

R156. Commerce, Professional Licensing.

R156-55a. Utah Construction Trades Licensing Act Rule.

R156-55a-101. Title.

This rule shall be known as the "Utah Construction Trades Licensing Act Rule."

R156-55a-102. Definitions.

The following definitions supplement the definitions in Title 58, Chapter 1, Division of Professional Licensing Act, and Chapter 55, Utah Construction Trades Licensing Act:

(1) "Construction trades instructor" as used in Subsection 58-55-301(2) means the education facility that is issued the license under Section R156-55a-302e. It does not mean individuals employed by the facility who may teach classes.

(2) "Construction trades instruction facility" means the facility that is granted the license in Subsection 58-55-301(2) and Section R156-55a-302e.

(3) "Employee" as used in Subsections 58-55-102(13) and 58-55-102(18), means a person providing labor services in the construction trades who works for compensation for a licensed contractor, or the substantial equivalent of a licensed contractor as determined by the Division, and who has federal and state taxes withheld and workers' compensation and unemployment insurance provided by the person's employer.

(4) "Hire" means to hire as an employee as defined in Subsection R156-55a-102(3).

(5) "Incidental" as used in Subsection 58-55-102(45), means work that:

- (a) can be safely and competently performed by a specialty contractor;
- (b) arises from, and is directly related to, work performed in the licensed specialty classification;
- (c) does not exceed 10% of the overall contract; and
- (d) does not include performance of any electrical or plumbing work.

(6)(a) "Maintenance" means routine actions to repair, replace, refinish, or preserve any component of an existing structure in its original condition.

(b) "Maintenance" does not include:

- (i) alteration or modification to existing weight-bearing or structural components; or
- (ii) any work that involves an electrical or plumbing system.

(7) "Mechanical" as used in Subsections 58-55-102(22) and (35), means the work that may be performed by an S350 contractor.

(8) "NASCLA" means the National Association of State Contractors Licensing Agencies.

(9) "Personal property" means, as it relates to Title 58, Chapter 56, Building Inspector and Factory Built Housing Licensing Act, a structure that is titled by the Utah Division of Motor Vehicles and taxed as personal property.

(10) "Qualifier" means the individual who demonstrates competence for a contractor license by satisfying the requirements to obtain the contractor license.

(11) "RMGA" means the Rocky Mountain Gas Association.

(12) "School" means a school district, technical college, or accredited college.

R156-55a-103. Authority.

This rule is adopted by the Division under the authority of Subsections 58-1-106(1)(a) and 58-55-103(1)(b)(i) to enable the Division to administer Title 58, Chapter 55, Utah Construction Trades Licensing Act.

R156-55a-104. Organization - Relationship to Rule R156-1.

The organization of this rule and its relationship to Rule R156-1 is as described in Section R156-1-107.

R156-55a-301. License Classifications - Scope of Practice.

(1) The classifications of licensure under Subsection 58-55-301(2) are described in this section. The contractor classifications in Subsections (2) through (6) are those determined to significantly impact the public health, safety, and welfare. A person engaged in work in Subsection (7) or (8) is exempt from licensure under Subsection 58-55-305(1)(i).

(2) Licenses shall be issued in the following primary classifications and subclassifications:

| TABLE 1 Classifications - Scope of Work | |
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| E100 - General Engineering Contractor | Work as defined in Subsection 58-55-102(24). |
| B100 General Building Contractor | (1) Work as defined in Subsection 58-55-102(22). (2) Includes the scope of practice of every specialty contractor, except: (a) E200 - General Electrical Contractor; (b) E201 - Residential Electrical Contractor; |

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| | <p>(c) P200 - General Plumbing Contractor;</p> <p>(d) P201 - Residential Plumbing Contractor;</p> <p>(e) R200 - Factory Built Housing Contractor;</p> <p>(f) S350 - HVAC Contractor, except that a B100 may perform HVAC work for a single-family residence or a multi-family residence up to four units;</p> <p>(g) S510 - Elevator Contractor; and</p> <p>(h) S700 -- Limited Scope License Contractor.</p> <p>(3) Excludes electrical work and plumbing work, but a B100 may hire a licensed journeyman electrician or master electrician, or licensed journeyman plumber or master plumber, to perform that work for a single-family residence or a multi-family residence up to four units.</p> |
| B200 - Modular Unit Installation Contractor | <p>(1) Set up or install a modular unit as defined in Subsection 15A-1-302(8) and constructed in accordance with Section 15A-1-304.</p> <p>(2) Includes construction of the permanent or temporary foundations, placement of the modular unit on a permanent or temporary foundation, securing modular units together if required, and securing the modular unit to the foundation.</p> <p>(3) Excludes installation of factory built housing and connection of required utilities.</p> |
| R100 - Residential and Small Commercial Contractor | Work as defined in Subsection 58-55-102(35). |
| R101 - Residential and Small Commercial Non Structural Remodeling and Repair. | <p>Remodeling and repairing any existing structure built for support, shelter, and enclosure of persons, animals, chattels, or movable property of any kind, with the restriction that:</p> <p>(1) no change is made to the bearing portions of the existing structure, including footings, foundation, and weight bearing walls; and</p> <p>(2) the entire project costs less than \$50,000, including materials and labor.</p> |
| R200 - Factory Built Housing Contractor | <p>(1) Disconnect, setup, install, or remove manufactured housing on a temporary or permanent basis.</p> <p>(2) Includes:</p> <p>(a) placing the manufactured housing on a permanent or temporary foundation;</p> <p>(b) securing the units together if required;</p> <p>(c) securing the manufactured housing to the foundation;</p> |

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| | <p>(d) connecting the utilities from the near proximity, such as a meter, to the manufactured housing unit; and</p> <p>(e) construction of foundations of less than four feet six inches in height;</p> <p>(3) Excludes:</p> <p>(a) preparation or finishing;</p> <p>(b) excavation of the ground in the area where a foundation is to be constructed, back filling, and grading around the foundation;</p> <p>(c) construction of foundations of more than four feet six inches in height; and</p> <p>(d) construction of utility services from the utility source, to and including the meter or meters if required, or if not required to the near proximity of the manufactured housing unit from which they are connected to the unit.</p> |
| E200 - General Electrical Contractor | Work as defined in Subsection 58-55-102(23). |
| E201 - Residential Electrical Contractor | Work as defined in Subsection 58-55-102(37). |
| S202 - Solar Photovoltaic Contractor | <p>(1) Fabrication, construction, installation, and replacement of photovoltaic modules and related components.</p> <p>(2) Excludes the performance of any wiring, connections, and wire methods as governed in the National Electrical Code and Subsection R156-55b-102(1), but an S202 may hire or subcontract an E200 or E201 contractor for that work.</p> |
| P200 - General Plumbing Contractor | <p>(1) Work as defined in Subsection 58-55-102(25).</p> <p>(2) Includes the furnishing of materials, fixtures, and labor to extend service from a building out to the main water, sewer, or gas pipeline.</p> |
| P201 - Residential Plumbing Contractor | Work as defined in Subsection 58-55-102(42). |
| S220 - Carpentry and Flooring Contractor | <p>Construction, fabrication, installation, placing, tying, welding, or repair using:</p> <p>(1) wood, wood products, metal, aluminum, metal products, metal studs, vinyl materials, plastic, rubber, fiberglass, polyethylene, thermoplastic polymers, countertops, cabinets, millwork, garage doors, doors, trim, tub liners, wall systems, partitions, or other wood, plastic, rubber, or metal composite or any composite that is by custom and usage accepted in the building industry as carpentry for structural, non-structural, and finish purposes;</p> |

