

1 STATE OF OKLAHOMA

2 1st Session of the 51st Legislature (2007)

3 SENATE BILL 642

By: Coates of the Senate

4 and

5 Cooksey of the House

6
7
8 AS INTRODUCED

9 An Act relating to professions and occupations;
10 amending 59 O.S. 2001, Sections 1000.2, as amended by
11 Section 3, Chapter 318, O.S.L. 2003, 1000.4, as last
12 amended by Section 1, Chapter 163, O.S.L. 2004 and
13 1000.5, as amended by Section 2, Chapter 457, O.S.L.
14 2002 (59 O.S. Supp. 2006, Sections 1000.2, 1000.4 and
15 1000.5), which relate to the Construction Industries
16 Board; adding commercial contractors for Board to
17 regulate; providing effective dates; modifying
18 membership of Board; adding the Commercial
19 Contractors Licensing Act to Board's power to
20 enforce; modifying power of Board to include Act;
21 modifying range of certain fees; creating the
22 Commercial Contractors Licensing Act; providing short
23 title; defining terms; authorizing certain powers and
24 duties of Board; creating the Committee of Commercial
Contractors; providing for membership,
qualifications, terms, appointment, quorum, chair,
travel expenses, vacancies and duties of Committee;
providing for certain powers and duties of Board;
requiring license for certain commercial contractor
work; providing for application for licensure;
setting certain requirements for applicants;
providing certain applicant criteria for
consideration by Board; requiring certain applicant
information; providing for certain examinations;
authorizing Board to issue certain license; providing
for failure to pass examination; stating certain
certifications will be evidence that examinations are
satisfactory; requiring certain information to appear
on certain documents; requiring certain financial

1 statements or bonding letters be provided to the
2 Board for application or renewal; defining term;
3 providing for change in bonding letter; authorizing
4 Board to change certain classification; providing for
5 issuance of certain revised license number; stating
6 certain information shall not be public information;
7 providing exception; providing for disposition of
8 certain information; providing certain exemptions to
9 Act; providing certain exceptions for licensure for
10 certain bids but requiring licensure to perform work;
11 authorizing Board to grant exceptions in a state of
12 emergency; providing for certain licensure without
13 examination; providing for issuance of licenses and
14 expiration; requiring continuing education for
15 renewal; exempting certain late fees for military
16 service; authorizing certain fees and disposition of
17 fees; providing for certain temporary licenses for a
18 state of emergency; providing for expiration and
19 extension of certain temporary licenses; providing
20 commercial contractors may act only in the name they
21 are licensed; limiting use of license; prohibiting
22 certain disposition of license for unauthorized use;
23 creating the Oklahoma Commercial Contractors
24 Licensing Revolving Fund to consist of certain monies
received by the Construction Industries Board;
providing for disposition of Fund for certain
purpose; providing for the Commercial Contractors
Hearing Board; authorizing Hearing Board to
investigate certain business transactions; providing
for suspension, revocation, refusal to issue or renew
certain licenses or registrations; providing for
application for new license or registration if
revoked; providing for certain enforcement authority;
providing for certain findings and determinations;
providing for corporations or partnership to be
licensed; prohibiting certain acts; requiring license
for certain combinations of commercial contractors
prior to bids; requiring architects and engineers to
supply certain information to certain bidders;
authorizing the Construction Industries Board to
allow certain state entities to determine
qualifications of a commercial contractor prior to
submitting certain bids involving federal aid funds;
requiring certain license prior to executing certain
contracts involving federal aid funds; authorizing
Board to allow certain political subdivisions to
accept certain bids involving federal funds prior to

1 licensure; prohibiting unlicensed commercial
2 contractors to submit certain bids prior to applying
3 for license; requiring certain license prior to
4 executing certain contracts involving federal funds;
5 providing for violation and penalties; providing for
6 administrative fines and disposition of fines; making
7 administrative fines enforceable; providing for
8 enjoining certain acts or practices; authorizing
9 Board to establish certain fines; providing for
10 codification; providing an effective date; and
11 declaring an emergency.

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

SECTION 1. AMENDATORY 59 O.S. 2001, Section 1000.2, as
amended by Section 3, Chapter 318, O.S.L. 2003 (59 O.S. Supp. 2006,
Section 1000.2), is amended to read as follows:

Section 1000.2 A. The Construction Industries Board is hereby
created to continue until July 1, 2007, in accordance with the
provisions of the Oklahoma Sunset Law. Beginning January 1, 2002,
the Board shall regulate the plumbing, electrical and mechanical
trades, commercial contractors and building and construction
inspectors through the powers and duties set forth in the
Construction Industries Board Act and in the respective licensing
acts for such trades.

