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Proposed Regulation Agency Background Document

Agency name	Board for Contractors
Virginia Administrative Code (VAC) Chapter citation(s)	18 VAC50-22
VAC Chapter title(s)	Board for Contractors Regulations
Action title	General Regulatory Reduction Initiative
Date this document prepared	July 23, 2024

This information is required for executive branch review and the Virginia Registrar of Regulations, pursuant to the Virginia Administrative Process Act (APA), Executive Order 19 (2022) (EO 19), any instructions or procedures issued by the Office of Regulatory Management (ORM) or the Department of Planning and Budget (DPB) pursuant to EO 19, the Regulations for Filing and Publishing Agency Regulations (1 VAC 7-10), and the *Form and Style Requirements for the Virginia Register of Regulations and Virginia Administrative Code*.

Brief Summary

Provide a brief summary (preferably no more than 2 or 3 paragraphs) of this regulatory change (i.e., new regulation, amendments to an existing regulation, or repeal of an existing regulation). Alert the reader to all substantive matters. If applicable, generally describe the existing regulation.

The Board for Contractors (“the Board”) proposes to amend the Board for Contractors Regulations to (i) update and clarify provisions of the regulation, to include ensuring that the regulation reflects current agency procedures and practices; (ii) ensure the regulation compliments current Virginia law and is clearly written and understandable; (iii) remove requirements in the regulation that are not necessary to protect the public welfare; and (iv) reduce regulatory burdens while still protecting the public health, safety, and welfare.

This action proposes significant changes to (i) the definitions sections, including definitions which provide for the scope of practice for contractor license classifications and specialty service designations; (ii) fee provisions; (iii) reinstatement provisions; (iv) the requirements for contracts for residential contracting; and (v) standards for pre-license education courses and course providers.

Acronyms and Definitions

Define all acronyms used in this form, and any technical terms that are not also defined in the "Definitions" section of the regulation.

"APA" means Administrative Process Act (§ 2.2-4000 et seq. of the Code of Virginia).

"Designated Employee" means the contractor's full-time employee, or a member of the contractor's responsible management, who has successfully completed the oral or written examination required by the Board on behalf of the contractor.

"DMV" means Virginia Department of Motor Vehicles.

"DPOR" means Department of Professional and Occupational Regulation.

"HVAC" means heating, ventilation, and air conditioning.

"Qualified Individual" refers to the individual designated by the contractor to qualify the firm for licensure in the license classifications or specialty services on the contractor license.

"RBEAF" means residential building energy analyst firm.

Mandate and Impetus

Identify the mandate for this regulatory change and any other impetus that specifically prompted its initiation (e.g., new or modified mandate, petition for rulemaking, periodic review, or board decision). For purposes of executive branch review, "mandate" has the same meaning as defined in the ORM procedures, "a directive from the General Assembly, the federal government, or a court that requires that a regulation be promulgated, amended, or repealed in whole or part."

This regulatory change is not the result of a mandate.

The initial impetus for this action is Executive Directive Number One (2022), which directs Executive Branch entities under the authority of the Governor "...to initiate regulatory processes to reduce by at least 25 percent the number of regulations not mandated by federal or state statute, in consultation with the Office of the Attorney General, and in a manner consistent with the laws of the Commonwealth."

During review of the regulation, the Board identified certain requirements as overly burdensome to regulants and unnecessary for the protection of the health, safety, and welfare of the public. The Board has recognized these requirements and seeks to make amendments while retaining requirements that ensure minimum competency and continue to provide protection to consumers and the public.

Legal Basis

Identify (1) the promulgating agency, and (2) the state and/or federal legal authority for the regulatory change, including the most relevant citations to the Code of Virginia and Acts of Assembly chapter number(s), if applicable. Your citation must include a specific provision, if any, authorizing the promulgating agency to regulate this specific subject or program, as well as a reference to the agency's overall regulatory authority.

The promulgating agency is the Board for Contractors. Chapter 11 of Title 54.1 of the Code of Virginia enumerates the legal authority for the Board to administer licensure of contractor firms.

Section 54.1-1102 of the Code of Virginia states, in part:

B. The Board shall promulgate regulations not inconsistent with statute necessary for the licensure of contractors...

In addition, § 54.1-201 of the Code of Virginia provides, in part:

A. The powers and duties of regulatory boards shall be as follows:

1. To establish the qualifications of applicants for certification or licensure by any such board, provided that all qualifications shall be necessary to ensure either competence or integrity to engage in such profession or occupation.

5. To promulgate regulations in accordance with the Administrative Process Act (§ 2.2-4000 et seq.) necessary to assure continued competency, to prevent deceptive or misleading practices by practitioners and to effectively administer the regulatory system administered by the regulatory board. The regulations shall not be in conflict with the purposes and intent of this chapter or of Chapters 1 (§ 54.1-100 et seq.) and 3 (§ 54.1-300 et seq.) of this title.

Purpose

Explain the need for the regulatory change, including a description of: (1) the rationale or justification, (2) the specific reasons the regulatory change is essential to protect the health, safety or welfare of citizens, and (3) the goals of the regulatory change and the problems it is intended to solve.

The General Assembly has charged the Board with the responsibility for regulating those who engage, or offer to engage, in contracting work in Virginia by requiring that such persons obtain a contractor license from the Board.

The offering and performing of contracting work by those who lack sufficient expertise, competence, integrity, and financial responsibility poses a risk to the public health, safety, and welfare. Risks include (i) damage to property, personal injury, or loss of life as the result of work that is improperly performed; (ii) financial harm to consumers as the result of construction that is not properly managed or performed; and (iii) harm to consumers as the result of those who lack the character and integrity to offer and engage in contracting work.

As mandated by the General Assembly, the Board protects the public health, safety, and welfare, in part, by establishing through regulation the minimum qualifications for entry into the profession.

In accordance with the provisions of Executive Directive Number One (2022), the Board conducted a general review of their regulations in order to identify areas where regulatory requirements could be removed or reduced.

The goals of this regulatory action are to ensure the regulations complement Virginia law, reflect current agency procedures, provide clarification to provisions of the regulations, and reduce regulatory burdens by removing requirements that are not necessary to protect the health, safety, and welfare of the public.

Substance

Briefly identify and explain the new substantive provisions, the substantive changes to existing sections, or both. A more detailed discussion is provided in the "Detail of Changes" section below.