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| | <p>(2) metal or steel structures and sheet metal, including metal cornices, marquees, metal soffits, flashings, skylights, and skydomes;</p> <p>(3) metal structural studs and bearing walls, reinforcing bars, erecting shapes, plates of any profile, perimeter cross-section that are used in structures, including riveting, welding, and rigging;</p> <p>(4) incidental concrete work and footings, grading, and surface preparation related to this scope of work;</p> <p>(5) laminate, tile, cement, wood, synthetic wood, or similar flooring product, including prefinished and unfinished material, sanding, staining and finishing of new and existing flooring, the underlayment, and subfloors; and</p> <p>(6) mechanical insulation of pipes, ducts, or conduits.</p> |
| S230 - Masonry, Siding, Stucco, Glass, and Rain Gutter Contractor. | <p>Construction, fabrication, and installation of:</p> <p>(1) siding, stucco, stucco to lathe, plaster, glass, glass substitutes, glass-holding members, rain gutters, drains, roof flashings, gravel stops, and metal ridges;</p> <p>(2) natural or synthetic stone, onyx, ceramic, granite, onice, corian, brick, block, forms, brick substitutes, clay, concrete blocks, terra-cotta, marble, tile, gypsum tile, glass block, clay tile, copings, plastic refractories, and castables; and</p> <p>(3) shower pans.</p> |
| S260 - Asphalt and Concrete Contractor | <p>(1) Fabrication, construction, mixing, batching, injecting, spraying, resurfacing, sealing, and installation of asphalt, asphalt overlay, chip seal, fog seal, slurry seal, concrete, gunnite, grouting, coatings, sealant, and related concrete products, along with placing and setting screeds for pavement for flatwork, the construction of forms, shoring material, placing and erection of bars for reinforcing and application of plaster and other cement-related products.</p> <p>(2) Includes:</p> <p>(a) excavation, grading, compacting, and laying of fill or other related base;</p> <p>(b) painting or coating the surfaces, including striping, directional, and other types of symbols or letters; and</p> <p>(c) fabrication, construction, and installation of forms and shoring material.</p> |
| S270 - Drywall, Paint, and | <p>Construction, installation, fabrication, and application of:</p> |

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| Plastering Contractor | <p>(1) drywall, gypsum, wallboard panels and assemblies, lightweight metal and non-bearing wall partitions, ceiling tile and panels, and the grid system required for placement;</p> <p>(2) insulating media in buildings and structures for temperature control, sound control, fireproofing, mechanical insulation of pipes, ducts, or conduits;</p> <p>(3) stucco, stucco to lathe, plaster, and other surfaces; and</p> <p>(4) paints, varnishes, shellacs, stains, waxes and other coatings or pigments.</p> |
| S280 - Roofing Contractor | <p>(1) Application and installation of asphalt, pitch, tar, felt, flax, shakes, shingles, roof tile, slate, and any other material or materials, or any combination of these materials that use and custom has established as usable for, or that are now used as, water-proof, weatherproof, or watertight seal or membranes for roofs and surfaces.</p> <p>(2) Includes:</p> <p>(a) any material attached to the roof;</p> <p>(b) roof conversion;</p> <p>(c) installation of non-electrical skylights;</p> <p>(d) installation of electrical skylights, if the electrical connection is performed by an E200 or E201 contractor;</p> <p>(e) installation of any insulating media in buildings and structures for the sole purpose of temperature control, sound control, fireproofing, and mechanical insulation of pipes, ducts, or conduits; and</p> <p>(f) incidental work including the installation of a roof clamp ring to the roof drain.</p> |
| S310 - Foundation, Excavation, and Demolition Contractor | <p>(1) Moving of the earth's surface and rock or placing earthen materials on the earth's surface, by use of hand or power machinery and tools, including explosives, in any operation of cut, fill, excavation, grading, trenching, backfilling, smashing, crushing, or combination thereof as they are generally practiced in the construction trade.</p> <p>(2) Excavation, drilling, compacting, pumping, sealing and other work necessary to construct, alter, or repair piers, piles, footings, and foundations placed in the earth's subsurface to prevent structural settling and to provide an adequate capacity to sustain or transmit the structural load to the soil or rock below.</p> <p>(3) Raising, cribbing, underpinning, moving, and removal of a building,</p> |

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| | structure, or matter appurtenant or incidental to any building or structure. |
| S330 - Landscape and Recreation Contractor | <p>(1) Grading and preparing of land for architectural, horticultural, or decorative treatment.</p> <p>(2) Arrangement, and planting of gardens, lawns, shrubs, vines, bushes, trees, or other decorative vegetation.</p> <p>(3) Construction, fabrication, and installation of:</p> <p>(a) swimming pools, prefabricated pools, spas, decorative pools, tanks, fountains, sprinkler systems, and water distribution systems for artificial watering or irrigation, for systems that are not connected to the culinary water system, or that are connected to the culinary water system but separated from the culinary water system by a backflow prevention device; an S330 may connect the system to the backflow prevention device;</p> <p>(b) metal fireboxes, fireplaces, and wood or coal-burning stoves, including the installation of venting and exhaust systems, if the individual performing the installation is RMGA-certified;</p> <p>(c) retaining walls, except for retaining walls to hold vehicles, structures, equipment or other non-natural fill materials within the area located within a 45 degree angle from the base of the retaining wall to the level of where the additional weight bearing vehicles, structures, equipment or other non-natural fill materials are located;</p> <p>(d) pergolas, patios, patio areas, and decking, including the deck structure and substructure;</p> <p>(e) hothouses, greenhouses, walks, and garden lighting of class two or class three power-limited circuits as defined in the National Electrical Code;</p> <p>(f) flag poles, fences, guardrails, handrails, and barriers;</p> <p>(g) sports and athletic courts, ranges, and fields including football fields, tennis courts, racquetball courts, handball courts, basketball courts, bowling alleys, shooting ranges, running tracks, playgrounds, playground equipment, rock climbing walls, or any similar court, field, surface, or related components; includes poles, standards, surface painting or coatings, floors, floor subsurface, wall surface, perimeter walls, perimeter fencing, scoreboards, or other equipment; and</p> <p>(h) incidental concrete, excavation, or asphalt work related to this scope of practice.</p> |