B. 1. The Board shall be composed of eleven (11) members
appointed by the Governor with the advice and consent of the Senate,
as follows:

- 1 a. two members shall have at least ten (10) years'
2 experience in the plumbing trade, of which one shall
3 be a plumbing contractor and one shall be a journeyman
4 plumber,
- 5 b. two members shall have at least ten (10) years'
6 experience in the electrical trade, of which one shall
7 be an electrical contractor and one shall be a
8 journeyman electrician,
- 9 c. two members shall have at least ten (10) years'
10 experience in the mechanical trade, of which one shall
11 be a mechanical contractor and one shall be a
12 mechanical journeyman,
- 13 d. ~~two members~~ one member shall have at least ten (10)
14 years' experience as a building and construction
15 inspector,
- 16 e. ~~one member shall be a licensed professional engineer~~
17 ~~and~~ two members shall have at least ten (10) years'
18 experience ~~in the construction industry~~ as a
19 commercial contractor,
- 20 f. one member shall represent a statewide organization of
21 cities and towns, and
- 22 g. one member shall represent the public and shall not
23 practice, have practiced, or be licensed to practice
24 any of the trades regulated by the Board nor be

1 employed by or be related by blood or marriage within
2 the third degree to any person who practices, has
3 practiced, or is licensed to practice any such trades.

4 2. Members shall be appointed for terms of four (4) years;
5 provided, of those members initially appointed to the Board, five
6 members shall be appointed for two-year terms, beginning September
7 1, 2001, and four members shall be appointed for four-year terms,
8 beginning September 1, 2001, as designated by the Governor. Members
9 shall continue in office until a successor is appointed by the
10 Governor. The Governor shall fill all vacancies and unexpired terms
11 in the same manner as the original appointment of the member whose
12 position is to be filled. Such members may be removed by the
13 Governor for cause.

14 SECTION 2. AMENDATORY 59 O.S. 2001, Section 1000.4, as
15 last amended by Section 1, Chapter 163, O.S.L. 2004 (59 O.S. Supp.
16 2006, Section 1000.4), is amended to read as follows:

17 Section 1000.4 A. 1. Beginning September 1, 2001, pursuant to
18 and in compliance with Article I of the Administrative Procedures
19 Act, the Construction Industries Board shall have the power to
20 adopt, amend, repeal, and promulgate rules as may be necessary to
21 regulate the plumbing, electrical and mechanical trades, beginning
22 July 1, 2007, commercial contractors and building and construction
23 inspectors. Rules authorized under this section shall not become
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1 effective prior to January 1, 2002, or July 1, 2007, for commercial
2 contractors.

3 2. Beginning January 1, 2002, the Board shall have the power to
4 enforce the provisions of the Construction Industries Board Act, The
5 Plumbing License Law of 1955, the Oklahoma Inspectors Act, the
6 Electrical License Act, beginning July 1, 2007, the Commercial
7 Contractors Licensing Act and the Mechanical Licensing Act.

8 3. In addition to rules promulgated by the Construction
9 Industries Board, rules promulgated by the State Board of Health
10 prior to January 1, 2002, shall be the rules of the Construction
11 Industries Board and shall continue in effect until such rules are
12 amended or repealed by rules promulgated by the Construction
13 Industries Board.

14 4. Any order made or action taken prior to January 1, 2002, by
15 the State Board of Health, the State Department of Health, or the
16 State Commissioner of Health pursuant to the provisions of, or rules
17 promulgated pursuant to, The Plumbing License Law of 1955, the
18 Oklahoma Inspectors Act, the Electrical License Act, or the
19 Mechanical Licensing Act shall be considered valid and in effect
20 unless rescinded by the Construction Industries Board.

21 B. The Board shall have the following powers:

22 1. Exercise all incidental powers and duties which are
23 necessary to effectuate the provisions of The Plumbing License Law
24 of 1955, the Oklahoma Inspectors Act, the Electrical License Act,

1 the Commercial Contractors Licensing Act and the Mechanical
2 Licensing Act;

3 2. Serve as a code variance and appeals board for the trades
4 and industries it regulates which do not have statutory code
5 variance and appeals boards;

6 3. Order or subpoena the attendance of witnesses, the
7 inspection of records and premises, and the production of relevant
8 books and papers for the investigation of matters that may come
9 before the Board;

10 4. Initiate disciplinary proceedings, request prosecution of
11 and initiate injunctive proceedings against any person who violates
12 any of the provisions of the Plumbing License Law of 1955, the
13 Oklahoma Inspectors Act, the Electrical License Act, the Commercial
14 Contractors Licensing Act and the Mechanical Licensing Act;

15 5. Maintain an administrative staff including, but not limited
16 to, a Construction Industries Administrator whose appointment shall
17 be made as provided in Section 1000.6 of this title;

18 6. Establish and levy administrative fines against any person
19 or entity denying the Board or its representatives access to a job
20 site for purposes of enforcing any of the provisions of the Plumbing
21 License Law of 1955, the Oklahoma Inspectors Act, the Electrical
22 License Act, the Commercial Contractors Licensing Act and the
23 Mechanical Licensing Act; and

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1 7. Direct such other expenditures as may be necessary in the
2 performance of its duties including, but not limited to,
3 expenditures for office space, equipment, furnishings and contracts
4 for legal services. All expenditures shall be made pursuant to the
5 Oklahoma Central Purchasing Act.

