



Virginia
Regulatory
Town Hall

Final Regulation Agency Background Document

Agency Name:	Department of Professional and Occupational Regulation
VAC Chapter Number:	18 VAC 50-22-10 et seq.
Regulation Title:	Virginia Board for Contractors - Rules and Regulations
Action Title:	Final Regulations
Date:	13 June 2001

Please refer to the Administrative Process Act (§ 9-6.14:9.1 *et seq.* of the *Code of Virginia*), Executive Order Twenty-Five (98), Executive Order Fifty-Eight (99) , and the *Virginia Register Form, Style and Procedure Manual* for more information and other materials required to be submitted in the final regulatory action package.

Summary

Please provide a brief summary of the new regulation, amendments to an existing regulation, or the regulation being repealed. There is no need to state each provision or amendment; instead give a summary of the regulatory action. If applicable, generally describe the existing regulation. Do not restate the regulation or the purpose and intent of the regulation in the summary. Rather, alert the reader to all substantive matters or changes contained in the proposed new regulation, amendments to an existing regulation, or the regulation being repealed. Please briefly and generally summarize any substantive changes made since the proposed action was published.

The Board for Contractors (the Board) seeks to amend its current regulations to reflect statutory changes and to respond to changes in the industry. The regulations have not been significantly revised, except for a fee reduction, since 1995. The text of the regulations is also revised for clarity and ease of use.

Statement of Final Agency Action

Please provide a statement of the final action taken by the agency: including the date the action was taken, the name of the agency taking the action, and the title of the regulation.

On May 16, 2001, the Board for Contractors voted to adopt the Virginia Board for Contractors - Rules and Regulations and to proceed to file the final regulations with the Registrar of Regulations on the 13th of June, 2001, to be published on 2 July 2001, with an effective date of 1 September 2001.

Basis

Please identify the state and/or federal source of legal authority to promulgate the regulation. The discussion of this statutory authority should: 1) describe its scope and the extent to which it is mandatory or discretionary; and 2) include a brief statement relating the content of the statutory authority to the specific regulation. In addition, where applicable, please describe the extent to which proposed changes exceed federal minimum requirements. Full citations of legal authority and, if available, web site addresses for locating the text of the cited authority, shall be provided. If the final text differs from that of the proposed, please state that the Office of the Attorney General has certified that the agency has the statutory authority to promulgate the final regulation and that it comports with applicable state and/or federal law.

Section 54.1-1102 of the Code of Virginia provides the authority for the Board to promulgate regulations for the licensure of contractors in the Commonwealth. The content of the regulations is up to the discretion of the Board, but shall not be in conflict with the purposes of the statutory authority.

Purpose

Please provide a statement explaining the need for the new or amended regulation. This statement must include the rationale or justification of the final regulatory action and detail the specific reasons it is essential to protect the health, safety or welfare of citizens. A statement of a general nature is not acceptable, particular rationales must be explicitly discussed. Please include a discussion of the goals of the proposal and the problems the proposal is intended to solve.

In order to protect the public from inexperienced, irresponsible or incompetent contractors, the Commonwealth began licensing contractors in 1938. The purpose for amending these regulations is to 1) provide more specialty licensing for those individuals who specialize in one area; 2) to clarify that examinations may be required for certain classifications and/or specialty licenses as a means of protecting the public; 3) to clarify that applicants shall submit information regarding ability, character and financial responsibility when applying for licensure; and 4) to clarify the prohibited acts section to provide additional public protection.

Substance

Please identify and explain the new substantive provisions, the substantive changes to existing sections, or both where appropriate. Please note that a more detailed discussion is required under the statement of the regulatory action's detail.

The following substantive changes have been made:

18 VAC 50-22-10 is amended:

- to add the definition of "business entity" as this term is used in the definition of "firm" and "responsible management"
- to delete the definition of "certificate holder" to comply with 1997 legislation which changed the Class C program from certification to licensure
- to add the definition of "formal vocational training" since the phrase is used several times and a definition would add clarity to the text.

18 VAC 50-22-20 is amended:

- to revise the definition of "building contractor"
- to allow "highway heavy contractors" to install backflow prevention devices incidental to their work when the installer has received formal vocational training approved by the Board.