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| | <p>(3) Excludes any electrical work, but an S330 may hire or subcontract an E200 or E201 contractor for that work.</p> <p>(4) Excludes any plumbing work, but an S330 may hire or subcontract a P200 or P201 contractor for that work.</p> <p>(5) Excludes natural gas-related work, but an S330 may hire or subcontract an RMGA-certified licensed contractor for that work.</p> <p>(6) Includes installation of a backflow preventer device, if during each renewal period the licensee completes at least two of their six continuing education hours under Section R156-55a-303b in continuing education related to backflow installation.</p> |
| S350 - HVAC Contractor | <p>(1) Fabrication and installation of complete warm air heating, air conditioning and ventilating systems.</p> <p>(2) Installation of refrigeration equipment, including built-in refrigerators, refrigerated rooms, insulated refrigerated spaces and other related equipment.</p> <p>(3) Excludes any electrical work, but an S350 may hire or subcontract an E200 or E201 contractor for that work.</p> <p>(4) Excludes any plumbing work, but an S350 may hire or subcontract a P200 or P201 contractor for that work.</p> <p>(5) Excludes natural gas-related work, but an S350 may hire or subcontract an RMGA-certified licensed contractor for that work.</p> |
| S354 - Radon Mitigation Contractor | <p>(1) Layout, fabrication, and installation of a radon mitigation system.</p> <p>(2) Excludes work on heat recovery ventilation or makeup air components, but an S354 may hire or subcontract an S350 contractor for that work.</p> <p>(3) Excludes electrical work, but an S354 may hire or subcontract an E200 or E201 contractor for that work.</p> |
| S370 - Fire Suppression Systems Contractor | <p>(1) Layout, fabrication, and installation of fire protection systems using water, steam, gas, or chemicals.</p> <p>(2) Excludes connecting to a potable sanitary water supply system. An S370 may hire or subcontract a P200 or P201 contractor for that work.</p> <p>(3) Excludes installation of fire suppression systems in hoods above cooking appliances.</p> |
| S410 - Boiler, Pipeline, Waste Water, and Water Conditioner Contractor | <p>(1) Fabrication, construction, and installation of:</p> <p>(a) pipes, conduit, or cables for the conveyance and transmission from one station to another of products such as water, steam, gases except for natural gas that requires an RMGA certificate holder, chemicals, slurries, other</p> |

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| | <p>substances, data or communications, geothermal systems, or solar thermal systems up to where the system interfaces with any other plumbing system;</p> <p>(b) insulation of pipes, ducts, and conduits;</p> <p>(c) above and below ground storage tanks, piping, dispensing equipment, monitoring equipment, and associated temperature-control or other equipment for any petroleum, petro-chemical, water, steam, chemicals, slurries, oil, gases except for natural gas which requires an RMGA certificate holder, or other substances;</p> <p>(d) fire-tube and water-tube power boilers and hot water heating boilers, including fittings and piping, valves, gauges, pumps, radiators, converters, fuel oil tanks, fuel lines, chimney flues, heat insulation and other devices, apparatus, and equipment related thereto, in a system not connected to the culinary water system, or connected to the culinary water system but separated from the culinary water system by a backflow prevention device;</p> <p>(e) water conditioning equipment and only such pipe and fittings as are necessary for connecting the water conditioning equipment to the water supply system within the premises; and</p> <p>(f) sewer, sewer lines, sewage disposal, septic tank, drainage, and the construction of sewage disposal plants and appurtenances thereto.</p> <p>(2) Includes incidental excavation, cabling, horizontal boring, grading, trenching, backfilling, concrete work, or asphalt work necessary for construction of any work related to this scope of practice.</p> <p>(3) Includes installation of a backflow preventer device, if during each renewal period the licensee completes at least two of their six required Section R156-55a-303b continuing education hours in continuing education directly related to backflow installation.</p> <p>(4) Excludes natural gas-related work, but an S410 may hire or subcontract an RMGA-certified licensed contractor for that work.</p> |
| S440 - Sign Installation Contractor | <p>(1) Fabrication, installation, and erection of electrical or non-electrical signs and graphic displays that require installation permits or permission issued by state or local government jurisdictions, as follows:</p> |

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| | <p>(a) "Signs and graphic displays" means any type of sign, including lighted and unlighted, permanent highway marker sign, illuminated awning, electronic message center, sculpture or graphic representation including a logo and trademark to identify or advertise the user or product, building trim or lighting with neon or decorative fixtures, and any other animated, moving, or stationary device used for advertising or identification purposes.</p> <p>(b) "Non-electrical signs and graphics displays" means an outdoor sign that does not have electrical lighting or other electrical requirements, and that is fabricated, installed, and erected in accordance with professionally engineered specifications.</p> <p>(2) Signs and graphic displays shall be fabricated, installed, and erected in accordance with professionally engineered specifications and wiring in accordance with the National Electrical Code.</p> <p>(3) Excludes any electrical work, but an S440 may hire or subcontract an E200 or E201 contractor for that work.</p> |
| S510 - Elevator Contractor | Erecting, constructing, installing, altering, servicing, repairing or maintaining an elevator. |
| S700 - Limited Scope License Contractor. | <p>(1) Specialized construction scope of work, granted by the Division on a case-by-case basis.</p> <p>(2) An applicant for this license shall submit to the Division:</p> <p>(a) a detailed statement of the contracting work that the applicant proposes to perform, and an explanation why it is not included in any other classification; and</p> <p>(b) any brochures, catalogs, photographs, diagrams, or other materials to further clarify the proposed scope of work.</p> |

(3)(a) A specialty license contractor, as defined in Subsection 58-55-102(45), is confined to the field and scope of work as outlined by the Division.

(b) A specialty license contractor may hire or subcontract with a specialty license contractor that holds the same classification as the hiring contractor.

(4)(a) A licensee may hold up to three specialty license classifications, in addition to any general contractor classifications, except that an R101 Residential and Small Commercial Non Structural Remodeling and Repair contractor may not have any other specialty classifications.

(b) A licensee may change classifications at any time by surrendering a classification, and by applying for any classification for which the licensee is qualified and as permitted by law.

(c) To qualify for licensure, an applicant for renewal or reinstatement shall surrender or replace the applicant's contractor classifications as needed to comply with Subsection (4)(a).