1. Section -10 is significantly revised. The revised section incorporates statutory terms from § 54.1-1100 of the Code of Virginia that are used in the regulation. The section is further revised to provide clarification of several defined terms and to remove terms that are not used in the regulation.
2. Section -20, which provides definitions that establish the scope of regulated contracting activities pertaining to license classifications, is revised to add "fire sprinkler contractors" and revise the definitions for "commercial building contractors," "electrical contractors," and "highway/heavy contractors."
3. Section -30, which provides definitions that establish the scope of regulated contracting activities pertaining to specialty service designations, is revised to remove the definition of "fire sprinkler contracting." Several specialty services are revised to provide flexibility for contractors holding a "highway/heavy contractors" license classification to perform work covered by the specialty designation. Similar changes are made to other specialty service definitions for holders of other license classifications or specialty service designations.
4. Section -100 is revised to remove examination fees and to incorporate fees associated with applications for reporting a change of Designated Employee, reporting a change of Qualified Individual, and addition of a license classification or specialty service, currently under section -250. Clarification is also added regarding the imposition of Recovery Fund assessments.
5. Section -130 is revised to provide clarification regarding the status of a license during the 30-day grace period associated with license renewals.
6. Section -160 is significantly revised to make provisions regarding reinstatement of licenses clearer. The revised section provides for when a licensee must reinstate a license, the requirements for reinstatement, and the period of time that a license is eligible for reinstatement.
7. Section -220 is revised to extend, from 45 days to 60 days, the period of time in which a regulant must report a change of Qualified Individual to the Board. The requirement for a contractor to report a change of Responsible Management is streamlined.
8. Section -250 is repealed as its provisions have been incorporated under section -100.
9. The minimum requirements for residential contracting contracts in section -260 are revised to expand the requirement for a contractor to obtain a signed acknowledgment by the consumer that the consumer has been provided with and read the DPOR statement of protection available through the Board. The requirement would no longer apply only to contracts resulting from a door-to-door solicitations.
10. Section -300 is revised to reduce from eight (8) hours to six (6) hours the required length for a pre-license education course.
11. Section -310 is revised to remove a requirement that student records for pre-license education courses include a student's social security number.
12. Section -330 is repealed to remove the requirement that pre-license education course certificates of approval be available where a course is taught.

Issues

Identify the issues associated with the regulatory change, including: 1) the primary advantages and disadvantages to the public, such as individual private citizens or businesses, of implementing the new or amended provisions; 2) the primary 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, include a specific statement to that effect.

The primary advantages to the public and regulated community include providing clarification to provisions of the regulations, ensuring the regulations complement Virginia law and reflect current agency procedures, and reducing regulatory burdens by removing requirements that are not necessary to protect the health, safety, and welfare of the public.

There are no identifiable disadvantages to the public or the Commonwealth. It is not anticipated that the regulatory change will create any substantial disadvantages to the regulated community.

Requirements More Restrictive than Federal

Identify and describe any requirement of the regulatory change which is more restrictive than applicable federal requirements. Include a specific citation for each applicable federal requirement, and a rationale for the need for the more restrictive requirements. If there are no applicable federal requirements, or no requirements that exceed applicable federal requirements, include a specific statement to that effect.

There are no applicable federal requirements.

Agencies, Localities, and Other Entities Particularly Affected

Consistent with § 2.2-4007.04 of the Code of Virginia, identify any other state agencies, localities, or other entities particularly affected by the regulatory change. Other entities could include local partners such as tribal governments, school boards, community services boards, and similar regional organizations. "Particularly affected" are those that are likely to bear any identified disproportionate material impact which would not be experienced by other agencies, localities, or entities. "Locality" can refer to either local governments or the locations in the Commonwealth where the activities relevant to the regulation or regulatory change are most likely to occur. If no agency, locality, or entity is particularly affected, include a specific statement to that effect.

Other State Agencies Particularly Affected

No other state agencies are particularly affected by the regulatory change.

Localities Particularly Affected

No other localities are particularly affected by the regulatory change.

Other Entities Particularly Affected

No other entities are particularly affected by the regulatory change.

Economic Impact

Consistent with § 2.2-4007.04 of the Code of Virginia, identify all specific economic impacts (costs and/or benefits) anticipated to result from the regulatory change. When describing a particular economic impact, specify which new requirement or change in requirement creates the anticipated economic impact. Keep in mind that this is the proposed change versus the status quo.

The Board for Contractors proposes to amend the Board for Contractors Regulations to (i) update and clarify provisions of the regulation, to include ensuring that the regulation reflects current agency procedures and practices; (ii) ensure the regulation compliments current Virginia law and is clearly written

and understandable; (iii) remove requirements in the regulation that are not necessary to protect the public welfare; and (iv) reduce regulatory burdens while still protecting the public health, safety, and welfare.

This action proposes significant changes to (i) the definitions sections, including definitions which provide for the scope of practice for contractor license classifications and specialty service designations; (ii) fee provisions; (iii) reinstatement provisions; (iv) the requirements for contracts for residential contracting; and (v) standards for pre-license education courses and course providers. There is no direct economic or fiscal impact to other state agencies.

Impact on State Agencies

<i>For your agency:</i> projected costs, savings, fees, or revenues resulting from the regulatory change, including: a) fund source / fund detail; b) delineation of one-time versus on-going expenditures; and c) whether any costs or revenue loss can be absorbed within existing resources.	There are no savings and no changes to costs, fees, or revenues of other state agencies resulting from this regulatory change.
<i>For other state agencies:</i> projected costs, savings, fees, or revenues resulting from the regulatory change, including a delineation of one-time versus on-going expenditures.	There are no savings and no changes to costs, fees, or revenues of other state agencies resulting from this regulatory change.
<i>For all agencies:</i> Benefits the regulatory change is designed to produce.	There is no benefit to other state agencies.

Impact on Localities

If this analysis has been reported on the ORM Economic Impact form, indicate the tables (1a or 2) on which it was reported. Information provided on that form need not be repeated here.

Projected costs, savings, fees, or revenues resulting from the regulatory change.	There are no anticipated costs to localities because of the regulatory changes.
Benefits the regulatory change is designed to produce.	None

Impact on Other Entities

If this analysis has been reported on the ORM Economic Impact form, indicate the tables (1a, 3, or 4) on which it was reported. Information provided on that form need not be repeated here.

Description of the individuals, businesses, or other entities likely to be affected by the regulatory change. If no other entities will be affected, include a specific statement to that effect.	All entities holding a Class A, Class B, or Class C contractor license, as well as Residential Building Energy Analyst firms, will be affected by this regulatory change. The change is not likely to have any notable effect on non-regulants. It is reasonable to assume that all entities holding Class C and Class B licenses meet the definition of "small business" as defined in § 2.2-4007.1 of the Code of Virginia. This is likely the case for Residential Building Energy Analyst firms. It is also feasible that many entities holding a Class A license fall into the same category.
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<p>Agency's best estimate of the number of such entities that will be affected. Include an estimate of the number of small businesses affected. Small business means a business entity, including its affiliates, that:</p> <ul style="list-style-type: none"> a) is independently owned and operated, and; b) employs fewer than 500 full-time employees or has gross annual sales of less than \$6 million. 	<p>As of June 1, 2024, the Board for Contractors licenses 33,282 Class A Contractors, 9,260 Class B Contractors, and 12,199 Class C Contractors. Additionally, there are 60 Residential Building Energy Analyst firms currently licensed with the Board. All licensed entities will be affected by the regulatory change.</p> <p>Contractor licenses are issued to entities, which undoubtedly includes numerous small businesses. It is reasonable to assume that all entities holding Class C and Class B licenses meet the definition of "small business" as defined in § 2.2-4007.1 of the Code of Virginia. This is likely the case for Residential Building Energy Analyst firms. It is also feasible that many entities holding a Class A license fall into the same category.</p>
<p>All projected costs for affected individuals, businesses, or other entities resulting from the regulatory change. Be specific and include all costs including, but not limited to:</p> <ul style="list-style-type: none"> a) projected reporting, recordkeeping, and other administrative costs required for compliance by small businesses; b) specify any costs related to the development of real estate for commercial or residential purposes that are a consequence of the regulatory change; c) fees; d) purchases of equipment or services; and e) time required to comply with the requirements. 	<p>The amendment requiring that each contract include a consumer's signed acknowledgment regarding receiving and reading a statement of protection may impose additional costs to contractor firms. Contracts utilized throughout the industry are both electronic and paper versions. There may be an administrative cost to contractor businesses and entities associated with paper and printing, should a contract be delivered by such method. The statement of protection is made available by the Board and is not a document that a contractor firm must develop. Additionally, an existing provision of the regulation requires that records be kept for a period of five (5) years, which would include the signed acknowledgement. This may induce a small cost to contractor firms related to recordkeeping.</p> <p>It is not anticipated that the overall costs to businesses and entities will be significant.</p>
<p>Benefits the regulatory change is designed to produce.</p>	<p>The benefits of this change include providing clarification to provisions of the regulations, ensuring the regulations complement Virginia law and reflect current agency procedures, and reducing regulatory burdens by removing requirements that are not necessary to protect the health, safety, and welfare of the public.</p> <p>The change will allow contractors licensed in several classifications or specialty services to perform work that falls within the scope of another specialty service. These include: highway/heavy (H/H) contractors being permitted to perform work covered by six (6) other specialties; home improvement contracting (HIC)</p>

