

STATE OF OKLAHOMA

2nd Session of the 48th Legislature (2002)

HOUSE BILL HB2270

By: Coleman

AS INTRODUCED

An Act relating to professions and occupations; defining term; requiring registration of contractors; requiring certain surety bond from contractors; stating amount of such bond; allowing for certain variances in amount of sureties; providing penalties; requiring the Office of the Attorney General to provide information to the public on certain matters concerning the Home Repair Fraud Act and acts relating to contractors; providing for codification; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1000.8 of Title 59, unless there is created a duplication in numbering, reads as follows:

A. As used in this section and Section 2 of this act, "contractor" means all prime and general contractors, subcontractors, independent contractors, and persons engaged in contract labor, who through negotiations or competitive bidding, enter into contracts to furnish labor, materials, or both and who have the required equipment to perform the contract for a fixed price and who in pursuit of independent business undertake a job in whole or in part retaining substantial control of the method and manner of accomplishing the desired result. "Contractor" also means any person, firm, joint venture, partnership, copartnership, association, corporation, or other organization engaged in the business of the construction, alteration, repairing, dismantling, or demolition of buildings, single-family residences, or multifamily residences. The term "contractor" shall not include the state or

any agency, institution, or political subdivision of the state or any duly constituted authority of a political subdivision.

B. Beginning November 1, 2002, and each November 1 thereafter, every contractor in this state as defined in subsection A of this section shall register with the Construction Industries Board. Each year a fee of Twenty-five Dollars (\$25.00) shall be paid to the Board by the contractor at the time of registration. The fee shall be deposited in the clearing account or fund created pursuant to Section 2 of Enrolled Senate Bill No. 449 of the 1st Session of the 48th Oklahoma Legislature. The list of registered contractors shall be made open to the public upon request.

C. Every contractor, including those in the position of subcontractor, before actually commencing work or undertaking to perform any services or duties under any contract, shall file with the Construction Industries Board a surety bond with a surety authorized to do business in this state, in the penal sum of not less than ten percent (10%) of the amount of the contract price, payable to the State of Oklahoma, or, in lieu of a surety bond, cash or negotiable bonds or other obligations of the United States of America, the State of Oklahoma or its subdivisions, provided that:

1. If a contractor receives another contract to perform services or duties in this state or if, in the judgment of the Construction Industries Board, the amount of the cost incurred or to be incurred under the contract is increased from the amount used to compute the amount of the original bond, the amount of the bond shall be increased to meet the requirements set forth in this subsection; and

2. The amount of such cost may be reduced by the amount of the cost incurred or to be incurred by contractors in the position of subcontractors, who actually post bonds on their subcontracts, by a prime contractor, and the Construction Industries Board shall notify the contractor of its findings.

D. Any person who violates subsection B or C of this section, upon conviction, shall be guilty of a felony punishable by a fine not to exceed Ten Thousand Dollars (\$10,000.00), or confinement in a correctional institution not to exceed five (5) years, or both such fine and imprisonment.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 18m of Title 74, unless there is created a duplication in numbering, reads as follows:

The Office of the Attorney General in cooperation with the Construction Industries Board shall develop and implement a plan to increase public awareness of the Home Repair Fraud Act and the provisions relating to the registration and bonding of contractors. The plan shall be designed to provide information about those laws to the general public at an eighth-grade level of reading comprehension in order to help the public understand the procedures necessary to file a complaint with the Consumer Protection Division of the Office of the Attorney General or the Construction Industries Board.

SECTION 3. This act shall become effective November 1, 2002.

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