(5) Effective July 22, 2019, the following contractor classification are converted as follows:

| Former Classification | Converted To |
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| P202 | S410 |

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| P204 | S410 |
| P205 | S410 |
| P206 | S410 |
| P207 | S410 |
| P203 | S330 |
| E202 | S202 |
| S221, S222 | S220 |
| S231 | S230 |
| S240 | S230 |
| S250 | S270 |
| S261, S262, S263 | S260 |
| S272, S273 | S270 |
| S290, S291, S292, S293, S294 | S230 |
| S300 | S270 |
| S320, S321, S322, S323 | S220 |
| S340 | S220 |
| S351, S352, S353 | S350 |
| S360 | S350 |
| S380 | S330 |
| S390 | S410 |
| S400 | S260 |
| S420, S421 | S330 |
| S430 | S330 |
| S441 | S440 |
| S450 | S410 |
| S460 | S310 |
| S470 | S410 |
| S480 | S310 |
| S490 | S220 |
| S491 | S220 |
| S500 | S330 |
| S600 | S230 |
| I101 | E100 |
| I102 | B100 |
| I103 | E200 |
| I104 | P200 |
| I105 | S350 |

(6) The following primary classifications scopes of practice include the listed subclassification scope of practice, and a primary classification contractor may hire or subcontract with a subclassification licensee:

| Primary Classification | Included Subclassification |
|------------------------|----------------------------|
| B100 | B200, R200 |
| E200 | E201, S202 |
| P200 | P201 |
| S350 | S354 |
| S420 | S421 |
| S440 | S441 |
| S490 | S491 |

(7) The following activities are determined to not significantly impact the public health, safety, and welfare, and therefore do not require a contractor license:

- (a) sandblasting;
- (b) pumping services;
- (c) tree stump or tree removal;
- (d) installation of a satellite dish or communication device on or within a building, including for phone, internet, or television;
- (e) installation of class two or class three power-limited circuits as defined in the National Electrical Code;
- (f) construction of utility sheds, gazebos, or other similar items that are personal property and not attached to:

- (i) a residential or commercial building; or
 - (ii) a foundation;
 - (g) building cleaning, sanitizing, and window washing, including power washing;
 - (h) central vacuum systems installation;
 - (i) concrete cutting;
 - (j) interior decorating;
 - (k) wall paper hanging;
 - (l) installation of drapery, blinds, shutters, or other window coverings;
 - (m) welding on personal property that is not attached;
 - (n) chimney sweepers other than repairing masonry;
 - (o) carpet, vinyl sheet tile, or vinyl plank floor installation;
 - (p) artificial turf installation;
 - (q) general cleanup of a construction site that does not include demolition or excavation;
 - (r) installation or removal of weather-stripping but does not include moisture vapor barriers;
 - (s) fabrication, installation, or removal of mirrors;
 - (t) construction, installation, or removal of awnings and canopies, including attached or detached;
 - (u) pallet racking, conveyors, conveyor belts, conveyor systems, or metal shelving, whether attached or detached to the structure, excluding plumbing and electrical work;
 - (v) seismic strapping for pipes, appliances, and water heaters;
 - (w) dustless blasting;
 - (x) lock-smithing, including installation or repair of door locks, door access controls, or other door or cabinetry hardware;
 - (y) yurt or membrane-covered frame structures as defined in Section 15A-1-204;
 - (z) installation of art and artwork, including sculpture, that is not part of the structural components of a building or structure;
 - (aa) installation of standalone solar systems that do not tie into premises wiring or into the electrical utility; and
 - (bb) lawn aeration, fertilizing, power raking, and dethatching.
- (8) The following activities are determined to not significantly impact the public health, safety and welfare beyond the regulations by other agencies, and therefore do not require a contractor license:
- (a) lead removal regulated by the Department of Environmental Quality;
 - (b) asbestos removal regulated by the Department of Environmental Quality; and
 - (c) fire alarm installation regulated by the Fire Marshal.

R156-55a-302a. Qualifications for Licensure - Examinations.

(1) Under Subsection 58-55-302(1)(c), no examination is required for the qualifier of an applicant for licensure as a contractor except for the Utah Contractor Business and Law Examination for the classifications in Subsection 58-55-302(1)(c)(ii).

(2) An applicant who fails an examination may retake the failed examination as follows:

- (a) no sooner than 30 days following any failure, up to three failures; and
- (b) no sooner than six months following any failure thereafter.

(3) The Utah Contractor Business and Law Examination is not required for an applicant for licensure by endorsement under Section 58-1-302.

R156-55a-302b. Qualifications for Licensure - Experience Requirements.

(1) "Experience in the construction industry" as defined in Subsection 58-55-302(1)(e)(ii) is more broad in scope than the definition of "construction trade" in Subsection 58-55-102(11), and includes experience obtained:

(a) in the construction industry regardless if paid as a W-2, or as an owner, and regardless of whether licensed or exempt;

(b) while performing construction activities in the military or for a railroad corporation; or

(c) under the supervision of a construction trades instructor as a part of an educational program.

(2)(a) "Two years full-time paid employment" as defined in Subsection 58-55-302(1)(e)(ii)(A), is a total of 4,000 hours paid employment.

(b) The following shall satisfy the experience requirement in Subsection 58-55-302(1)(e)(ii)(A):

(i) a passing score on the NASCLA Accredited Examination for Commercial General Building Contractors;

(ii) a four-year bachelor's degree or a two-year associate degree in Construction Management from a program or institution recognized by the United States Department of Education; or

(iii) a Utah professional engineer license.

R156-55a-302d. Qualifications for Licensure - Proof of Insurance and Registrations.

Under Subsection 58-55-302(2)(b), an applicant for licensure shall submit proof of public liability insurance by means of a certificate of insurance that:

- (1) names the Division as a certificate holder;

- (2) provides coverage for the scope of work performed;
- (3) is in force for the entire duration of active licensure; and
- (4) has coverage amounts of at least \$100,000 for each incident and \$300,000 in total.

R156-55a-302e. Requirements for Construction Trades Instructors, Schools, and Colleges.

Under Subsection 58-55-302(1)(f), a school that provides instruction to students by engaging in the construction trade for the public as part of the instruction shall be a Utah licensed contractor with an active qualifier in the classification for the scope of practice in which the students are being instructed.

R156-55a-302f. Pre-licensure Education - Standards.

(1) The 25-hour pre-licensure course required by Subsection 58-55-302(1)(e)(iii) and the five-hour pre-licensure course required by Subsection 58-55-302(1)(e)(iv) shall be completed by the qualifier for a contractor license applicant.

(a) Any approved 20-hour pre-licensure course completed by the qualifier before November 30, 2017 shall be accepted by the Division as satisfaction of the 25-hour and five-hour pre-licensure course requirements in Subsections 58-55-302(1)(e)(iii) and (iv).

(b) Any approved 25-hour pre-licensure course completed by the qualifier before July 1, 2019 shall be accepted by the Division as satisfaction of the 25-hour and five-hour pre-licensure course requirements in Subsections 58-55-302(1)(e)(iii) and (iv).

(2) The 25-hour course may include a provider-administered exam at the end of the course for no additional fee, and shall include the following topics and hours of education relevant to the practice of the construction trades consistent with the laws and rules of this state:

(a) 15 hours of financial responsibility instruction that includes the following:

(i) record keeping and financial statements;

(ii) payroll, including:

(A) payroll taxes;

(B) worker compensation insurance requirements;

(C) unemployment insurance requirements;

(D) professional employer organization alternatives;

(E) prohibitions regarding paying employees on 1099 forms as independent contractors, unless licensed or exempted;

(F) employee benefits; and

(G) Fair Labor Standard Act;

(iii) cash flow;

(iv) insurance requirements including auto, liability, and health; and

(v) independent contractor licensure and exemption requirements;

(b) six hours of construction business practices that includes the following:

(i) estimating and bidding;

(ii) contracts;

(iii) project management;

(iv) subcontractors; and

(v) suppliers;

(c) two hours of regulatory requirements that includes the following:

(i) licensing laws;

(ii) Occupational Safety and Health Administration (OSHA);

(iii) Environmental Protection Agency (EPA); and

(iv) consumer protection laws; and

(d) two hours of mechanic lien fundamentals that include the State Construction Registry.