	<p>and commercial improvement contracting (CIC) contractors being permitted to perform work covered by the landscape service contracting (LSC) specialty; and residential building (RBC) contractors being permitted to perform work covered by the farm improvement contracting (FIC) specialty service. The affected contractors would not be required to separately qualify for licensure of these specialties and could potentially expand the scope of services they might offer to the public.</p> <p>An additional benefit, geared towards consumers, is a revision to a provision related to contract requirements has been amended to require that each contract include an acknowledgement, signed by the consumer, that the consumer has been provided with and read a statement of protection.</p>
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Alternatives to Regulation

Describe any viable alternatives to the regulatory change that were considered, and the rationale used by the agency to select the least burdensome or intrusive alternative that meets the essential purpose of the regulatory change. Also, include discussion of less intrusive or less costly alternatives for small businesses, as defined in § 2.2-4007.1 of the Code of Virginia, of achieving the purpose of the regulatory change.

Licenses issued under this regulation are issued to business entities. Many licensees are likely business entities that meet the definition of "small business" as defined in § 2.2-4007.1 of the Code of Virginia. No less intrusive or less costly alternatives to achieve the purpose of the regulatory change were identified.

If this analysis has been reported on the ORM Economic Impact form, indicate the tables on which it was reported. Information provided on that form need not be repeated here.

Regulatory Flexibility Analysis

Consistent with § 2.2-4007.1 B of the Code of Virginia, describe the agency’s analysis of alternative regulatory methods, consistent with health, safety, environmental, and economic welfare, that will accomplish the objectives of applicable law while minimizing the adverse impact on small business. Alternative regulatory methods include, at a minimum: 1) establishing less stringent compliance or reporting requirements; 2) establishing less stringent schedules or deadlines for compliance or reporting requirements; 3) consolidation or simplification of compliance or reporting requirements; 4) establishing performance standards for small businesses to replace design or operational standards required in the proposed regulation; and 5) the exemption of small businesses from all or any part of the requirements contained in the regulatory change.

Licenses issued under this regulation are issued to business entities. Many licensees are likely to be business entities that meet the definition of "small business" as defined in § 2.2-4007.1 of the Code of Virginia.

As mandated by the General Assembly, the Board protects the public health, safety, and welfare, in part, by establishing through regulation the minimum qualifications for entry into the profession and minimum standards to assure continued competency.

These proposed amendments do not pose an unreasonable administrative or financial burden. The enabling statutes establishing the licensing programs covered by this regulation provide no exemption for small businesses; therefore, there are no such exemptions contained in the proposed change.

Review of this regulation was initiated based on Executive Directive Number One (2022). Amendments to the regulation proposed under this action are intended to reduce regulatory burdens imposed upon licensees. There are no other alternative regulatory methods, consistent with health, safety, environmental, and economic welfare, that will accomplish the goals of this regulatory action.

If this analysis has been reported on the ORM Economic Impact form, indicate the tables on which it was reported. Information provided on that form need not be repeated here.

**Periodic Review and
Small Business Impact Review Report of Findings**

If you are using this form to report the result of a periodic review/small business impact review that is being conducted as part of this regulatory action, and was announced during the NOIRA stage, indicate whether the regulatory change meets the criteria set out in EO 19 and the ORM procedures, e.g., is necessary for the protection of public health, safety, and welfare; minimizes the economic impact on small businesses consistent with the stated objectives of applicable law; and is clearly written and easily understandable. In addition, as required by § 2.2-4007.1 E and F of the Code of Virginia, discuss the agency’s consideration of: (1) the continued need for the regulation; (2) the nature of complaints or comments received concerning the regulation; (3) the complexity of the regulation; (4) the extent to which the regulation overlaps, duplicates, or conflicts with federal or state law or regulation; and (5) the length of time since the regulation has been evaluated or the degree to which technology, economic conditions, or other factors have changed in the area affected by the regulation. Also, discuss why the agency’s decision, consistent with applicable law, will minimize the economic impact of regulations on small businesses.

This action is not being used to conduct a periodic review or small business impact review.

Public Comment

Summarize all comments received during the public comment period following the publication of the previous stage, and provide the agency’s response. Include all comments submitted: including those received on Town Hall, in a public hearing, or submitted directly to the agency. If no comment was received, enter a specific statement to that effect.

Commenter	Comment	Agency response
William E. Manning Construction LLC	Commenter suggests that fees should remain the same.	The Board thanks the commenter. This action does not change the levels of fees charged to applicants and regulants.
Anonymous	Commenter requests that contractors no longer be required to pay unemployment taxes as the tax is imposed and Virginians	The Board thanks the commenter. The Board has no regulatory authority over the unemployment insurance system

	<p>entitled to benefits do not receive them.</p> <p>The commenter makes complaints regarding administration of the unemployment insurance system by the Virginia Employment Commission.</p>	<p>administered by the Virginia Employment Commission.</p>
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Public Participation

Indicate how the public should contact the agency to submit comments on this regulation, and whether a public hearing will be held, by completing the text below.

The Board for Contractors is providing an opportunity for comments on this regulatory proposal, including but not limited to (i) the costs and benefits of the regulatory proposal, (ii) any alternative approaches, (iii) the potential impacts of the regulation, and (iv) the agency's regulatory flexibility analysis stated in that section of this background document.

Anyone wishing to submit written comments for the public comment file may do so through the Public Comment Forums feature of the Virginia Regulatory Town Hall web site at: <https://townhall.virginia.gov>.

Comments may also be submitted by mail, email or fax to:

Cameron Parris
 Regulatory Operations Administrator
 9960 Mayland Drive, Suite 400
 Richmond, VA 23233
 Contractors@dpor.virginia.gov
 (866) 430-1033 (fax)

In order to be considered, comments must be received by 11:59 pm on the last day of the public comment period.