18 VAC 50-22-30 is amended:

- to add several specialty licenses and describe the work of those specialties
- to revise existing specialty licenses to define more clearly the work that may be performed by that specialty
- to allow "fire sprinkler contractors" to install backflow prevention devices in the fire sprinkler supply main and sprinkler system, when the installer has received formal vocational training approved by the Board.
- to allow "landscape irrigation contractors" to install backflow prevention devices incidental to their work, when the installer has received formal vocational training approved by the Board.

18 VAC 50-22-40 is amended:

- to clarify that applicants for a Class C contractor license shall be a licensed tradesman pursuant to the tradesman regulations or have passed an examination and/or obtained licensure in a classification or specialty listed in the regulations. This allows for current or additional examinations required by the Board.
- to clarify that applicants shall report pending or past bankruptcies
- to clarify that applicants shall report all misdemeanor convictions in the past three years and all felony convictions

18 VAC 50-22-50 is amended:

- to clarify that applicants for a Class B contractor license shall be a licensed tradesman pursuant to regulations or have passed an examination and/or obtained licensure in a

classification or specialty listed in the regulations. This allows for current or additional examinations required by the Board.

- to increase the net worth or equity requirements for licensure to \$50,000
- to clarify that applicants shall report pending or past bankruptcies
- to clarify that applicants shall disclose any current or previous substantial identities of interest with any contractor licenses in accordance with Section 54.1-1110 of the Code of Virginia
- to clarify that applicants shall report all misdemeanor convictions in the past three years and all felony convictions

18 VAC 50-22-60 is amended:

- to clarify the requirements for a Class A license
- to clarify that the qualified individual for the firm shall obtain a master tradesman license pursuant to regulations or have passed an examination and/or obtained licensure in a classification or specialty listed in the regulations. This allows for current or additional examinations required by the Board.
- to increase the net worth or equity requirements for licensure to \$100,000
- to clarify that applicants shall report pending or past bankruptcies
- to clarify that applicants shall disclose any current or previous substantial identities of interest with any contractor licenses in accordance with Section 54.1-1110 of the Code of Virginia
- to clarify that applicants shall report all misdemeanor convictions in the past three years and all felony convictions

18 VAC 50-22-80 is amended to clarify how the examination fees are established.

18 VAC 50-22-100 is amended to add a fee for the qualified individual exam.

18 VAC 50-22-130 is amended to clarify that renewal fees received after the 30-day period will be processed as a reinstatement.

18 VAC 50-22-200 is amended to add the option of requiring remedial education in the discipline of a regulant.

18 VAC 50-22-210 is amended to clarify that licenses are not transferable, and any change in the license including the formation or dissolution of a corporation shall be reported to the Board.

18 VAC 50-22-260 is amended to clarify and add prohibited acts with the intent of providing more clarity and increased protection to the public.

Issues

Please provide a statement identifying the issues associated with the final regulatory action. The term "issues" means: 1) the advantages and disadvantages to the public of

implementing the new provisions; 2) the advantages and disadvantages to the agency or the Commonwealth; and 3) other pertinent matters of interest to the regulated community, government officials, and the public. If there are no disadvantages to the public or the Commonwealth, please include a sentence to that effect.

In amending these regulations, the Board is providing necessary public protection. The public will benefit from the increased assurance that licensed contractors have met minimum standards of competency and financial responsibility. The potential licensee may be slightly disadvantaged by additional entry requirements, but the regulations also provide for more specialty licenses so the licensee can more easily qualify for a license in their specialty. The contractor licensee for certain specialties will also benefit because the scope of work is expanded including the installation of backflow prevention devices for certain specialty contractors who pass a competency and training program approved by the Board. The primary advantage to the Board and the Commonwealth is the improved clarity of the regulations and the public's understanding thereof.

Statement of Changes Made Since the Proposed Stage

Please highlight any changes, other than strictly editorial changes, made to the text of the proposed regulation since its publication.

The Board made several changes to its published proposed regulations and voted on 16 May 2001 that these changes be incorporated into their final regulations.

Public Comment

Please summarize all public comment received during the public comment period and provide the agency response. If no public comment was received, please include a statement indicating that fact.

I. Comments supporting the establishment of an education and training criteria for licensure as a Fire Sprinkler Contractor.