(3) The five-hour course shall include five hours of education on the topics covered in the Utah Contractor Business and Law Examination. The five-hour course may include a provider-administered exam at the end of the course for no additional fee.

(4) Under Subsections 58-55-102(7) and 58-55-302(1)(e)(iii) and (iv), an approved pre-licensure course provider shall offer the 25-hour and five-hour course:

(a) at least 12 times per year;

(b) shall comply with Subsection 58-55-102(7)(b); and

(c) except as necessary to meet the requirements of Subsection 58-55-102(7)(b), is not obligated to provide a course if the provider determines enrollment is not sufficient to break even on cost.

(5) A pre-licensure course shall meet the following standards:

(a) Each hour of pre-licensure course credit shall consist of 50 minutes of education in the form of live lectures or training sessions. Time allowed for lunches or breaks may not be counted as part of the course time for which course credit is issued.

(b) The learning objectives of the pre-licensure course shall be reasonably and clearly stated.

(c) The pre-licensure course shall be presented in a competent and well-organized manner consistent with the stated purpose and objective of the program. The student shall demonstrate knowledge of the course material.

(d) The pre-licensure course shall be prepared and presented by individuals who are qualified by education, training or experience.

(e) A pre-licensure course may not be taught by distance learning, internet course, or home study course.

(f) The provider shall have a competent method of registration and verification of attendance of individuals who complete the pre-licensure education.

(g) The provider shall provide or develop a pre-licensure course curriculum and study guide for the pre-licensure course, and have them pre-approved by the Commission and the Division before use.

(h) The pre-licensure education course may be taught by live broadcast if:

(i) the student and the instructor are able to see and hear each other; and

(ii) a representative of the provider is at any remote location to monitor registration and attendance at the course.

(6) The pre-licensure course provider shall provide individuals completing the pre-licensure course a certificate that contains:

(a) the date of the pre-licensure course;

(b) the name of the pre-licensure course provider;

(c) the attendee's name;

(d) verification of completion; and

(e) the signature of the pre-licensure course provider.

(7) A pre-licensure course provider shall, within seven calendar days, submit directly to the Division verification of attendance and completion on behalf of persons attending and completing the program. This verification shall be submitted on forms approved by the Division.

(8) On a random basis, the Division or Commission may assign monitors to attend a pre-licensure course at no charge to evaluate the course and the instructor.

(9) Each provider shall maintain adequate documentation to prove compliance with this section for at least four years after the end of a pre-licensure course, and make such documentation available for review by the Division or the Commission upon request. Documentation shall include:

(a) the dates of pre-licensure courses that have been completed;

(b) registration and attendance logs of individuals who completed the pre-licensure course;

(c) the names of instructors for each course provided as a part of the program; and

(d) pre-licensure course handouts and materials.

(10) Under Subsections 58-55-302(1)(e)(iii) and (iv), the following persons are not required to complete the pre-licensure course program:

(a) a person holding a four-year bachelor's degree or a two-year associate degree in Construction Management from a program or institution recognized by the United States Department of Education;

(b) a person holding an active and unrestricted Utah professional engineer license;

(c) a person who is or has been a qualifier on an active and unrestricted Utah contractor license within the past five years; and

(d) a person who qualifies for licensure by endorsement as a contractor pursuant to Section 58-1-302.

R156-55a-303a. Renewal Cycle - Procedures.

(1) Under Subsection 58-1-308(1), the renewal date for the two year renewal cycle for licensees under Title 58, Chapter 55, Utah Construction Trades Licensing Act, is established in Subsection R156-1-308a(1).

(2) Renewal procedures shall be in accordance with Sections R156-1-308c through R156-1-308l.

(3) Under Subsections 58-55-501(21) and 58-1-308(3)(b)(i) and Section 58-55-302.5, there is established a continuing education requirement for license renewal. Each licensee, or the licensee's qualifier, or an officer, director, or supervising individual, as designated by the licensee, shall comply with the continuing education requirements in Section R156-55a-303b.

(4) Contractors shall renew their license in an online form approved by the Division, except as permitted by the Division in writing.

R156-55a-303b. Continuing Education - Standards.

(1) Under Section 58-55-302.5, each licensee shall complete six hours of continuing education during each two-year license term. A minimum of three hours shall be core education; the remaining three hours may be professional education or core education. A minimum of three hours shall consist of live in-class attendance; the remaining three hours may consist of distance learning courses.

(a) Regular attendance by a Commission member on the Construction Services Commission shall satisfy the member's continuing education requirements under Section 58-55-302.5.

(b) An S350 contractor shall complete at least three of their six continuing education hours in continuing education directly related to the installation, repair, or replacement of a heating, ventilation, or air conditioning system.

(c) An S330 or S410 contractor that performs installation of a backflow preventer device shall complete at least two of their six continuing education hours in continuing education directly related to backflow installation.

(d) Contractors with a renewal cycle that ends after January 1, 2020, shall complete at least one of their six continuing education hours in energy conservation.

(e) "Core continuing education" means education related to construction codes, construction laws, job site safety, OSHA 10 or OSHA 30 safety training, governmental regulations pertaining to the construction trades and employee verification and payment practices, finance, bookkeeping, energy conservation, and construction business practices.

(f) "Professional continuing education" means education related to substantive subjects dealing with the practice of the construction trades, including land development, land use, planning and zoning, professional development, arbitration practices, estimating, marketing techniques, servicing clients, personal and property protection for the licensee and the licensee's clients and similar topics.

(g) The following course subject matter is not acceptable as core education or professional education hours:

(i) mechanical office and business skills, such as typing, speed reading, memory improvement and report writing;

(ii) physical well-being or personal development, such as personal and business motivation, stress management, time management, dress for success, or similar subjects;

(iii) presentations by a supplier or a supplier representative to promote a particular product or line of products; and

(iv) meetings held in conjunction with the general business of the licensee or employer.

(h) The Division may defer or waive continuing education requirements as provided in Section R156-1-308d.

(2) A continuing education course shall meet the following standards:

(a) Each hour of credit shall consist of 50 minutes of education in the form of seminars, lectures, conferences, training sessions or distance learning modules. The remaining ten minutes is to allow for breaks.

(b) The course provider shall be specified in Subsection 58-55-302.5(2).

(c) The content of the course shall be relevant to the practice of the construction trades and consistent with the laws and rules of this state.

(d) The learning objectives of the course shall be reasonably and clearly stated.

(e) The course shall be presented in a competent, well organized and sequential manner consistent with the stated purpose and objective of the program.

(f) The course shall be prepared and presented by individuals who are qualified by education, training and experience.