A public hearing will be held following the publication of this stage, and notice of the hearing will be posted on the Virginia Regulatory Town Hall website (<https://townhall.virginia.gov>) and on the Commonwealth Calendar website (<https://commonwealthcalendar.virginia.gov/>). Both oral and written comments may be submitted at that time.

Detail of Changes

List all regulatory changes and the consequences of the changes. Explain the new requirements and what they mean rather than merely quoting the text of the regulation. For example, describe the intent of the language and the expected impact. Describe the difference between existing requirement(s) and/or agency practice(s) and what is being proposed in this regulatory change. Use all tables that apply, but delete inapplicable tables.

If an existing VAC Chapter(s) is being amended or repealed, use Table 1 to describe the changes between the existing VAC Chapter(s) and the proposed regulation. If the existing VAC Chapter(s) or

sections are being repealed and replaced, ensure Table 1 clearly shows both the current number and the new number for each repealed section and the replacement section.

Table 1: Changes to Existing VAC Chapter(s)

Current chapter-section number	New chapter-section number, if applicable	Current requirements in VAC	Change, intent, rationale, and likely impact of new requirements
22-10	N/A	Provides for definitions that are necessary to make the regulation clear and understandable.	<p>This section is revised and separated into subsections. Subsection “A” was created and specifically incorporates statutory terms from § 54.1-1100 of the Code of Virginia that are used in the regulation. Also created is Subsection “B” which includes additional terms used in the regulation and has been revised to remove terms that are not used in the regulation but are currently defined in this section.</p> <p>New subsection “A” references the statutory definitions provided by § 54.1-1100 of the Code of Virginia. This includes adding the following terms or phrases: “Board;” “Class A contractors;” “Class B contractors;” “Class C contractors;” “Contractor;” “Department;” “Designated employee;” “Director;” “Fire Sprinkler Contractor;” “Owner-developer;” “Person;” and “Value.”</p> <p>New subsection B is revised to modify the meaning of the following terms:</p> <ul style="list-style-type: none"> • “Full-time employee” is revised to clarify that the term means an employee who spends a minimum of 30 hours a week carrying out the work of the licensed contracting business and who receives a W-2 annually. • “Helper” or “laborer” is revised to mean a person who assists a regulant. • “Net worth” is revised to provide that assets do not include property that is not titled in the name of the business entity. • “Reinstatement” is revised to mean the process and requirements through which an expired license can be made valid without the licensee having to apply as a new applicant. The change makes the meaning of

			<p>the term consistent with other DPOR regulations.</p> <ul style="list-style-type: none"> • “Renewal” is revised to mean the process and requirements for periodically approving the continuance of a license. The change makes the meaning of the term consistent with other DPOR regulations. • “Responsible management” is revised to clarify that the term means the principals of (i) a sole proprietorship; (ii) a general partnership; (iii) a limited partnership; (iv) a corporation; (v) a limited liability company; and (vi) an association. <p>The change to the definition of “full-time employee” is intended to clarify the meaning of the term and address the issues of potential employee misclassification. For an individual to be an employee of a firm, the individual must be a bona fide employee and issued a W-2 form by the employer. An Individual who receives a 1099 form is considered an independent contractor, is not an employee.</p> <p>The change to the definition of “net worth” is intended to clarify the meaning of the term and address the problem of individuals who provide information on their individual assets as evidence of net worth and not company assets.</p> <p>New subsection B is revised to remove the following terms which are not used in the regulation or for which a definition is unnecessary: “Affidavit;” “Prime contractor;” “Sole proprietor;” and “Supervisor.”</p> <p>Other minor stylistic changes are made.</p>
22-20	N/A	<p>Provides for definitions specific to license classifications.</p> <p>License classifications are established for each class of license in §§ 54.1-1106, 54.1-1108, and 54.1-1108.2 of the Code of Virginia.</p>	<p>The section is revised to add the classification for “fire sprinkler contracting.” Currently, this term is defined in section -30 as a specialty service. However, §§ 54.1-1106, 54.1-1108, and 54.1-1108.2 of the Code of Virginia establish fire sprinkler contractor as a license classification. The change will make the regulation consistent with the applicable statutes.</p>

		<p>The license classifications are:</p> <ul style="list-style-type: none"> • Commercial building contractors; • Electrical contractors; • Highway/heavy contractors; • HVAC contractors; • Plumbing contractors; • Residential building contractors; and • Specialty contractors. <p>The definitions provided in this section establish the scope of regulated contracting activities pertaining to each classification.</p>	<p>The definition for “commercial building contractors” is revised to remove a provision that states a commercial building contractor may act as a prime contractor and contract with subcontractors to perform work not permitted by the commercial building contractor license. This provision is removed as it is not necessary.</p> <p>The definition for “electrical contractors” is revised to clarify that the scope of regulated activity includes the installation of electrical systems.</p> <p>The definition of “highway/heavy contractors” is revised to provide that these contractors may, when performing site work, abandon a Class III C bored/drilled well in accordance with Virginia Department of Health Regulations. This change incorporates guidance previously adopted by the Board (Guidance Document #7260).</p> <p>A stylistic change is made to the definition of “HVAC contractors.”</p> <p>A clarifying change is made to the definition of “plumbing contractors” to clarify that these contractors may install fire sprinkler systems.</p> <p>Additional changes are made to clarify that contractor license classifications are applicable to contractors, and not individuals. Under the Board’s licensing scheme, contractor licenses are issued to contractor firms.</p> <p>These changes will likely not have any impact.</p>
22-30	N/A	<p>Provides for definitions specific to specialty services.</p> <p>Sections 54.1-1106, 54.1-1108, and 54.1-1108.2 provide that the Board may issue licenses to specialty contractors.</p> <p>The definitions provided in this section establish the scope of regulated contracting activities</p>	<p>The definition for “fire sprinkler contracting” is removed as it is not a specialty service, but a license classification. A definition for “fire sprinkler contractor” is added to the definitions of license classifications in section -20.</p> <p>The definition of “asphalt paving and sealing coating contracting” is revised to clarify that contractors with this specialty service may repair, improve, or remove asphalt paving or sealcoating.</p>