A. Regulatory Sections affected:

1. 18 VAC 50-22-40
2. 18 VAC 50-22-50
3. 18 VAC 50-22-60

B. Speakers:

1. Tony Marotto of Worsham Sprinkler [and seven (7) additional employees]
2. James M. Shutz, President, Nicholson Sprinkler [and seven (7) additional employees]
3. Arthur D. O’Neil, B. F. Goodrich Co.
4. George M. Wagner, Wagner Consulting Services
5. Anthony D. Shutz, President, Virginia American Fire Sprinklers Association
6. Phillip H. Black, Grinnell Fire Protection [and seventeen (17) additional employees]
7. Mark Nunis, Operations Manager, Fire Protection Equipment Co. [and three (3) additional employees]
8. Martin L. Giles, President, Virginia Sprinkler
9. Larry Dorsett, Vice President, Virginia Sprinkler

C. Board for Contractors’ Response: The Board adopted the recommended language.

II. Comments concurring with the Virginia Chapter of the American Fire Sprinklers Association’s request to add the Fire Sprinkler Contractor to the “Trade-Related Examinations and Qualifications” (NICET standards).

A. Regulatory Sections affected:

1. 18 VAC 50-22-40.B.4
2. 18 VAC 50-22-50.C.4
3. 18 VAC 50-22-60.C.4

B. Speakers:

1. Tony Marotto of Worsham Sprinkler [and seven (7) additional employees]
2. James M. Shutz, President, Nicholson Sprinkler [and seven (7) additional employees]
3. Arthur D. O’Neil, B. F. Goodrich Co.
4. George M. Wagner, Wagner Consulting Services
5. Anthony D. Shutz, President, Virginia chapter of the American Fire Sprinklers Association
6. John Saour, Grinnell Fire Protection
7. Phillip H. Black, Grinnell Fire Protection [and seventeen (17) additional employees]
8. Mark Nunis, Operations Manager, Fire Protection Equipment Co. [and three (3) additional employees]
9. Martin L. Giles, President, Virginia Sprinkler
10. Larry Dorsett, Vice President, Virginia Sprinkler
11. Gene Wills, President, Virginia Chapter of American Fire Sprinklers Association.

C. Board for Contractors’ Response: The Board adopted the recommended language.

III. Comments supporting the installation of Backflow Prevention Devices by Fire Sprinkler Contractors.

A. Regulatory Section affected: 18 VAC 50-22-30

B. Speakers:

1. Tony Marotto of Worsham Sprinkler [and seven (7) additional employees]
2. James M. Shutz, President, Nicholson Sprinkler [and seven (7) additional employees]
3. Arthur D. O’Neil, B. F. Goodrich Co.
4. George M. Wagner, Wagner Consulting Services
5. Anthony D. Shutz, President, Virginia chapter of the American Fire Sprinklers Association
6. Phillip H. Black, Grinnell Fire Protection [and twenty-one (21) additional employees]
7. Larry Dorsett, Vice President, Virginia Sprinkler
8. Gene Wills, President, Virginia Chapter of American Fire Sprinklers Association.
9. Thomas L. Herman, Vice President, Eagle Fire [and thirty-two (32) additional employees]
10. Thomas J. Moore, Treasurer, Williams Fire Sprinkler [and four (4) additional employees]
11. Richard W. Harris, Chairman, Virginia Fire Services Board/DHCD
12. Neal B. Thompson, Director, Code Compliance, Newport News
13. Thomas E. Elliott, Charlottesville Building Official
14. Andrew W. Wilson, City of Fairfax, Building Official
15. Emory A. Gross, President, Fire Suppression Systems

C. Board for Contractors’ Response: The Board adopted the recommended language.

IV. Comments suggesting changes to the definitions of “Commercial improvement contracting”, “Equipment/machinery contracting”, “Farm improvement contracting”, “Fire Sprinkler contracting” and “home improvement contracting” to accommodate the fire sprinkler specialty.

A. Regulatory Section affected: 18 VAC 50-22-30

B. Speaker: Howard H. Summer, Jr., Virginia Chapter of American Fire Sprinklers Association.

C. Board for Contractors’ Response: The Board deleted the language “upon passage of an installation competency training program approved by the Board”. The Board then substituted the recommended language into the definition of “Fire Sprinkler Contracting.” The Board did not alter the remaining definitions.

V. Comments requesting that the definition of “Waterwell/pump contracting” include “to install backflow prevention devised incidental to their work upon passage of an installation competency and training program approved by the Board.”