6 C. After July 1, 2004, the Board shall account for all receipts
7 and expenditures of the monies of the Board, including annually
8 preparing and publishing a statement of receipts and expenditures of
9 the Board for each fiscal year. The Board's annual statement of
10 receipts and expenditures shall be audited by the State Auditor and
11 Inspector or an independent accounting firm, and the audit report
12 shall be certified to the Governor of this state to be true and
13 correct, under oath, by the chair and vice-chair of the Board.

14 D. Effective January 1, 2002, all powers, duties,
15 responsibilities, employees, records, and equipment of the State
16 Board of Health, the State Department of Health, and the State
17 Commissioner of Health relating exclusively to the regulation of the
18 plumbing, electrical and mechanical trades, and building and
19 construction inspectors shall be placed under the authority of the
20 Construction Industries Board. To the extent practicable, this
21 shall include all computer hardware and software used in regulating
22 industries listed in this section. Until July 1, 2004, the State
23 Department of Health shall provide all necessary administrative
24 support, including, but not limited to, office space, equipment,

1 furnishings, and legal staff support for the Board and may manage
2 the Board's funds, subject to Board approval. The Construction
3 Industries Board may contract for additional legal and
4 administrative services as necessary, pursuant to the Central
5 Purchasing Act. Employees shall be under the direction of the
6 Construction Industries Administrator and the Construction
7 Industries Board.

8 E. The Construction Industries Board and the State Board of
9 Health may enter into an agreement for the transfer of personnel
10 into the unclassified service under the direction of the
11 Construction Industries Board effective January 1, 2002. No
12 employee shall be transferred into the unclassified service under
13 the direction of the Construction Industries Board except on the
14 freely given written consent of the employee. All classified
15 employees under the Merit System of Personnel Administration who are
16 not transferred into the unclassified service as provided shall
17 retain the status in the class occupied by the employee on July 1,
18 2001, as allocated by the Office of Personnel Management. The
19 salary of such an employee shall not be reduced as a result of such
20 position allocation. Employees who are transferred as provided
21 shall not be required to accept a lesser grade or salary than that
22 in effect on July 1, 2001. All employees shall retain leave, sick
23 and annual time earned, and any retirement and longevity benefits
24 which have accrued during their tenure in the classified service.

1 The transfer of personnel shall be coordinated with the Office of
2 Personnel Management.

3 SECTION 3. AMENDATORY 59 O.S. 2001, Section 1000.5, as
4 amended by Section 2, Chapter 457, O.S.L. 2002 (59 O.S. Supp. 2006,
5 Section 1000.5), is amended to read as follows:

6 Section 1000.5 A. The Construction Industries Board may
7 establish a system of fees to be charged for the application for
8 licenses, for the issuance and renewal of licenses and permits, for
9 administration of examinations and for formal project reviews under
10 the Board's authority. This provision is subject to the following
11 limitations:

12 1. No schedule of fees may be established or amended by the
13 Board except during such times as the Legislature is in session;
14 provided, the Board may establish or amend a schedule of fees at a
15 time when the Legislature is not in session if the fees or schedule
16 of fees has been specifically authorized by the Legislature pursuant
17 to paragraph 2 of this subsection. The Board must follow the
18 procedures required by Article I of the Administrative Procedures
19 Act for adoption of rules in establishing or amending any such
20 schedule of fees; and

21 2. The Board shall charge fees only within the following
22 ranges, except as may be otherwise specified in this section.

23 For application for license not to exceed \$30.00
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1	For administration of license	
2	examinations:	not to exceed \$200.00
3	For license or permit issuance:	not to exceed \$300.00
4		<u>\$600.00</u>
5	For license or permit renewal:	not to exceed \$200.00
6		<u>\$500.00</u>
7	For formal project review for	
8	code conformance:	not to exceed \$200.00
9	For permit issuance for the use	
10	of alternative materials or	
11	methods:	not to exceed \$50.00

12 B. The Board shall base its schedule of fees upon the
13 reasonable costs of review and inspection services rendered in
14 connection with each license, permit, or review, but shall be within
15 the ranges specified in paragraph 2 of subsection A of this section,
16 except as otherwise specified in this section. The Board shall
17 establish a system of training for all personnel who render review
18 and inspection services in order to assure uniform statewide
19 application of rules. The Board shall include the reasonable costs
20 associated with such training in the fees provided for in this
21 section.

22 C. The Board may exempt by rule any class of licensee or
23 permittee from the requirements of the fee schedule if the Board

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1 determines that the creation of such a schedule for any such class
2 would create an unreasonable economic hardship.

3 D. All statutory fees now in effect for the issuance and
4 renewal of any license, permit, or review under the authority of the
5 Construction Industries Board shall remain in effect until such time
6 as the Board, by its rulemaking authority, acts to implement new fee
7 schedules pursuant to the provisions of this section.