		<p>pertaining to each specialty service designation issued by the Board.</p>	<p>The definition of “blast/explosive contracting” is revised to clarify that no other license classification or specialty service may provide this service.</p> <p>The definition of “electronic/communication service contracting” is revised to provide that the specialty service includes other electronic or communication systems that operate at 50 volts or less than those specifically identified in the definition.</p> <p>The definition of “electronic/communication service contracting” is further revised to remove the requirement that a firm with this specialty service meet applicable tradesman licensure standards. As a result of this change, the qualified individual for a contractor with this specialty service is not required to have a tradesman license.</p> <p>The definition of “environmental monitoring well contracting” is revised to provide that contractors with the highway/heavy contractors license classification or the water well/pump contracting specialty service may provide this service.</p> <p>The definition of “environmental specialties contracting” is revised to provide that contractors with the highway/heavy contractors license classification may provide this service.</p> <p>The definition of “farm improvement contracting” is revised to provide that contractors with the residential building contractors license classification may provide this service.</p> <p>The definition of “framing subcontractor” is revised to allow a contractor to have a “framing contracting” specialty service. This change will remove the requirement that a contractor with this specialty service only be a subcontractor to a licensed prime contractor.</p> <p>The definition of “landscape service contracting” is revised to provide that</p>
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			<p>contractors with the commercial improvement contracting and home improvement contracting specialty service designations may provide this service.</p> <p>The definition of “manufactured home contracting” is revised to clarify that this specialty service does not allow for installing any components of the HVAC system for a manufactured home.</p> <p>The definition of “masonry contracting” is revised to provide that contractors with the highway/heavy contractors license classification may provide this service.</p> <p>The definition of “recreational facility contracting” is revised to provide that contractors with the highway/heavy contractors license classification may provide this service.</p> <p>The definition of “steel erection contracting” is revised to provide that contractors with the highway/heavy contractors license classification may provide this service.</p> <p>The definition of “swimming pool construction contracting” is revised to provide that contractors with the highway/heavy contractors license classification may provide this service.</p> <p>The definition of “underground utility and excavating contracting” is revised to mean that it is the service which provides for the construction, repair, improvement, or removal of water, gas, and sewer connections to residential, commercial, and industrial sites, subject to local ordinances. The change simplifies and clarifies the scope of this regulated activity.</p> <p>The definition of “miscellaneous contracting” is revised to remove a provision that contractors who apply for this specialty service designation will have their applications reviewed by the Board.</p> <p>This proposed change is being made in conjunction with proposed changes in a separate action by the Board that will</p>
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			<p>amend sections -40, -50, and -60 to provide that applicants for the miscellaneous contracting specialty service will have such applications considered by the Board in accordance with applicable provisions of the APA.</p> <p>An explanatory note at the end of the section which details specific construction activities that may fall under (i) the commercial improvement contracting, home improvement contracting, and farm improvement contracting specialty services; or (ii) the commercial building contractors or residential building contractors license classifications is removed.</p>
22-90	N/A	<p>This section provides that the Board will not issue a license to an applicant whose previous license or registration was suspended for non-payment of a Virginia Contractor Transaction Recovery Fund assessment until all past-due assessments have been paid.</p>	<p>Minor stylistic change is made to replace the word “shall” with “will”.</p>
22-100	N/A	<p>This section outlines fees for the following:</p> <ul style="list-style-type: none"> • Initial contractor license applications; • Residential building energy analyst firm license application; • Temporary license application; • Examinations for Class A and Class B licenses, and for qualified individuals. <p>This section also provides initial license applications, except for residential building energy analyst firm applications, must pay a \$25 Recovery Fund assessment. If an applicant does not meet all requirements for licensure, and does not become licensed, the assessment will be refunded.</p>	<p>The section is revised to remove provisions related to examinations and examination fees. These provisions are unnecessary, as section -80 contains provisions for the administration of required examinations and the fees for such examinations.</p> <p>The section is revised to relocate provisions for fees currently contained in section -250 related to changing a Designated Employee, Qualified Individual, and addition of a classification or specialty. This change is made to streamline the regulation.</p> <p>The section is further revised to clarify the language regarding payment of the Recovery Fund assessment, including a reference to the applicable section of the Code of Virginia that provides for imposition of the assessment. The revised provisions make clear that an assessment is not required for the following applications:</p> <ul style="list-style-type: none"> • Residential building energy analyst;

		<p>The section also provides that examination fees approved by the Board, but administered by another agency or organization will be determined by the administering agency or organization.</p> <p>This section also provides for general requirements applicable to fees received on behalf of the Board. Checks or money orders must be made payable to the Treasurer of Virginia. Fees are non-refundable. An applicant or regulant is required to remit fees sufficient to cover the original fee, plus a processing charge set by DPOR for any instrument for payment that is dishonored.</p>	<ul style="list-style-type: none"> • Change of Designated Employee; • Change of Qualified Individual; and • Addition of Classification or Specialty. <p>Minor stylistic changes to replace the word “shall” with “must” or “will” are made.</p> <p>These changes do not impose any new requirements, increase or decrease fees, nor are likely to have any impact.</p>
22-110	N/A	<p>This section provides that licenses expire two years from the last day of the month in which they were issued.</p>	<p>Minor stylistic change to replace the word “shall” with “will.” This change will likely not have any impact.</p>
22-120	N/A	<p>This section provides procedures for renewal of licenses.</p> <p>DPOR will mail a renewal notice to a licensee at the licensee’s last known address of record.</p> <p>A licensee’s failure to receive the renewal notice does not relieve the licensee of the obligation to renew. A licensee that does not receive the renewal notice may submit a copy of the license with the required fee.</p>	<p>Minor stylistic change to replace the word “shall” with “will.” This change will likely not have any impact.</p>
22-130	N/A	<p>This section outlines the qualifications for renewal of licenses.</p> <p>The section provides that completed a renewal form</p>	<p>Subsection A is revised to add a provision that licenses are not valid during the 30-day grace period allotted for renewal after expiration of a license.</p>

		<p>and appropriate fees must be received within 30 days of the license expiration date in order to renew a license. Applications and fees received after the 30-day period will be processed in accordance with reinstatement provisions in Part IV (18VAC50-22-160 et seq.) of the regulation.</p> <p>Applicants for renewal of a contractor license must continue to meet the applicable qualifications for licensure established in:</p> <ul style="list-style-type: none"> • 18VAC50-22-40 (Class C license); • 18VAC50-22-50 (Class B license); or • 18VAC50-22-60 (Class A license). <p>Applicants for renewal of a residential building energy analyst firm license must continue to meet the qualifications for licensure in 18VAC50-22-62; and must also provide proof of insurance.</p>	<p>The intent and rationale of the addition of this verbiage is to clarify that a license is not valid during the 30-day grace period following expiration of a license.</p> <p>Minor stylistic changes to replace the word “shall” with “must” which are not likely to have any impact.</p>
22-140	N/A	<p>This section provides for the application fees for renewal of contractor and residential building energy analyst firm licenses.</p> <p>The section provides for temporary renewal fees for fees received on or before August 31, 2025.</p> <p>The section provides that date on which the renewal fee is received by DPOR determines whether the licensee is eligible for renewal or must apply for reinstatement.</p> <p>This section also provides for general requirements applicable to fees received</p>	<p>Minor stylistic changes to replace the word “shall” with “must” or “will” where appropriate, which are not likely to have any impact.</p>