A. Regulatory Section affected: 18 VAC 50-22-30

B. Speaker: Robert W. Royall, Virginia Water Well Association.

C. Board for Contractors’ Response: The Board determined that the installation of backflow prevention devices with formal training is appropriate for plumbing, HVAC, Fire Sprinkler Contracting, and Highway Heavy. The Board determined that it is not appropriate for other classifications or specialties without further study.

VI. Comments requesting that the Department of Professional and Occupational Regulation, which now uses a general exam furnished by the National Groundwater Association, instead use an exam similar to the one that the Virginia Department of Health uses for testing their Environmental Health Officials. The Water Well Association offered to work with the Department of Professional and Occupational Regulation to review this or other exams in the hopes of finding an exam that is trade related and regulation specific.

A. Regulatory Sections affected:

1. 18 VAC 50-22-40
2. 18 VAC 50-22-50
3. 18 VAC 50-22-60

B. Speaker: Robert W. Royall, Virginia Water Well Association.

C. Board for Contractors’ Response: The Board determined that this was an administrative issue, rather than a regulatory issue, since the Board already has the authority to approve tests.

VII. Comments questioning the standards used for the installation of backflow prevention devices by fire sprinkler contractors.

A. Regulatory Section affected: 18 VAC 50-22-30

B. Speaker: Roy N. McFarland, Jr., Inspector for the City of Roanoke. [Comments received after the March 5th public comment deadline.]

C. Board for Contractors’ Response: Board considered the comment even though it was submitted after the comment period deadline. The Board decided that the issue did not require regulatory remedy since it is covered by the National Fire Association’s Regulation No. 13. The Board determined that no further action was required at this time.

Detail of Changes

Please detail any changes, other than strictly editorial changes, that are being proposed. Please detail new substantive provisions, all substantive changes to existing sections, or both where appropriate. This statement should provide a section-by-section description - or crosswalk - of changes implemented by the proposed regulatory action. Include citations to the specific sections of an existing regulation being amended and explain the consequences of the changes.

18 VAC 50-22-10 is amended to:

Add a definition of "business entity" which is used in the definition of firm and responsible management. The definition outlines the different business organizations that are formed.

Delete the definition of "certificate holder" and other referrals to such. This is to comply with 1997 legislation changing Class C from certification to licensure. (This change is made throughout the regulations and will only be cited in this passage.)

Delete "applicable indicia" from the definition of "controlling financial interest" to simplify the definition, while clarifying that a controlling interest is 50% or more.

Clarify the definition of "firm" to mean any "business entity recognized under the laws of the Commonwealth of Virginia." This clarifies and extends the types of entities allowed to obtain licensure.

Add a definition of "formal vocational training" which is used throughout the text of the regulations. The Board proposes to use the term "formal vocational training" rather than "competency and training program" since it is defined in the Tradesman regulations and the definition is being submitted for inclusion in the final Contractor regulations.

Amend the definition of "highway/heavy contractors" to replace the current language of "upon passage of an installation competency and training program approved by the board" with the new language of "when the installer has received formal vocational training approved by the board that included instruction in the installation of backflow prevention devices."

Amend the definition of "HVAC contractor" to remove the requirement for installation competency and training program. Current Tradesman regulations specifically state that those licensed in HVAC may install backflow prevention devices incidental to HVAC work (without further competency/training programs).

Amend the definition of "fire sprinkler contracting" to replace the current wording of "upon passage of an installation competency and training program approved by the board" with the new language of "when the installer has received formal vocational training approved by the board that included instruction in the installation of backflow prevention devices."

Amend the definition of "landscape irrigation contracting" to replace current wording of "upon passage of an installation competency and training program approved by the board" with the new

language of “when the installer has received formal vocational training approved by the board that included instruction in the installation of backflow prevention devices.”

Extend the definition of "responsible management" to include "individuals in other business entities."

Clarify the definition of "tenants by the entirety" to mean that the spouse would hold title to the whole to exclusion of the deceased's remaining heirs.

18 VAC 50-22-20 is amended to:

Revise the definition of the building contractor classification. The intent is to clarify that a building contractor can do general contracting, but that specialty designations are required for certain types of work.

Delete the language "adopted by each locality" from each trade-related contractor license definition. The definitions already state that these firms are responsible for meeting all applicable tradesman licensing standards.

Define the acronyms in the definition of "electrical contractors."

Delete "lines up to five feet from any building or structure" in the definition of highway/heavy contractor, and add "connections to residential, commercial, and industrial sites, subject to local ordinances." The Board allows highway/heavy contractors to complete the final connections of service lines if allowed by the local building official.