8 E. Unless otherwise provided, licenses and permits issued by
9 the Construction Industries Board shall be for a one-year period.

10 SECTION 4. NEW LAW A new section of law to be codified
11 in the Oklahoma Statutes as Section 3300.1 of Title 59, unless there
12 is created a duplication in numbering, reads as follows:

13 Sections 4 through 23 of this act shall be known and may be
14 cited as the "Commercial Contractors Licensing Act".

15 SECTION 5. NEW LAW A new section of law to be codified
16 in the Oklahoma Statutes as Section 3300.2 of Title 59, unless there
17 is created a duplication in numbering, reads as follows:

18 As used in the Commercial Contractors Licensing Act:

- 19 1. "Board" means the Construction Industries Board;
20 2. "Committee" means the Committee of Commercial Contractors";

21 and

- 22 3. "Commercial contractor", "prime contractor" or "engage or
23 attempt to engage in the business of commercial contracting" or
24 "engaged in business as a commercial contractor" means any person,

1 firm, partnership, copartnership, association, corporation, or other
2 organization, or any combination thereof, who, for a fixed price,
3 commission, fee, or wage, attempts to or submits a bid to construct,
4 or contracts or undertakes to construct, or assumes charge, in a
5 supervisory capacity or otherwise, or manages the construction,
6 erection, alteration, or repair, or provides structural steel, or
7 provides prefabricated metal buildings, or has or have constructed,
8 erected, altered, or repaired, under his, their, or its direction,
9 any building, apartment, condominium, highway, sewer, utility,
10 grading, or any other improvement or structure on public or private
11 property for lease, rent, resale, public access, or similar purpose,
12 except single family residences and no more than two duplexes or a
13 single fourplex, when the cost of the work or contract amount to be
14 done, or done, in this state by the commercial contractor,
15 including, but not limited to, labor and materials, is Twenty
16 Thousand Dollars (\$20,000.00) or more; provided, the twenty-
17 thousand-dollar exception shall not apply to any project of
18 construction in which any of the construction work necessary to
19 complete the project, except any in-progress change orders, is
20 divided into separate contracts of amounts less than Twenty Thousand
21 Dollars (\$20,000.00), a purpose being to circumvent the provisions
22 of the Commercial Contractors Licensing Act. Materials purchased by
23 a prime commercial contractor from a third party shall not be
24 considered as part of the subcontractor's project if the prime

1 commercial contractor has the proper classification listed on a
2 current commercial contractor's license for the work being performed
3 by the subcontractor. Materials purchased by a person or entity
4 acting as a commercial contractor in the construction, erection,
5 alteration, or repair of his own or its own property from a third
6 party shall not be considered as a part of the subcontractor's
7 project, provided that the subcontract is for wood framing, shingle
8 roofing, painting, floor covering, or concrete labor.

9 SECTION 6. NEW LAW A new section of law to be codified
10 in the Oklahoma Statutes as Section 3300.3 of Title 59, unless there
11 is created a duplication in numbering, reads as follows:

12 The Construction Industries Board shall have the power and duty
13 to:

14 1. Promulgate, prescribe, amend, and repeal rules necessary to
15 implement the provisions of the Commercial Contractors Licensing Act
16 including, but not limited to, defining categories and limitations
17 for such licenses and establishing bonding and insurance
18 requirements precluding municipal requirements; and

19 2. Adopt minimum standards for commercial contracting work.

20 SECTION 7. NEW LAW A new section of law to be codified
21 in the Oklahoma Statutes as Section 3300.4 of Title 59, unless there
22 is created a duplication in numbering, reads as follows:

23 A. There is created the Committee of Commercial Contractors
24 which shall consist of seven (7) members. Each member shall be a

1 citizen of the United States, shall be a resident of this state for
2 the previous five (5) years and maintains a principal place of
3 business in this state. The term of members shall be staggered and
4 shall be for three (3) years or until a successor has been
5 appointed.

6 B. Members of the Committee shall be appointed as follows:

7 1. Three members shall be appointed by the President Pro
8 Tempore of the Senate, all of whom shall be appointed from a list of
9 at least ten (10) names submitted by the statewide trade
10 organization or organizations that represent the commercial
11 construction industry and shall have at least five (5) years'
12 experience in commercial contracting;

13 2. Three members shall be appointed by the Speaker of the House
14 of Representatives, all of whom shall be appointed from a list of at
15 least ten (10) names submitted by the statewide trade organization
16 or organizations that represent the commercial construction industry
17 and shall have at least five (5) years' experience in commercial
18 contracting; and

19 3. One member shall be appointed by the Construction Industries
20 Board and shall not be actively engaged in or retired from the
21 profession of commercial contracting. The member appointed to this
22 position shall be a full voting member, but shall not participate in
23 the grading of examinations.