		<p>on behalf of the Board. Checks or money orders must be made payable to the Treasurer of Virginia. Fees are non-refundable.</p> <p>A regulant is required to remit fees sufficient to cover the original fee, plus a processing charge set by DPOR for any instrument for payment that is dishonored.</p>	
22-150	N/A	<p>This section outlines the Board’s discretionary authority to deny renewal of a license.</p> <p>The Board may deny renewal of a license for the same reasons as it may refuse initial licensure or discipline a licensee.</p> <p>The licensee has the right to appeal such action by the Board under the APA.</p> <p>A regulant’s failure to timely pay any monetary penalty, reimbursement of cost, or other fee assessed by consent order or final order may result in DPOR delaying or withholding services including renewal, reinstatement, processing a new application, or examination administration.</p>	<p>Subsection A is revised to update the code citation of the APA in the Code of Virginia. This change will likely not have any impact.</p> <p>Other minor stylistic changes are made, which are not likely to have an impact.</p>
22-160	N/A	<p>This section outlines procedures for reinstatement of licenses .</p> <p>The section provides that a licensee is required to reinstate a license if DPOR does not receive the licensee’s renewal form and appropriate fees within 30 days of the license expiration date.</p> <p>Applicants for reinstatement of a contractor license must continue to meet the</p>	<p>The section is revised and reorganized to create subsections to clarify reinstatement procedures .</p> <p>New subsection A provides that if requirements for renewal of a license as specified in section -130 are not completed within 30 days of the license expiration date, the licensee is required to reinstate the license by meeting all renewal requirements and by paying the reinstatement fee specified in section -170.</p> <p>This change is made to streamline and clarify the requirements for reinstatement</p>

		<p>applicable qualifications for licensure established in:</p> <ul style="list-style-type: none"> • 18VAC50-22-40 (Class C license); • 18VAC50-22-50 (Class B license); or • 18VAC50-22-60 (Class A license). <p>Applicants for renewal of a residential building energy analyst firm license must continue to meet the qualifications for licensure in 18VAC50-22-62; and must also provide proof of insurance.</p>	<p>of licenses. This change also clearly provides that regulants must pay a reinstatement fee.</p> <p>New subsection B provides that a license may be reinstated for up to 24 months following the expiration date. After 24 months, the license may not be reinstated and the firm must meet all current entry requirements and apply as a new applicant.</p> <p>These requirements are currently located in section -170 and are being relocated from section -170 and reworded.</p> <p>New subsection C provides that any regulated activity conducted subsequent to the license expiration date may constitute unlicensed activity and be subject to prosecution under applicable statute.</p> <p>These provisions provide written notice of the possible consequences of performing regulated work with an expired license.</p> <p>Revisions to this section are made to streamline the regulation and provide clearer language. The changes are consistent with reinstatement provisions in other DPOR regulations. The changes do not include new requirements or impose additional burdens on regulants. As such, there is no expected impact as a result of these changes.</p>
22-170	N/A	<p>This section provides for the application fees for reinstatement of contractor and residential building energy analyst firm licenses.</p> <p>The section provides for temporary reinstatement fees for fees received on or before August 31, 2025.</p> <p>The section provides that reinstatement is not permitted once two (2) years from the expiration date have passed.</p> <p>The section provides that date on which the renewal</p>	<p>The section is revised to remove the provision that reinstatement is not permitted after two years. This provision is relocated to section -160 and reworded.</p> <p>Minor stylistic changes to replace the word “shall” with “must” or “will” are made, such changes are likely to have no impact.</p>

		<p>fee is received by DPOR determines whether the licensee is eligible for reinstatement or must apply for a new license.</p> <p>This section also provides for general requirements applicable to fees received on behalf of the Board. Checks or money orders must be made payable to the Treasurer of Virginia. Fees are non-refundable.</p> <p>A regulant is required to remit fees sufficient to cover the original fee, plus a processing charge set by DPOR for any instrument for payment that is dishonored.</p>	
22-180	N/A	<p>This section provides for the status of licensees during period prior to reinstatement of a license.</p> <p>The section provides that when a license is reinstated, the licensee will continue to have the same license number and will be assigned a license expiration date that is two years from the previous license expiration date.</p> <p>The section provides that a contractor who reinstates a license is regarded as having been continuously licensed without interruption. The contractor is subject to the Board’s disciplinary authority during this period of reinstatement. A consumer who contracts with a contractor during the period while the contractor’s license was expired and reinstated is not prohibited from making a claim on the Virginia Contractor Transaction Recovery Fund.</p>	<p>Minor stylistic changes to replace the word “shall” with “will” are made, such changes are likely to have no impact.</p>

		<p>A contractor that fails to reinstate a license is regarded as an unlicensed contractor from the expiration date of the license forward.</p> <p>The section provides that the Board is not divested of its authority to discipline a contractor for a violation of the law or regulations during the period of time when a contractor was licensed.</p> <p>The section similarly provides that a RBEA firm that reinstates a license is regarded as having been continuously licensed and remains under the Board's disciplinary authority.</p>	
22-190	N/A	<p>This section provides for the Board's authority to deny reinstatement of licenses.</p> <p>The Board may deny reinstatement of a license for the same reasons as it may refuse initial licensure or discipline a licensee.</p> <p>The licensee has the right to appeal such action by the Board under the APA.</p> <p>A regulant's failure to timely pay any monetary penalty, reimbursement of cost, or other fee assessed by consent order or final order may result in DPOR delaying or withholding services including renewal, reinstatement, processing a new application, or examination administration.</p>	<p>Subsection A is revised to update the code citation of the APA in the Code of Virginia. This change will likely not have any impact.</p> <p>A minor stylistic change is made, which is not likely to have an impact.</p>
22-200	N/A	<p>This section outlines the Board's authority to impose disciplinary action when a licensee has been found by the Board to have violated or cooperated with others in violating any provision of Chapter 11 of Title 54.1 of</p>	<p>Rewords the section to provide clarity in the Board's authority to impose disciplinary action against a regulant.</p> <p>The section is revised to clarify that the Board may impose a monetary penalty in accordance with § 54.1-202 A of the Code of Virginia. The term "fine" is</p>

		<p>the Code of Virginia or any regulation of the Board.</p> <p>The Board may impose any of the following sanctions:</p> <ul style="list-style-type: none"> • Remedial education; • Fine; • License revocation; or • License suspension. 	<p>removed because the Board does not have the statutory authority to fine a licensee for a regulatory violation. Under the applicable code section, the Board has the authority to impose a monetary penalty for any violation of a statute or regulation pertaining to the Board against any licensee who is not criminally prosecuted. Disciplinary actions taken by the Board against licensees are adjudicated administratively under the APA and are not criminal prosecutions.</p> <p>The section is further revised to clarify the Board’s authority to deny renewal of a license. Section 54.1-1110 of the Code of Virginia provides that the Board may deny renewal of a license.</p> <p>The section is also revised to clarify the authority of the Board to impose regulatory discipline for a licensee’s violation of the provisions of Chapter 1 (§ 54.1-100 et seq.) of Title 54.1 of the Code of Virginia. The change compliments the Board’s prohibited acts section (18VAC50-22-260) which makes failure to comply with the provisions of Chapter 1 of Title 54.1 of the Code of Virginia a basis for disciplinary action.</p>
22-210	N/A	<p>This section provides for requirements to obtain a new license in the event there is a change to a business entity.</p> <p>The section provides that licenses are issued to firms and are not transferable.</p> <p>When the legal business entity holding the license is dissolved or altered to form a new entity, the license issued to the entity becomes void and must be returned to the Board within 30 days of the change of business entity. Such changes include:</p> <ul style="list-style-type: none"> • Death of a sole proprietor; • Death or withdrawal of a general partner in a general partnership; 	<p>Removes the word “conversion” as there is no situation when a conversion of business entities can occur. This change will likely not have any impact.</p> <p>Stylistic changes including removing the phrases “as defined in this chapter” and “but are not limited to” are made. In addition, a stylistic change to replace the word “shall” with “must” is made. These changes are not likely to have any impact.</p>