Add hot water heaters to the list of appliances HVAC contractors may install. This increases the scope of work allowed by this classification. Likewise, this classification may install backflow prevention devices incidental to the work of this classification.

Clarify the definition of plumbing contractors to include the installation of "limited area" sprinklers as defined by BOCA. General practice supports the fact that plumbing contractors primarily install this type of sprinkler.

Add "related to plumbing" as it pertains to venting systems to the definition of plumbing contractor. This clarifies the definition so it is not confused with venting systems associated with HVAC contracting.

18 VAC 50-22-30 is amended to:

Change the term "tradesman certification standards adopted by each locality" to "rules and regulations adopted by each locality" in the definition of alarm/security contracting. This complies with the statutory changes made by the 1997 General Assembly.

Add the specialty "alternative energy system contracting." This replaces the "passive energy system contracting" specialty and more adequately reflects the advances and changes in this industry.

Add the specialty "asphalt paving and sealcoating contracting" for those who may not offer all the services of a highway/heavy contractor, but specialize in this area of work.

Add building contractor to the definition of "billboard/sign contracting." This is consistent with the revision to the building contractor definition that states that they may complete this type of work.

Amend commercial improvement contracting to delete "additions". This is consistent with the definition of home improvement contracting. The Board has determined that "additions" are included under the definition of building and should not be in the scope of improvements.

Add the specialty of "concrete contracting" for those who may not offer all the services of highway/heavy contractor, but specialize in this area of work.

Add the specialty of "environmental specialties contracting." There has been an increase in firms specializing in remediation and/or industrial pollution control device installation. This will allow a specialty designation for this service.

Add language to "equipment/machinery contracting." This specialty includes work related to installation or removal of equipment or machinery, but should not be limited to conveyors or heavy machinery.

Add language to "fire sprinkler contracting" to expand the scope of work for this specialty. A 1999 legislative study conducted by the Board recommended that this specialty classification include minimum competency requirements. In addition, the specialty will be allowed to install backflow prevention devices in the fire sprinkler supply main and sprinkler system, when the installer has received formal vocational training approved by the Board.

Add language to "gas fitting contracting" to require that this specialty contractor meet all applicable tradesman licensure standards.

Amend "home improvement contracting" to clarify that this specialty does include decks, patios, etc., but not new construction beyond the existing building structure.

Amend "landscape irrigation contracting" to allow for the installation of backflow prevention devices incidental to the work of this specialty, when the installer has received formal vocational training approved by the Board.

Add language to "landscape service contracting" to clarify that a contractor with the building classification can perform the work of this specialty.

Add the "liquefied petroleum gas contracting" specialty pursuant to 1997 legislation which created this specialty in the tradesman program.

Add language to "marine facility contracting" to clarify that the building classification may perform work of this specialty. This is consistent with the building definition. Also clarifies that this specialty does not provide for the construction of accessory structures.

Delete "miscellaneous contracting." The Board concluded that the addition of specialties should provide alternatives to contractors who may have selected the miscellaneous specialty.

Delete "mobile" from "modular/mobile/manufactured building contracting." This follows current industry practice. Provides for this specialty to install piers covered under HUD regulations.

Delete "passive energy systems contracting" as this is now covered under "alternative energy system contracting."

Add "natural gas fitter provider contracting" in response to 1999 legislation which created this specialty in the tradesman program.

Add the "painting and wallcovering contracting" specialty. This specialty is currently covered under the building classification and the home improvement and commercial improvement specialties. This specialty would allow individuals who specialize exclusively in this area to obtain licensure without meeting requirements of the building classification.

Add "drinking fountains" to the "refrigeration contracting" specialty. This increases the scope of activity for this specialty.

Add the "roofing contracting" specialty. This is currently covered under the building classification and home improvement and commercial improvement specialties. This would allow individuals who specialize exclusively in this area to obtain licensure without meeting requirements of the building classification.

Add the "swimming pool construction" specialty. This allows individuals who specialize exclusively in swimming pool construction to obtain this specialty license. This is in line with the majority of other states in the regulation of swimming pool contractors.

Amend the "waterwell/pump contracting" to clarify that the specialty allows for the installation up to and including the point of connection to the plumbing and electrical systems.

Deletes terms from the "note" because these items are now covered by the addition of one of the specialties.