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1 C. A majority of the Committee shall constitute a quorum. The
2 Committee shall elect a chair from its number. Each member shall
3 receive travel expenses in accordance with the provisions of the
4 State Travel Reimbursement Act. Vacancies shall be filled within
5 thirty (30) days in the same manner as appointments were made.
6 Persons appointed to fill vacancies shall serve the unexpired term
7 of office and shall possess the same qualifications as if they were
8 being appointed to a full term on the Committee.

9 D. The Committee shall:

10 1. Assist and advise the Board on all matters pertaining to the
11 formation of rules pursuant to the provisions of the Commercial
12 Contractors Licensing Act;

13 2. Assist and advise the Board on the examinations for
14 applicants for licenses as a commercial contractor and on all
15 matters relating to the licensing of commercial contractors; and

16 3. Assist and advise the Board in such other matters as
17 requested thereby.

18 SECTION 8. NEW LAW A new section of law to be codified
19 in the Oklahoma Statutes as Section 3300.5 of Title 59, unless there
20 is created a duplication in numbering, reads as follows:

21 The Construction Industries Board shall have the power and duty
22 to:
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- 1 1. Issue, renew, suspend, revoke, transfer, modify or deny
2 licenses to engage in commercial contracting work pursuant to the
3 Commercial Contractors Licensing Act;
- 4 2. Enter upon public and private property for the purpose of
5 inspecting licenses, and commercial contracting work for compliance
6 with the provisions of the Commercial Contractors Licensing Act and
7 of the rules of the Board promulgated pursuant thereto;
- 8 3. Employ personnel to conduct investigations and inspections;
- 9 4. Enforce the standards and rules promulgated pursuant to the
10 Commercial Contractors Licensing Act;
- 11 5. Reprimand or place on probation, or both, any holder of a
12 license pursuant to the Commercial Contractors Licensing Act;
- 13 6. Investigate complaints and hold hearings;
- 14 7. Initiate disciplinary proceedings, request prosecution of
15 and initiate injunctive proceedings against any person who violates
16 any of the provisions of the Commercial Contractors Licensing Act or
17 any rule promulgated pursuant thereto;
- 18 8. Establish and levy administrative fines against any person
19 who violates any of the provisions of the Commercial Contractors
20 Licensing Act or any rule promulgated pursuant thereto;
- 21 9. Conduct investigations into the qualifications of applicants
22 for licensure and registration on the request of the Board;

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1 10. Develop and administer the examinations approved by the
2 Committee of Commercial Contractors for applicants for licenses as a
3 commercial contractor; and

4 11. Exercise all incidental powers as necessary and proper to
5 implement and enforce the provisions of the Commercial Contractors
6 Licensing Act and the rules promulgated pursuant thereto.

7 SECTION 9. NEW LAW A new section of law to be codified
8 in the Oklahoma Statutes as Section 3300.6 of Title 59, unless there
9 is created a duplication in numbering, reads as follows:

10 No person shall engage or offer to engage in, by advertisement
11 or otherwise, any work as a commercial contractor who does not
12 possess a valid and appropriate license from the Construction
13 Industries Board. No business entity shall act as a commercial
14 contractor firm unless a commercial contractor is associated with
15 and responsible for all commercial contracting work of such entity.

16 SECTION 10. NEW LAW A new section of law to be codified
17 in the Oklahoma Statutes as Section 3300.7 of Title 59, unless there
18 is created a duplication in numbering, reads as follows:

19 A. Application for licensure shall be made on forms prescribed
20 by the Committee of Commercial Contractors. Applicants shall have a
21 legal physical address and phone number.

22 B. The Construction Industries Board, in determining the
23 qualifications of any applicant for an original license or any
24 renewal license, shall, among other things, consider the following:

- 1 1. Experience;
- 2 2. Ability;
- 3 3. Character;
- 4 4. Education;
- 5 5. The manner of performance of previous contracts;
- 6 6. Financial condition;
- 7 7. Equipment;
- 8 8. For trade contractors, possession of a license issued by the
9 Construction Industries Board to perform the work of their trade,
10 prequalification or licensure by a municipality, certification by
11 industry associations, manufacturers or suppliers, or certification
12 by recognized industry training entities of specialized training;
- 13 9. Any other fact tending to show ability and willingness to
14 conserve the public health and safety; and
- 15 10. Default in complying with the provisions of the Commercial
16 Contractors Licensing Act or any other law of the state.
- 17 C. The applicant shall provide:
 - 18 1. A social security number if the applicant is an individual
19 or a federal tax ID if the legal status of the applicant is a
20 company;
 - 21 2. Copies of the prior three (3) years tax returns; provided
22 that if the applicant is a start-up, copies of the returns of the
23 principals shall be provided; and
 - 24 3. Such other information that the Board deems necessary.