		<ul style="list-style-type: none"> • Death or withdrawal of a managing partner in a limited partnership; • Conversion, formation, or dissolution of a corporation, limited liability company, an association, or any other business entity recognized under Virginia law. <p>The firm is required to apply for a new license on a Board-provided form within 30 days of the change in business entity.</p>	
22-220	N/A	<p>This section provides for the requirements for reporting changes in Responsible Management, Designated Employee, or Qualified Individual.</p> <p>A firm must report in writing to the Board a change in any of the following within 120 days of the change:</p> <ul style="list-style-type: none"> • Officers of a corporation; • Managers of a limited liability company; • Officers or directors of an association. <p>A contractor must report any change of Designated Employee on a Board-provided form within 120 days of the change.</p> <p>The new Designated Employee must meet the applicable requirements for a Designated Employee for a Class B or Class A license as specified in the Board’s entry requirements. More than one individual associated with a single firm may complete the examination requirements necessary for eligibility as the Designated Employee.</p>	<p>Subsection A is revised to provide that any change of principals of a corporation, limited liability company, or association must be reported to the Board within 120 days of the change. This change is made to streamline the rule as ‘principal” has a common meaning.</p> <p>Subsection C is revised to extend the deadline for a contractor to report a change of Qualified Individual to 60 days from the date of the change. This change will provide more time for regulants to report a change of Qualified Individual and lessens the stringency of the current reporting requirement.</p> <p>Minor stylistic changes to replace the word “shall” with “must” are made. These changes are not likely to have an impact.</p>

		<p>A contractor must report any change of Qualified Individual on a Board-provided form within 45 days of the change.</p> <p>The new Qualified Individual must meet the applicable requirements for a Qualified Individual for a Class C, Class B, or Class A license as specified in the Board's entry requirements.</p>	
22-230	N/A	<p>This section provides for the requirements for reporting a change of name or address.</p> <p>The section provides that a licensee must operate under the name in which the license issued.</p> <p>Any name change must be reported to the Board in writing within 30 days of the change.</p> <p>Any change of the licensee's address of record or principal place of business must be reported to the Board in writing within 30 days of the change.</p> <p>The section further provides that the Board is not responsible for a licensee's failure to receive notices and correspondence due to not having report a change of name or address.</p>	<p>Minor stylistic changes to replace the word "shall" with "must" or "will" throughout the section are made. These change will likely not have any impact.</p>
22-240	N/A	<p>This section outlines procedures for deleting or adding a classification or specialty service to a license.</p> <p>A licensee that wishes to delete a license classification or specialty service from the license must notify the Board in writing.</p> <p>If a licensee has only one classification or specialty service on the license,</p>	<p>Minor stylistic changes to replace the word "shall" with "must" throughout the section are made. These changes will likely not have any impact.</p>

		<p>deletion of such classification or specialty service results in termination of the license.</p> <p>A licensee that wishes to add a classification or specialty service to the license must complete a Board-provided form and meet the applicable requirements for the classification or specialty service in the Board's entry requirements for the class of license (Class C, Class B, or Class A) the licensee holds.</p>	
22-250	N/A	<p>This section outlines fees for the following:</p> <ul style="list-style-type: none"> • Change of Designated Employee; • Change of Qualified Individual; • Addition of Classification or Specialty Service. <p>This section also provides for general requirements applicable to fees received on behalf of the Board. Checks or money orders must be made payable to the Treasurer of Virginia. Fees are non-refundable. An applicant or regulant is required to remit fees sufficient to cover the original fee, plus a processing charge set by DPOR for any instrument for payment that is dishonored.</p>	<p>This section is repealed.</p> <p>Fees from this section have been relocated to section -100. This change allows all fees to be located within one section rather than scattered throughout the regulation.</p> <p>This change will likely not have any impact.</p>
22-260	N/A	<p>This section provides that complaints against contractors and residential building energy analyst firms may be filed with DPOR at any time during business hours.</p> <p>This section establishes specific prohibited acts which may be grounds for disciplinary action against a licensee.</p>	<p>Provisions in subdivision B 9 of the section relating to minimum requirements for residential contracts are revised.</p> <p>Subdivision B 9 g is revised to expand the requirement for a contractor to obtain a signed acknowledgment by the consumer that the consumer has been provided with and read the DPOR statement of protection available through the Board. As a result of the change, the requirement will apply to all residential contracts, not just those resulting from a door-to-door solicitation.</p>

		<p>Prohibited acts include:</p> <ul style="list-style-type: none"> • Furnishing substantially inaccurate or incomplete information to the Board in obtaining, renewing, reinstating, or maintaining a license; • Negligence or incompetence in the practice of contracting or residential building energy analyses; • Misconduct in the practice of contracting or residential energy analyses. • Abandonment (unjustified cessation of work for 30 days or more); • Intentional and unjustified failure to complete contracted work or to comply with the terms in the contract; • Retention of funds paid for work that is not performed or performed only in part; • Practicing in a license classification or specialty service for which the contractor is not licensed; • Contracting with an unlicensed or improperly licensed subcontractor in the delivery of contracting services; and • Failure to honor the terms and conditions of a warranty. <p>The prohibited acts section also establishes standards for residential contracting.</p> <p>Those that engage in residential contracting,</p>	<p>The proposed change is expected to benefit the public, the Board, and the Commonwealth. The Statement of Consumer Protections created by the Board provides notification to consumers regarding the following:</p> <ul style="list-style-type: none"> • The requirement for contractors to be licensed by the Board; • A description of the classes of licensure (i.e. Class A, Class B, and Class C licenses) and the limits of those license classes; • An explanation of the Board’s regulatory authority to impose discipline on licensed contractors, including limitations on this authority such as the inability to order restitution to consumers or address cosmetic defects in workmanship; • Best practices for consumers hiring a contractor including advising consumers to carefully review contracts to ensure the terms of the contract are clear and acceptable, and to limit the amount of any down payment; and • Information on making a complaint to DPOR in the event a contractor does not comply with the Board’s regulations. <p>The great majority of complaints received by DPOR are complaints to the Board regarding contractors. DPOR receives on average about 850¹ complaints per year against licensed contractors. Frequently, the disputes between contractors and consumers that result in complaints are due to contracts where the terms of the agreement are not clear and do not meet the Board’s minimum requirements for residential contracts. In addition, in many complaints result from a contractor not being properly licensed to undertake a project, such as a contractor practicing outside of the contractor’s class of license (e.g. a Class C contractor contracts for a project that exceeds \$10,000.)</p>
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¹ Between July 1, 2021 and June 12, 2024, the Department received 2,566 complaints against licensed contractors.