(g) An internet or home study course may be recognized for continuing education if the course verifies registration and participation by means of a test demonstrating that the participant has learned the material. Test questions shall be randomized for each participant. A home study course shall include no fewer than five variations of the final examination, distributed randomly to participants. Home study courses, including the five exam variations, shall be submitted in their entirety to the Division for review. Providers shall track the following:

(i) the amount of time each student has spent in the course;

(ii) what activities the student did or did not access; and

(iii) student's test scores.

(h) The course provider shall:

(i) have a competent method of registration of individuals who completed the course;

(ii) maintain records of attendance available for review by the Division; and

(iii) provide individuals completing the course a certificate that contains the following information:

(A) date of the course;

(B) name of the course provider;

(C) name of the instructor;

(D) course title;

(E) hours of continuing education credit and type of credit, whether core or professional;

(F) attendee's name; and

(G) signature of the course provider.

(i) A course provided through live broadcast may be recognized for live in-class continuing education credit if the student and the instructor are able to see and hear each other.

(3) The Division may assign monitors at no charge to attend a course for evaluating the course and the instructor.

(4)(a) Each licensee shall maintain adequate documentation as proof of compliance with this section, such as certificates of completion, course handouts and materials. The licensee shall retain this proof for two years from the end of the renewal period for which the continuing education is due.

(b) Each licensee shall ensure that the course provider has submitted the verification of attendance to the continuing education registry on behalf of the licensee as specified in Subsection (8). Alternatively, the licensee may submit the course to the continuing education registry for approval and pay any course approval fees and attendance recording fees.

(5) Licensees who lecture in continuing education courses meeting the requirements of Section R156-55a-303b shall receive two hours of continuing education for each hour spent lecturing. However, no lecturing or teaching credit is available for participation in a panel discussion.

(6)(a) The continuing education requirements for electricians, plumbers, and elevator mechanics in Section 58-55-302.7, if offered by a provider specified in Subsection 58-55-302.5(2), shall satisfy the contractor continuing education requirements of Section 58-55-302.5 and this section.

(b) The contractor licensee shall assure that the course provider has submitted the verification of the electrician's, plumber's or elevator mechanic's attendance on behalf of the licensee to the continuing education registry as specified in Subsection (8).

(7) A course provider shall submit continuing education courses to the continuing education registry and shall submit verification of attendance and completion on behalf of licensees attending and completing the program directly to the continuing education registry in the format required by the continuing education registry.

(8) The Division shall review continuing education courses that have been submitted through the continuing education registry and shall approve only those courses that meet the standards of this section.

(9) As provided in Section 58-1-401 and Subsections 58-55-302.5(2) and 58-55-302.7(4)(a), the Division may refuse to renew or may revoke, suspend, restrict, place on probation, issue a public reprimand to, or otherwise act upon the approval of any course or provider, if the course or provider fails to meet any of the requirements of this section or the provider has engaged in unlawful or unprofessional conduct.

(10) The Division shall designate an entity to act as the Continuing Education Registry, and the Continuing Education Registry in consultation with the Division and the Commission, shall:

(a) through its internet site electronically receive applications from continuing education course providers, and submit to the Division for review and approval only those applications from programs that meet the standards of this section;

(b) publish on their website listings of continuing education programs that have been approved by the Division, and that meet the standards for continuing education credit under this rule;

(c) maintain accurate records of approved qualified continuing education;

(d) maintain accurate records of verification of attendance and completion, by individual licensee, that the licensee may review for compliance with this rule; and

(e) make records of approved continuing education programs and attendance and completion available for audit by representatives of the Division.

(11) The Continuing Education Registry may charge a reasonable fee to continuing education providers or licensees for services provided for review and approval of continuing education programs.

R156-55a-304. Contractor License Qualifiers.

(1) The capacity and material authority specified in Subsection 58-55-304(4) includes the following:

(a) Except as allowed in Subsection (1)(b), the qualifier shall receive remuneration for work performed for the contractor licensee for not less than 12 hours of work per week.

(i) If the qualifier is an owner of the business, the remuneration may be in the form of owner's profit distributions or dividends with a minimum ownership of 20 percent of the contractor licensee.

(ii) If the qualifier is an officer or manager of the contractor licensee, the remuneration shall be in the form of W-2 wages.

(b) The 12 hour minimum in Subsection (1)(a) may be reduced if the total hours worked by the owners and employees is less than 50 hours per week, in which case the minimum may not be less than 20 percent of the total hours of work performed by all owners and employees of the contractor.

(2)(a) A qualifier may hold up to three specialty classifications, in addition to any classification under Subsection 58-55-301(2)(a) through (c) and Subsection 58-55-301(2)(e) through (h), except that an R101 qualifier may not have any other specialty classifications.

(b) A qualifier may change classifications at any time by surrendering a classification, and by applying for any classification for which the qualifier is permitted by law.

(c) A current qualifier shall surrender or replace the qualifier's classifications as needed to comply with Subsection (2)(a) at the time of any renewal or reinstatement involving the qualifier.

(3) A qualifier may not act as the qualifier for more than three licensees at any one time, unless:

(a) the qualifier demonstrates by sufficient evidence satisfactory to the Commission and the Division that the qualifier exercises material authority over the businesses; and

(b) the Commission and the Division grant written approval.

R156-55a-305. Compliance Agency Reporting of Sole Owner Building Permits Issued.

Under Subsection 58-55-305(2), a compliance agency that issues building permits to sole owners of property shall submit, within 30 days of issuance, the following information concerning each building permit issued in its jurisdiction, to a Division-designated fax number, email address, or written mailing address:

(1) building permit number;

(2) date issued;

(3) issuing compliance agency's name, address, and phone number;

(4) sole owner's full name, home address, and phone number;

(5) building site subdivision and lot number.

R156-55a-305a. Exempt Contractors Filing Affirmation of Liability and Workers' Compensation Insurance.

(1) Under Subsection 58-55-305(1)(h)(ii)(H), a person claiming exemption under Subsection 58-55-305(1)(h) for projects with a value greater than \$1,000 but less than \$3,000 shall file a registration of exemption with the Division that includes:

(a) the identity and address of the person claiming the exemption;

(b) answers to qualifying questions; and

- (c) a statement signed by the person verifying that:
 - (i) the person has liability insurance in force that includes:
 - (A) the Division named as a certificate holder;
 - (B) the policy number, the expiration date of the policy, the insurance company name and contact information, and coverage amounts of at least \$100,000 for each incident and \$300,000 in total; and
 - (ii) that the person:
 - (A) has workers' compensation insurance in force that names the Division as a certificate holder, includes the policy number, the expiration date of the policy, the insurance company name and contact information; or
 - (B) that the person does not hire employees and is therefore exempt from the requirement to have workers' compensation insurance.
- (2) The affirmation required under Subsection (1) shall be reaffirmed on or before November 30 of each odd numbered year.

R156-55a-306. Contractor Financial Responsibility - Division Audit.