1 SECTION 11. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 3300.8 of Title 59, unless there
3 is created a duplication in numbering, reads as follows:

4 A. Except as otherwise provided in the Commercial Contractors
5 Licensing Act, no person shall be licensed as a commercial
6 contractor unless the person has passed a written examination.
7 Examinations for licenses as commercial contractors shall be uniform
8 and practical in nature for each respective license and shall be
9 sufficiently strict as to test the qualifications and fitness of the
10 applicants for licenses. Examinations shall be in whole or in part
11 in writing. The Committee of Commercial Contractors shall establish
12 appropriate examinations for each classification of license provided
13 and the type of work to be performed by the applicant.

14 B. If the result of the examination of any applicant shall be
15 satisfactory to the Construction Industries Board, and if the
16 application complies with the Board's rules, then the Board shall
17 issue to the applicant a license to engage in commercial contracting
18 in this state.

19 C. Any applicant initially failing to pass the examination
20 shall not be permitted to take another examination for a period of
21 thirty (30) days. Any applicant subsequently failing to pass the
22 examination shall not be permitted to take another examination for a
23 period of ninety (90) days.

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1 D. For general contractor licenses possessing certifications
2 from any of the following will be evidence that the results of an
3 examination are satisfactory:

- 4 1. Certified professional constructor; or
- 5 2. Certified construction contract administrator.

6 E. The complete license number of a commercial contractor must
7 appear prominently with the name, address and phone number of the
8 commercial contractor on all bids, proposals, submittals and
9 documents.

10 SECTION 12. NEW LAW A new section of law to be codified
11 in the Oklahoma Statutes as Section 3300.9 of Title 59, unless there
12 is created a duplication in numbering, reads as follows:

13 A. Any person or entity required to be licensed by the
14 Commercial Contractors Licensing Act shall provide to the
15 Construction Industries Board either a financial statement or
16 bonding letter, as appropriate, with any original application or
17 renewal application as provided in this subsection. For the purposes
18 of this subsection, "gross annual volume of work" means the amount
19 that is reported on an applicant's annual tax return.

- 20 1. A financial statement shall be in the form as follows:
 - 21 a. for less than Five Hundred Thousand Dollars (\$500,000)
 - 22 gross annual volume of work, an internal financial
 - 23 statement with a notarized statement of accuracy by
 - 24 the applicant,

1 b. for up to Five Million Dollars (\$5,000,000.00) gross
2 annual volume of work, a compilation financial
3 statement prepared by a public accountant, or

4 c. for over Five Million Dollars (\$5,000,000.00) gross
5 annual volume of work, a reviewed financial statement
6 prepared by a public accountant.

7 2. A bonding letter signed by an official from a Treasury
8 listed Surety Company on the State of Oklahoma approved list
9 specifying the applicants bonding single job and annual aggregate
10 limits shall be for the amounts as follows:

11 a. less than Five Hundred Thousand Dollars (\$500,000.00),

12 b. up to Five Million Dollars (\$5,000,000.00), or

13 c. over Five Million Dollars (\$5,000,000.00).

14 Any change to a bonding letter must be provided to the
15 Construction Industries Board within thirty (30) days from any
16 material change. The Board may change a volume classification. Any
17 approved change shall be by written notification and, upon payment
18 of a processing fee, the Board shall issue a revised license number.

19 B. Any financial statement or bonding letter so furnished shall
20 not be public information and may not be made available for
21 inspection by any person, unless pursuant to an order of a court of
22 competent jurisdiction. After a commercial contractor is licensed,
23 the Construction Industries Board shall have the option of
24 destroying the financial statement or bonding letter by the process

1 of shredding or returning the financial statement or bonding letter
2 to the commercial contractor.

3 SECTION 13. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 3300.10 of Title 59, unless
5 there is created a duplication in numbering, reads as follows:

6 A. The following shall be exempted from the provisions of the
7 Commercial Contractors Licensing Act:

8 1. The practice of commercial contracting as defined in Section
9 5 of this act by an authorized representative or representatives of
10 the United States Government, State of Oklahoma, or any incorporated
11 town, city or county, or other political subdivision in this state;

12 2. Architects and engineers, whose only financial interest in a
13 project shall be the architectural or engineering fees for preparing
14 plans, specifications, surveys, and supervision that is customarily
15 furnished by architects and engineers;

16 3. Manufacturers who produce equipment to be installed in this
17 state and have the responsibility for the installation of the
18 equipment, which would require a license under the Commercial
19 Contractors Licensing Act, if the installation is performed by a
20 commercial contractor properly licensed under the Commercial
21 Contractors Licensing Act. The Construction Industries Board shall
22 have the authority to define "manufacturers" as it is used in this
23 paragraph;

24 4. Construction under federal jurisdiction;

1 5. Residential construction on a single family unit up to and
2 including a single fourplex unit; and

3 6. Oil and gas exploration and production.

4 B. The Construction Industries Board shall have the authority
5 to grant exceptions to rarely used out-of-state trades from
6 acquiring a license prior to attempting to or submitting a bid.
7 However, the trade shall be required to receive a license prior to
8 the performance of any work. The Construction Industries Board
9 shall have the authority to define "rarely used" and to grant
10 exceptions as a state of emergency may require.