		<p>except for subcontractors to the contracting parties and those who engage in routine maintenance or service contracts, must use a legible written contract that clearly specifies the terms and conditions of the work to be performed. Prior to the commencing of work or accepting of payment, the contract must be signed by the consumer and the licensee (or the licensee’s agent). A contractor must also promptly deliver a copy of the fully executed contract to the consumer prior to the commencement of work. Failure to comply with these requirements is a prohibited act.</p> <p>Those engaged in residential contracting must use a written contract that meets the following minimum requirements:</p> <ul style="list-style-type: none"> • When work is to begin and the estimated completion date; • A statement of the total cost of the contract and the amounts and schedule for progress payments, including a specific statement on the amount of the down payment; • A listing of the specified materials and work to be performed; • A “plain-language” exculpatory clause addressing events that are beyond the control of the contractor and a statement that delays caused by such events do not constitute abandonment and are not included in calculating timeframes for payment or performance; 	<p>This change is expected to result in increased consumer awareness and may result in fewer disputes between contractors and consumers. The change may also result in fewer complaints being made to DPOR because consumers will be more likely to avoid transactions that are problematic.</p> <p>Subdivision B 9 j is revised to remove the clause indicating the requirement for a contractor to notify consumers of the Virginia Contractor Transaction Recovery Fund is effective with all new contracts after July 1, 2015. This is a technical change which removes a provision that is no longer necessary.</p>
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		<p>all documents relating to that contract, including the contract and any addenda or change orders. Failure to comply with this requirement is a prohibited act.</p> <p>The section also establishes requirements relating to post-licensure criminal convictions and the reporting of such convictions.</p> <p>A contractor may be disciplined by the Board when the firm, the Responsible Management, the Designed Employee, or Qualified Individual has been convicted or found guilty after initial licensure of any felony or any non-marijuana misdemeanor.</p> <p>A contractor is required to inform the Board in writing when the firm, a member of Responsible Management, the Designated Employee, or the Qualified Individual has pleaded guilty or <i>nolo contendere</i> or was convicted and found guilty of any felony or any Class 1 misdemeanor or any non-marijuana misdemeanor conviction for activities carried out while engaged in the practice of contracting. Failure to comply with this requirement is a prohibited act.</p> <p>The section also provides for requirements for licensees to produce records requested by the Board or its agents and to respond to the Board's agents regarding complaints.</p> <p>A contractor must provide to the Board or its agents any document, book, record, or copy of the same in the licensee's possession concerning a transaction covered by the regulation or</p>	
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		<p>for which the contractor is required to maintain records. Failure to comply with these requirements is a prohibited act.</p> <p>Failure of a contractor to respond to agent of the Board, or providing false, misleading, or incomplete information to an investigator seeking information in the investigation of a complaint filed with the Board against the contractor are prohibited acts.</p>	
22-300	N/A	<p>This section provides requirements for pre-license education courses.</p> <p>The Board's entry requirements require that a member of Responsible Management or the Designated Employee (if applying for a Class B or Class A license) complete a basic business course (pre-license education.)</p> <p>The section provides that courses offered by pre-license education providers must be approved by the Board prior to the initial offering of the course.</p> <p>Pre-license education courses must be eight (8) hours in length. Courses must cover business principles related to the standards of conduct in subsection B of 18VAC50-22-260 and other applicable requirements of continued licensure established in the regulation.</p> <p>Correspondence and distance learning courses must include appropriate testing procedures to verify completion of the course.</p>	<p>The required course length is reduced from eight (8) hours to six (6) hours.</p> <p>This change will likely have a positive impact on both education providers and license applicants. It is expected to lessen burden placed on education providers when seeking approval of pre-license courses. Applicants will also benefit from the reduced time that is spent to complete mandatory training prior to becoming licensed.</p> <p>A minor stylistic change is made. This change is not anticipated to have any impact.</p>

<p>22-310</p>	<p>N/A</p>	<p>This section provides for requirements for pre-license education providers.</p> <p>Providers seeking approval of an education course must submit an application for course approval on a Board-provided form.</p> <p>The application must include:</p> <ul style="list-style-type: none"> • The name of the provider; • Provider contact person, address, and telephone number; • Course contact hours; • Schedule of courses, including dates, times, and locations (if established); • Instructor information, including license number (if applicable) and a list of other trade appropriate designations; • Course and material fees; and • Course syllabus. <p>Providers are required to establish and maintain a record for each student. The record must include the following:</p> <ul style="list-style-type: none"> • Student name; • Student address; • Social security number or DMV control number; • Course name; • Clock hours attended; • Course syllabus or outline; • Names of instructors; • Date of successful completion; and • The Board's course code. <p>The section requires that providers maintain class</p>	<p>The requirements for student records in subsection B are revised to:</p> <ul style="list-style-type: none"> • Remove the requirement that a record contain a student's social security number; and • Provide that a record contain a student's Virginia DMV control number, if applicable. <p>These changes allow providers to maintain accurate and compliant records of students without requiring or requesting personal identifying information that some students may not even possess. The word "Virginia" was added to ensure that any DMV control numbers that are provided are Virginia DMV control numbers.</p> <p>These changes will likely have a positive impact on education providers and on students enrolling in pre-license education courses as it will eliminate requirements placed on students to provide information they may not have (social security number, DMV control number.)</p> <p>Minor stylistic changes to replace the word "shall" with "must" are made. These changes are not anticipated to have any impact.</p>
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		records for a minimum of five years. Records must be available for inspection during normal business hours by authorized representatives of the Board.	
22-320	N/A	<p>This section provides for requirements of reporting pre-license education course completion.</p> <p>The section requires education providers to electronically transmit course completion data to the Board within seven (7) days of the completion of each individual course.</p> <p>The transmittal must include:</p> <ul style="list-style-type: none"> • The name of each student; • The social security number or DMV control number of each student; • The date of successful completion of the course; and • The Board’s course code. 	<p>The section is revised to:</p> <ul style="list-style-type: none"> • Remove the requirement that the transmittal contain a student’s social security number; and • Provide that the transmittal contain a student’s Virginia DMV control number, if applicable. <p>These changes are made to make this section of the regulation consistent with the changes in section -310 regarding student records to be kept by a provider.</p> <p>A minor stylistic change to replace the word “shall” with “must” is made. This change is not anticipated to have any impact.</p>
22-330	N/A	This section requires that a pre-license education provider make copies of pre-license education course certificates of approval available at the location a course is taught.	<p>This section is repealed.</p> <p>The requirement that copies of course certificates of approval be kept at the location where the course is taught is overly burdensome and unapplicable in situations where courses are completed online or through correspondence learning.</p> <p>This change will likely have a positive impact on pre-license education providers as it eliminates an overly burdensome requirement and, in some instances, a requirement that a pre-license education provider was unable to comply with.</p>
22-350	N/A	This section establishes the grounds upon which the Board may deny or withdraw	A correction is made to subdivision #3 of the section by removing the words “Tradesman Regulations.” from the

		<p>approval of a pre-license education course.</p> <p>The Board may deny or withdraw approval of a provider for any of the following:</p> <ul style="list-style-type: none"> • The course being offered no longer meets the standards established by the Board; • The provider advertises its services in a fraudulent or deceptive way; • The provider, instructor, or designee of the provider falsifies any information relating to the application for approval, course information, student records, or fails to produce records by the Board. 	<p>standard regarding the production of records.</p> <p>The proposed change clarifies that all approved pre-license education providers may be denied or withdrawn by the Board for failing to produce records required by the Board.</p> <p>This change likely will not have any impact.</p>
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