOR
22 APPLYING FOR A CERTIFICATION.

23 (II) THE DEGREE OF THE CONTRACTOR'S COMPLIANCE WITH OTHER
24 APPLICABLE CONSTRUCTION LICENSING REQUIREMENTS;

25 (III) THE DEGREE OF THE CONTRACTOR'S COMPLIANCE WITH
26 APPLICABLE BUILDING CODES;

27 (IV) THE CONTRACTOR'S SKILL LEVEL, AS INDICATED BY OTHER

1 CERTIFICATIONS, LICENSES, PROJECTS UNDERTAKEN, EDUCATIONAL LEVEL,
2 REPUTATION, AND EXPERIENCE IN THE INDUSTRY;

3 (V) ANY INFORMATION RELATED TO THE QUALITY OF THE
4 CONTRACTOR'S PERFORMANCE ON RESIDENTIAL CONSTRUCTION PROJECTS;

5 (VI) THE DEGREE TO WHICH THE CONTRACTOR COMPLETED
6 PROJECTS ON TIME AND IN ACCORDANCE WITH ITS CONTRACTUAL
7 OBLIGATIONS; AND

8 (VII) THE NATURE OF ANY RESIDENTIAL CONSTRUCTION PROJECT
9 DISPUTES INVOLVING THE CONTRACTOR AND THE RESOLUTION OF THE
10 DISPUTE, IF ANY.

11 (c) A CONTRACTOR MAY SUBMIT AN APPLICATION TO THE
12 ENTERPRISE FOR A CERTIFICATION PURSUANT TO THE POLICIES AND
13 PROCEDURES ADOPTED BY THE BOARD.

14 (8) **Reporting.** NOTWITHSTANDING SECTION 24-1-136 (11)(a)(I),
15 THE BOARD SHALL SUBMIT A REPORT BY JULY 1 OF EACH YEAR TO THE
16 COMMITTEES OF REFERENCE OF THE GENERAL ASSEMBLY TO WHICH THE
17 DEPARTMENT IS ASSIGNED PURSUANT TO SECTION 2-7-203 (1). THE
18 REPORT MUST INCLUDE:

19 (a) THE UNOBLIGATED BALANCE OF THE FUND, THE NUMBER OF
20 CERTIFICATION APPLICATIONS RECEIVED, AND THE NUMBER OF
21 CERTIFICATES ISSUED;

22 (b) THE PROGRESS TOWARD ACHIEVEMENT OF THE RESIDENTIAL
23 CONSTRUCTION IMPROVEMENT GOALS SPECIFIED IN SUBSECTION (6) OF
24 THIS SECTION AND THE PRIMARY FACTORS FACILITATING AND INHIBITING
25 THAT PROGRESS; AND

26 (c) ANY SUGGESTED LEGISLATION OR POLICY CHANGES.

27 (9) **Repeal.** THIS SECTION IS REPEALED, EFFECTIVE JANUARY 1,

1 2037.

2 **SECTION 2. Safety clause.** The general assembly finds,
3 determines, and declares that this act is necessary for the immediate
4 preservation of the public peace, health, or safety or for appropriations for
5 the support and maintenance of the departments of the state and state
6 institutions.