11 SECTION 14. NEW LAW A new section of law to be codified
12 in the Oklahoma Statutes as Section 3300.11 of Title 59, unless
13 there is created a duplication in numbering, reads as follows:

14 The Construction Industries Board shall, upon proper application
15 and payment of fees from ninety (90) days after the effective date
16 of this act and until June 30, 2008, but not thereafter, issue a
17 license without examination to any person who can demonstrate to the
18 Board that the person has been engaged in the business of commercial
19 contractor for three (3) years preceding the effective date of this
20 act and who has otherwise complied with the requirements of the
21 Commercial Contractors Licensing Act.

22 SECTION 15. NEW LAW A new section of law to be codified
23 in the Oklahoma Statutes as Section 3300.12 of Title 59, unless
24 there is created a duplication in numbering, reads as follows:

1 All licenses issued by the Construction Industries Board shall
2 be issued for no longer than one (1) year expiring on the last day
3 of the licensee's birthmonth. No commercial contractor license
4 shall be renewed unless the licensee has completed the required
5 hours of continuing education as determined by the Committee of
6 Commercial Contractors. No late fee shall be charged to renew a
7 license which expired while the applicant was in military service,
8 if application is made within one (1) year of discharge from the
9 military. The Board may charge reasonable examination fees and
10 delinquency fees and may charge a fee for new licenses or renewal of
11 a license. All fees and other monies collected by the Committee
12 shall be disposed of as provided in Section 18 of this act and shall
13 be used by the Board to implement the Commercial Contractors
14 Licensing Act.

15 SECTION 16. NEW LAW A new section of law to be codified
16 in the Oklahoma Statutes as Section 3300.13 of Title 59, unless
17 there is created a duplication in numbering, reads as follows:

18 A. The Construction Industries Board by rule shall establish
19 criteria and procedures for the issuance of a temporary commercial
20 contractor's license, following an Oklahoma Governor's declaration
21 of a state of emergency, to a person licensed as a commercial
22 contractor in another state of the United States. The state of
23 emergency for the purposes of this section must be a disaster
24 involving the destruction of single family residences.

1 B. A temporary license issued under this section expires within
2 ninety (90) days of the date of issuance.

3 C. The Board, with the advice of the Committee of Commercial
4 Contractors, may adopt rules that provide for the extension of a
5 temporary license issued under this section.

6 SECTION 17. NEW LAW A new section of law to be codified
7 in the Oklahoma Statutes as Section 3300.14 of Title 59, unless
8 there is created a duplication in numbering, reads as follows:

9 A. Commercial contractors may act as such only in the name
10 under which they are licensed by the Construction Industries Board.

11 B. No commercial contractor license may be used for any purpose
12 by any person other than the person to whom the license is issued.
13 No license may be assigned, transferred or otherwise disposed of so
14 as to permit the unauthorized use thereof.

15 SECTION 18. NEW LAW A new section of law to be codified
16 in the Oklahoma Statutes as Section 3300.15 of Title 59, unless
17 there is created a duplication in numbering, reads as follows:

18 There is hereby created in the State Treasury a revolving fund
19 for the Construction Industries Board, to be designated the
20 "Oklahoma Commercial Contractors Licensing Revolving Fund". The
21 fund shall be a continuing fund, not subject to fiscal year
22 limitations, and shall consist of all monies received by the
23 Construction Industries Board pursuant to the Commercial Contractors
24 Licensing Act, including administrative fines authorized by Section

1 23 of this act. All monies accruing to the credit of said fund are
2 hereby appropriated and may be budgeted and expended by the
3 Construction Industries Board for the purpose of implementing the
4 Commercial Contractors Licensing Act. Expenditures from said fund
5 shall be made upon warrants issued by the State Treasurer against
6 claims filed as prescribed by law with the Director of State Finance
7 for approval and payment.

8 SECTION 19. NEW LAW A new section of law to be codified
9 in the Oklahoma Statutes as Section 3300.16 of Title 59, unless
10 there is created a duplication in numbering, reads as follows:

11 A. The Construction Industries Board or its designee and the
12 Committee of Commercial Contractors shall act as the Commercial
13 Contractors Hearing Board and shall comply with the provisions of
14 Article II of the Administrative Procedures Act.

15 B. The Commercial Contractors Hearing Board may, upon its own
16 motion, and shall, upon written complaint filed by any person,
17 investigate the business transactions of any commercial contractor,
18 or commercial contractor firm. The Construction Industries Board
19 shall suspend or revoke or may refuse to issue or renew any license
20 or registration under the Commercial Contractors Licensing Act for
21 any of the following:

22 1. Making a material misstatement in the application for a
23 license or registration, or the renewal of a license or
24 registration;

1 2. Obtaining any license or registration by false or fraudulent
2 representation;

3 3. Loaning or allowing the use of such license by any other
4 person or illegally using a license;

5 4. Demonstrating incompetence to act as a commercial
6 contractor;

7 5. Violating any provisions of the Commercial Contractors
8 Licensing Act, or any rule or order prescribed by the Construction
9 Industries Board pursuant to the provisions of the Commercial
10 Contractors Licensing Act; or

11 6. Willfully failing to perform normal business obligations
12 without justifiable cause.