Under Subsections 58-55-102(20) and 58-55-302(10)(c) and Section 58-55-306, the Division may consider relevant factors in conducting a financial responsibility audit of an applicant, licensee, qualifier, or any owner, including:

- (1) judgments, child support obligations, restitution orders, tax liens, collection actions, bankruptcy schedules, and a history of late payments to creditors, including documentation showing the resolution of any factor under this Subsection (1);
- (2) financial statements and tax returns, including the ability to prepare or have prepared competent and current financial statements and tax returns;
- (3) a current credit report acceptable to the Division;
- (4) an explanation of the reasons for any financial difficulties and how the financial difficulties were resolved;
- (5) any of the factors in Section R156-1-302 that relate to failure to maintain financial responsibility;
- (6) each of the factors in Subsection (1) regarding the financial history of the owners of the applicant or licensee;
- (7) any guaranty agreements provided for the applicant or licensee and any owners; and
- (8) any history of prior entities owned or operated by the applicant, licensee, qualifier, or any owner that have failed to maintain financial responsibility.

R156-55a-308b. Natural Gas Technician Certification.

(1) Under Subsection 58-55-308(1), the scope of practice in Subsection 58-55-308(2)(a) requiring certification is further defined as the installation, modification, maintenance, cleaning, repair or replacement of the gas piping, combustion air vents, exhaust venting system or derating of gas input for altitude of a residential or commercial gas appliance.

- (2) An approved training program shall include the following course content:
 - (a) general gas appliance installation codes;
 - (b) venting requirements;
 - (c) combustion air requirements;
 - (d) gas line sizing codes;
 - (e) gas line approved materials requirements;
 - (f) gas line installation codes; and
 - (g) methods of derating gas appliances for elevation.
- (3) Under Subsection 58-55-308(2)(c)(i), the following programs are approved to provide natural gas technician training, and to issue certificates or documentation of exemption from certification:
 - (a) Federal Bureau of Apprenticeship Training;
 - (b) Utah college apprenticeship program;
 - (c) trade union apprenticeship program;
 - (d) Rocky Mountain Gas Association; and
 - (e) Home Builders Association of Utah.
- (4) Under Subsection 58-55-308(3), the approved programs in Subsections (3)(b) through (3)(e) shall require program participants to pass the RMGA Gas Appliance Installers Certification Exam, or equivalent exams approved by the Commission established or adopted by a training program, with a minimum passing score of 80%.
- (5) Under Subsection 58-55-308(3), a person who has not completed an approved training program, but has passed the RMGA Gas Exam or approved equivalent exam established or adopted by an approved training program, with a minimum passing score of 80%, or the Utah licensed Journeyman or Residential Journeyman Plumber Exam, with a minimum passing score of 70%, is exempt from the certification requirement in Subsection 58-55-308(2)(c)(i).
- (6) An approved program shall issue a certificate, including a wallet certificate, to each person who successfully completes the training program, with the following information:
 - (a) name of the program provider;
 - (b) name of the approved program;
 - (c) name of the certificate holder;
 - (d) date the certification was completed; and
 - (e) signature of an authorized representative of the program provider.
- (7) The following shall constitute documentation of exemption from certification:

- (a) certification of completion of training issued by the Federal Bureau of Apprenticeship Training;
- (b) current Utah licensed Journeyman or Residential Journeyman plumber license; or
- (c) certification from the RMGA or approved equivalent exam which shall include the following:
 - (i) name of the association, school, union, or other organization who administered the exam;
 - (ii) name of the person who passed the exam;
 - (iii) name of the exam;
 - (iv) date the exam was passed; and
 - (v) signature of an authorized representative of the test administrator.
- (8) Each person engaged in the scope of practice defined in Subsection 58-55-308(2)(a) and Subsection (1), shall carry in their possession documentation of certification or exemption.

R156-55a-311. Reorganization - Conversion of Contractor Business Entity - Ownership for Licensure by Endorsement.

(1) A conversion from one form of entity to another form with "Articles of Conversion" filed with and approved by the Utah Division of Corporations and Commercial Code does not require a new contractor application.

(2) Except as provided in Subsection (1), a reorganization of the business entity under which a licensed contractor is licensed shall require application for a new license under the new form of organization or business structure. The creation of a new legal entity constitutes a reorganization, and includes:

- (a) a change to a new entity under the same form of business entity; or
- (b) a change of the form of business entity between proprietorship, partnership, whether limited or general, joint venture, corporation, or any other business form.

(3) A business entity applying for licensure by endorsement under Section 58-1-302 shall demonstrate that:

- (a) at least 50% of the business entity's ownership proposed for the Utah license is the same as the license held in the jurisdiction used for endorsement; and
- (b) no more than 50% of the business entity's ownership has changed in the 12 months preceding the date of application.

R156-55a-312. Inactive License.

(1) The requirements for inactive licensure in Subsection R156-1-305(3) shall also include certification that while on inactive status, the licensee will not engage in the construction trades for which the license was issued, except to identify the licensee as an inactive licensee.

(2) A license on inactive status is exempt from the licensure requirements of Subsections 58-55-302(1)(e)(i), 58-55-302(2)(b) and Section 58-55-302.5.

(3) In addition to the requirements for reactivation of an inactive license in Subsection R156-1-305(5), the licensee shall also:

- (a) meet the requirements of:
 - (i) Section 58-55-302.5;
 - (ii) Subsection 58-55-302(1)(e)(i); and
 - (iii) Subsection 58-55-302(2)(b); and
- (b) before a license being activated, complete the continuing education required under Section 58-55-302.5, unless it was completed for the last renewal cycle.

R156-55a-501. Unprofessional Conduct.

Under Subsection 58-55-102(48), "unprofessional conduct" includes:

(1) failing to notify the Division with respect to any matter for which notification is required under this rule or Title 58, Chapter 55, Construction Trades Licensing Act, including a change in qualifier, which failure shall be considered by the Division and the Commission as grounds for immediate suspension of the contractor's license;

(2) failing to notify the Division within 10 days of any change of the name, address, phone number, or email address of the qualifier or owners of a licensee;

(3) failing to continuously maintain insurance and registration as required by Subsection 58-55-302(2) and Section R156-55a-302d;

(4) failing to provide within 30 days of a request from the Division or from any person that has a reasonable basis to make a claim on the licensee's insurance policy:

- (a) proof of the licensee's insurance coverage;
- (b) the name of the licensee's insurance company, policy number, date of expiration, and insurance coverage limits;
- (c) a copy of the licensee's insurance policy;
- (d) a copy of the licensee's worker compensation policy, if required to maintain worker compensation insurance under Utah law; or
- (e) any exclusions included in the licensee's insurance policy;

(5) failing to provide the Division, within 30 days of a request, documents, an interview, or other requested information to determine compliance with Title 58, Chapter 55, Utah Construction Trades Licensing Act, or Title 58, Chapter 1, Division of Professional Licensing Act;

- (6) refusing, as an electrical or plumbing contractor, to timely and accurately certify the hours of work experience when requested by an electrician or plumber who is or has been an employee;
- (7) refusing, as a contractor, to timely and accurately certify the work experience for a contractor application when requested by a current or former employee;
- (8) failure of a qualifier, owner, applicant, or licensee to be knowledgeable of the laws and rules applicable to their profession;
- (9) failing to timely provide, upon request by any person, a copy of a current license or license number when performing construction trades work;
- (10) an owner, qualifier, or licensee advising or instructing any person or applicant, for a fee, concerning an examination required under Title 58, Chapter 55, Utah Construction Trades Licensing Act, for which that owner, qualifier, or licensee was a subject-matter expert of the examination, unless the Division approves in writing of the owner, qualifier, or licensee providing that instruction;
- (11) using, hiring, or contracting with a professional employer organization that is not licensed with the Utah Insurance Department;
- (12) failure of an employee of a licensee to properly identify the name of their employer when requested by the Division; and
- (13) reproducing, communicating, or transmitting any Division-required test content in any form to any person without written permission from the Division.