18 VAC 50-22-40 is amended to:

Delete reference to specific examinations currently required and add language that the Board may require examination requirements for any classification or specialty. This would allow the Board to ensure that qualified individuals of licensed contractors have a basic knowledge of the classification/specialty shown on the license.

Add language requiring the qualified individual to be a licensed tradesman which includes the successful completion of the trade-related examination.

Require firms to provide information regarding pending or past bankruptcies. This was included in an effort to clarify the Board's financial reporting requirements.

Clarify language regarding the applicant's responsibility to report information concerning past disciplinary actions.

Modify language regarding the criminal history reporting requirements to include all misdemeanor convictions in the past three years and all felonies.

18 VAC 50-22-50 is amended to:

Modify language regarding the examination requirements or exemptions thereto. This conforms the regulations to the statute which states that the designated employee shall be required by board regulations to take an oral or written examination to determine his general knowledge of contracting unless exempt by § 54.1-1108.1.

Delete reference to specific examinations currently required and add language that the Board may require examination requirements for any classification or specialty. This would allow the Board to ensure that qualified individuals of licensed contractors have a basic knowledge of the classification/specialty shown on the license. The General Assembly previously passed legislation encouraging the Board to explore technical testing (House Joint Resolution 205, 1996) and this would allow the Board to include technical tests as determined necessary.

Add language requiring the qualified individual to be a licensed tradesman which includes the successful completion of the trade-related examination.

Add language that the applicant shall document a net worth or equity of \$50,000 or more in a manner approved by the Board. The Board found the current net worth requirements to provide inadequate proof that a Class B contractor is able to maintain fiscal security while conducting business.

Require firms to provide information regarding pending or past bankruptcies. This was included in an effort to clarify the Board's financial reporting requirements.

Require firms to provide information regarding substantial identities of interest with any contractor licenses pursuant to § 54.1-1110.

Modify language regarding the criminal history reporting requirements to include all misdemeanors in the past three years and all felonies.

18 VAC 50-22-60 is amended to:

Delete reference to previous subsections. This simplifies the regulations and eliminates the need for applicants to refer to requirements in previous sections of the regulations. This change makes this section stand by itself.

Modify language regarding the examination requirements or exemptions thereto. This conforms the regulations to the statute which states that the designated employee shall be required by Board regulations to take an oral or written examination to determine his general knowledge of contracting unless exempt by § 54.1-1108.1.

Delete reference to specific examinations currently required and add language that the Board may require examination requirements for any classification or specialty. This would allow the Board to ensure that qualified individuals of licensed contractors have a basic knowledge of the classification/specialty shown on the license. The General Assembly previously passed legislation encouraging the Board to explore technical testing (House Joint Resolution 205, 1996) and this would allow the Board to include technical tests as determined necessary.

Add language requiring the qualified individual to be a master tradesman which includes the successful completion of the trade-related examination.

Add language that the applicant shall document a net worth or equity of \$100,000 or more in a manner approved by the Board. The Board found the current net worth requirements to provide inadequate proof that a Class A contractor is able to maintain fiscal security while conducting business.

Require firms to provide information regarding pending or past bankruptcies. This was included in an effort to clarify the board's financial reporting requirements.

Require firms to provide information regarding substantial identities of interest with any contractor licenses pursuant to § 54.1-1110.

Modify language regarding the criminal history reporting requirements to include all misdemeanors in the past three years and all felonies.

18 VAC 50-22-80 is amended to clarify that the examination contract shall be established in compliance with the Virginia Public Procurement Act and that the examination shall not exceed a cost of \$100 per element to the candidate.

18 VAC 50-22-100 is amended to add the fee for the qualified individual examination.

This brings the technical examination to the qualified individual and away from the designated employee. This will make it easier for applicants to comply with the examination requirements by having a separate business exam from technical exam.

18 VAC 50-22-120 is amended to delete reference to the "renewal application" and replaces it with "notice of renewal" since this more appropriately identifies what the licensee receives at the time of renewal.

18 VAC 50-22-130 is amended to include language at the beginning of this subsection to clearly state that if the licensee's completed renewal form and appropriate fees are not received within thirty days of the expiration date, the applicant must apply for reinstatement. This was previously included in the section containing renewal fees and was frequently missed by regulants.

18 VAC 50-22-140 is amended to delete language regarding requirement for renewal to be received within thirty days of expiration. Language was moved to 18 VAC 50-22-130.