13 C. Any person whose license or registration has been revoked by
14 the Commercial Contractors Hearing Board may apply for a new license
15 after one (1) year from the date of such revocation.

16 D. Enforcement of this subsection is authorized pursuant to the
17 Commercial Contractors Licensing Act, or under authority granted to
18 the Board.

19 E. The Commercial Contractors Hearing Board shall within a
20 reasonable time make findings and determinations as a result of the
21 hearings.

22 SECTION 20. NEW LAW A new section of law to be codified
23 in the Oklahoma Statutes as Section 3300.17 of Title 59, unless
24 there is created a duplication in numbering, reads as follows:

1 A. A corporation or partnership may engage in the business of
2 commercial contracting when licensed by the Construction Industries
3 Board.

4 B. It shall be unlawful and a violation of the Commercial
5 Contractors Licensing Act for any two (2) or more commercial
6 contractors, whether doing business as individuals, partnerships,
7 corporations, or other organizations, to jointly submit a bid or
8 enter into a commercial for construction as a joint venture unless
9 all parties to the joint venture are licensed pursuant to the
10 Commercial Contractors Licensing Act.

11 C. Any combination of commercial contractors other than a joint
12 venture shall obtain a license for the combination prior to
13 submitting a bid.

14 SECTION 21. NEW LAW A new section of law to be codified
15 in the Oklahoma Statutes as Section 3300.18 of Title 59, unless
16 there is created a duplication in numbering, reads as follows:

17 All architects and engineers preparing plans and specifications
18 for work to be contracted in this state shall include in their
19 invitation to bidders and in their specifications a copy of the
20 Commercial Contractors Licensing Act, or such portions thereof as
21 are deemed necessary to convey to the invited bidder, whether he or
22 she is a resident of this state or not, the information that it will
23 be necessary for him or her to have a certificate of license with
24

1 the proper classification from the Construction Industries Board
2 before his or her bid is submitted.

3 SECTION 22. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 3300.19 of Title 59, unless
5 there is created a duplication in numbering, reads as follows:

6 A. 1. The Construction Industries Board shall have the power
7 to assign the right or give permission to any state agency, board,
8 or commission to determine qualifications of a commercial contractor
9 solely for the purpose of submitting a bid to the state agency,
10 board, or commission on projects involving federal aid funds prior
11 to the commercial contractor being licensed by the Board.

12 2. No state agency, board, or commission shall execute any
13 commercial construction contract involving federal aid funds unless
14 and until the successful bidder for the project furnishes a
15 certificate of license issued by the Board.

16 B. The Board shall have the power to provide by rule for any
17 political subdivision or other political corporation to accept bids
18 from unlicensed commercial contractors for projects involving
19 federal funds. However, no commercial contractor shall submit a bid
20 under this subsection prior to submitting application for licensure,
21 and no political subdivision or political corporation shall execute
22 any commercial construction contract unless and until the successful
23 bidder for the project furnishes an appropriate license issued by
24 the Board.

1 SECTION 23. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 3300.20 of Title 59, unless
3 there is created a duplication in numbering, reads as follows:

4 A. Any commercial contractor or commercial contractor firm who
5 violates any of the provisions of the Commercial Contractors
6 Licensing Act, in addition to suspension or revocation of a license,
7 upon conviction, shall be guilty of a misdemeanor and punished by a
8 fine or both such fine and imprisonment together with the costs of
9 prosecution.

10 B. In addition to other penalties provided by law, if after a
11 hearing in accordance with the provisions of Section 19 of this act
12 the Commercial Contractors Hearing Board shall find any commercial
13 contractor or commercial contractor firm to be in violation of any
14 of the provisions of the Commercial Contractors Licensing Act, such
15 person or firm may be subject to an administrative fine for each
16 violation. Each day a person or firm is in violation of the
17 Commercial Contractors Licensing Act may constitute a separate
18 violation. All administrative fines collected pursuant to the
19 provisions of this subsection shall be deposited in the Oklahoma
20 Commercial Contractors Licensing Revolving Fund created in Section
21 18 of this act. Administrative fines imposed pursuant to this
22 subsection shall be enforceable in the district courts of this
23 state.

24

1 C. The Commercial Contractors Hearing Board may make
2 application to the appropriate court for an order enjoining the acts
3 or practices prohibited by the Commercial Contractors Licensing Act.

4 D. The Construction Industries Board, with the advice of the
5 Committee of Commercial Contractors, may establish administrative
6 fines by rule.

7 SECTION 24. This act shall become effective July 1, 2007.

8 SECTION 25. It being immediately necessary for the preservation
9 of the public peace, health and safety, an emergency is hereby
10 declared to exist, by reason whereof this act shall take effect and
11 be in full force from and after its passage and approval.

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