R156-55a-502. Penalty for Unlawful Conduct.

The penalty for violating Subsection 58-55-501(1) while suspended from licensure shall include the maximum fine under Subsection 58-55-503(4)(h).

R156-55a-503. Administrative Penalties.

- (1) If multiple offenses are cited on the same citation, the fine shall be determined by evaluating the most serious offense.
- (2) If multiple offenses are cited on separate citations, the fine shall be the maximum fine for each offense.
- (3) The presiding officer for a contested citation shall have the discretion, after a review of the aggravating and mitigating circumstances, to increase or decrease the fine amount imposed by an investigator based upon the evidence presented.

R156-55a-504. Crane Operator Certifications.

Under Subsection 58-55-504(2)(a), one of the following certifications is required to operate a crane on commercial construction projects:

- (1) a certification issued by the National Commission for the Certification of Crane Operators;
- (2) a certification issued by the Operating Engineers Certification Program; or
- (3) a certification issued by the Crane Institute of America.

R156-55a-602. Contractor License Bonds.

Under Subsections 58-55-306(1)(b) and 58-55-306(5)(b)(iii), a contractor shall provide a license bond issued by a surety acceptable to the Division in the amount, form, and coverage as follows:

- (1) An acceptable surety is one that is listed in the Department of Treasury, Fiscal Service, Circular 570, "Companies Holding Certificates of Authority as Acceptable Sureties on Federal Bonds and as Acceptable Reinsuring Companies" at the date of the bond.
- (2) The coverage of the license bond shall include losses that may occur as the result of the contractor's violation of the unprofessional or unlawful provisions in Title 58, Chapter 1, Division of Professional Licensing Act, and Title 58, Chapter 55, Utah Construction Trades Licensing Act and Rules R156-1 and R156-55a, including:
 - (a) failure to maintain financial responsibility;
 - (b) failure of the licensee to pay its obligations; and
 - (c) failure of the owners of a licensed unincorporated entity to pay income taxes or self-employment taxes on the gross distributions from the unincorporated entity to its owners.
- (3) The Division may review the financial history of the applicant, licensee, qualifier, or any owner, as outlined in Section R156-55a-306, in determining the bond amount required under this section.
- (4) If the licensee is submitting a bond under Subsection 58-55-306(5)(b)(iii)(B), the amount of the bond shall be 20% of the annual gross distributions from the unincorporated entity to its owners. As provided in Subsection 58-55-302(10)(c), the Division, in determining if financial responsibility has been demonstrated, may consider the total number of owners, including new owners added as reported under Subsection 58-55-302(10)(a)(i), in setting the amount of the bond required under this subsection.
- (5) If the licensee is submitting a bond for any reason other than Subsection 58-55-306(5)(b)(iii)(B), the minimum amount of the bond shall be the greater of:
 - (a) if a bankruptcy petition has been filed, is pending, or discharged by any owner or qualifier, by the licensee entity, or by any prior entities of the owners or qualifiers within the last three years from the date of application or renewal or request for financial review of the licensee, 30% of the total liabilities listed on all Forms 106 filed with the bankruptcy court for the owners, qualifiers, the licensee entity, and any prior entities of the owners or qualifiers; or

(b) if the total amount of the cumulative outstanding debts, judgments, child support obligations, liens, and obligations owing by the owners, qualifiers, the licensee entity, and any prior entities of the owners and qualifiers, is \$1,000 or more, the greater of:

- (i) 30% of that total amount; or
- (ii)(A) \$50,000 for any general contractor classification except the R100 classification;
- (B) \$25,000 for the R100 classification; or
- (C) \$15,000 for other classifications.

(6) A higher or lower amount of the bond in Subsection R156-55a-602(5) may be determined by the Division and the Commission as provided in this section.

(7) The bond shall be maintained during licensure until the licensee receives written permission from the Division to discontinue maintaining the bond.

(8) The amount of the bond under Subsection R156-55a-602(5) may be increased by an amount determined by the Commission and Division if the financial, criminal, or disciplinary history of the applicant, licensee, qualifier, or any owner indicates the bond amount is insufficient to reasonably cover risks to the public health, safety and welfare. The Division and Commission may review the financial, criminal, and disciplinary history of the applicant, qualifier, licensee or any owner, as outlined in Section R156-55a-306, in determining the bond amount required.

(9) A contractor may provide a license bond issued by a surety acceptable to the Division in an amount less than the bond amount in Subsection R156-55a-602(5) if:

- (a) the contractor demonstrates by clear and convincing evidence that:
 - (i) the financial history of the applicant, licensee, qualifier, or any owner indicates the bond amount specified is in excess of what is reasonably necessary to cover risks to the public health, safety and welfare;
 - (ii) the contractor's lack of financial responsibility is due to extraordinary circumstances that the contractor could not control as opposed to general financial challenges that contractors experience; and
 - (iii) the contractor's scope of practice will be restricted commensurate with the degree of risk the contract presents to the public health, safety, and welfare; and
- (b) the Commission and Division approve the amount.

R156-55a-700. Emergency Contractor Licensing.

(1) Under Subsection 58-1-307(4)(g), the Division may exempt or modify licensure requirements or issue an emergency contractor license for any classification and any person or entity, including an apprentice, journeyman, or master plumber or electrician license.

(2) In determining eligibility for an emergency contractor license, or determining any exemption or modification of licensure requirements, the Division may institute, exempt, or waive any contractor licensing requirement, including any scope of practice, under Title 58, Chapter 1, Division of Professional Licensing Act, Title 58, Chapter 55, Utah Construction Trades Licensing Act, and Rules R156-1 and R156-55a.

(3) The Division may issue an emergency contractor license or exempt or modify any licensure requirement, including scope of practice, in any form approved by the Division.

(4) An emergency contractor license or a licensure requirement exemption or modification shall expire as specified by the Division in a notice to the licensee, or in a notice posted on the Division's website, at any time and for any reason.

KEY: contractors, occupational licensing, licensing

Date of Last Change: March 9, 2023

Notice of Continuation: July 8, 2021

Authorizing, and Implemented or Interpreted Law: 58-1-106(1)(a); 58-1-202(1)(a); 58-55-101; 58-55-308(1)(a); 58-55-102(39)(a)