18 VAC 50-22-150 is amended to delete reference to transfer of a license in subsection B. Transfer of a license is prohibited under the current regulations.

18 VAC 50-22-160 is amended to clarify that the renewal form and appropriate fee must be submitted to reinstate the license. Also requires the applicant for reinstatement to meet the qualifications for initial licensure.

18 VAC 50-22-170 is amended to revise reinstatement fees to clarify that the renewal fee is included. Current regulations require an applicant for reinstatement to pay both the reinstatement fee and the renewal fee. The current fee chart tends to be confusing to regulants and causes delays in many applications for reinstatement. There is no increase in fees.

18 VAC 50-22-190 is amended to delete reference to transfer of a license in subsection B. Transfer of a license is prohibited under the current regulations.

18 VAC 50-22-200 is amended to include the disciplinary option of remedial education.

The section title was amended to read: Remedial education, revocation or suspension; fines

The section text was amended to read: "The board may require remedial education, revoke or suspend a license..."

18 VAC 50-22-210 is amended to:

Rename the section title to conform more to the content.

Clarify that licenses are not transferable.

Clarify that a firm shall apply for a new license whenever there is a change in the business entity and shall be done within thirty days on a form provided by the board. Staff receives many questions regarding this requirement and more specific references should provide more clarity.

Add language that expands the types of acceptable business entities.

18 VAC 50-22-220 is amended to change the time requirement from 45 to 90 days. This is consistent with current statute (§ 54.1-1106.B and § 54.1-1108.B).

18 VAC 50-22-250 is amended to delete reference to "certificate of licensure/certificate" from the table. This item was deleted because the Department of Professional and Occupational Regulation establishes the fee.

18 VAC 50-22-260 is amended to:

Add "incompetence" to prohibited act #5.

Separate the requirement for a contract from the required elements of the contract. This simplifies this prohibited act for enforcement purposes. The revision clarifies that a contract is required and that such contract shall include the enumerated items.

Increase the record retention period from three to five years in prohibited act #11. The Board noted that the federal government requires certain records for seven years so this should not be an increased burden.

Delete the word "on demand" from prohibited act #12. The Board noted that when the licensee fails to produce information upon request, it is a prohibited act.

Separate prohibited act regarding failing to respond to an investigator. Adds specific language that providing false, misleading or incomplete information to an investigator is a prohibited act.

Separate prohibited act #14 so that each stands alone as a prohibited act.

Delete "of a character likely to" in #17 as this language was unclear and misleading.

Replace "unlicensed contractor" with "another" to clarify that assisting anyone (not just unlicensed contractors) in violating provisions of the statute or regulations is a prohibited act, as is allowing a firm's license to be used by anyone.

Add language in #24 to highlight disciplinary actions by the Virginia Department of Health.

Add language suggested by the Board's counsel in #25 regarding the failure "to abate a violation" of the Virginia Uniform Statewide Building Code.

Delete #24 regarding a licensee's responsibility to include the license number and class on all business cards, etc. The Board found this regulation unnecessary and costly to the licensee since

license numbers are not permanent in all cases. Current Board policy instructs that the Enforcement Division of the Department of Professional and Occupational Regulation not enforce this regulation.

Add language that failure to satisfy any judgment related to the practice of contracting is a prohibited act. This could be used for regulants who have claims paid against them from the Contractor Transaction Recovery Fund. This would allow disciplinary action against the regulant.

Clarify prohibited act # 27 to clearly include disciplinary action for a regulant who practices outside of his/her class of license.

Add prohibited act #29 in response to the concern of building officials in many localities. Situations have occurred on a regular basis where a licensed contractor has utilized unlicensed subcontractors.

Add prohibited act #30 in response to numerous situations where the contractor has not honored the terms and conditions of a warranty.

Add prohibited act #31 in response to concern that a contractor should obtain written change orders that are signed by the consumer and the licensee.

Family Impact Statement

Please provide an analysis of the regulatory action that assesses the impact on the institution of the family and family stability including the extent to which the regulatory action will: 1) strengthen or erode the authority and rights of parents in the education, nurturing, and supervision of their children; 2) encourage or discourage economic self-sufficiency, self-pride, and the assumption of responsibility for oneself, one's spouse, and one's children and/or elderly parents; 3) strengthen or erode the marital commitment; and 4) increase or decrease disposable family income.

These final regulations are not anticipated to have any significant impact on Virginia's families.