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April 3, 2023

ENGROSSED HOUSE
BILL NO. 2858

By: Wallace of the House

and

Coleman of the Senate

An Act relating to the Construction Industries Board; amending 59 O.S. 2021, Section 1000.2, which relates to the recreation of the Board; amending regulated industries; amending 59 O.S. 2021, Section 1000.4, which relates to the powers of the Board; amending the scope of the Board; authorizing certain members to make specific changes to meetings; altering receipt of certain reports; modifying when certain votes must occur; amending 59 O.S. 2021, Section 1000.4a, which relates to additional powers of the Board; providing for sharing certain information related to workforce; modifying certain contracting ability; implementing reporting requirements for certain funds; creating processes for reclaiming lapsed funds; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 59 O.S. 2021, Section 1000.2, is amended to read as follows:

Section 1000.2 A. The Construction Industries Board is hereby re-created to continue until July 1, 2023, in accordance with the provisions of the Oklahoma Sunset Law. The Board shall regulate the

1 plumbing, electrical and mechanical trades, the building and
2 construction inspectors, the home inspectors, and the roofing
3 contractors through the powers and duties set forth in the
4 Construction Industries Board Act and in the respective licensing or
5 registration acts for such trades, or as otherwise provided by law.

6 B. 1. Beginning July 1, 2013, the Board shall be composed of
7 seven (7) members appointed by the Governor with the advice and
8 consent of the Senate, as follows:

9 a. two members shall have at least ten (10) years'
10 experience in the plumbing trade, of which one shall
11 be a plumbing contractor and one shall be a journeyman
12 plumber,

13 b. two members shall have at least ten (10) years'
14 experience in the electrical trade, of which one shall
15 be an electrical contractor and one shall be a
16 journeyman electrician,

17 c. two members shall have at least ten (10) years'
18 experience in the mechanical trade, of which one shall
19 be a mechanical contractor and one shall be a
20 mechanical journeyman, and

21 d. one member shall have at least ten (10) years'
22 experience as a building and construction inspector.

23 2. Members shall be appointed for staggered terms of four (4)
24 years, as designated by the Governor. Members shall continue in

1 office until a successor is appointed by the Governor. The Governor
2 shall fill all vacancies and unexpired terms in the same manner as
3 the original appointment of the member whose position is to be
4 filled. A member may be removed by the Governor at any time.

5 SECTION 2. AMENDATORY 59 O.S. 2021, Section 1000.4, is
6 amended to read as follows:

7 Section 1000.4 A. 1. Pursuant to and in compliance with
8 Article I of the Administrative Procedures Act, the Construction
9 Industries Board shall have the power to adopt, amend, repeal, and
10 promulgate rules as may be necessary to regulate the plumbing,
11 electrical and mechanical trades, building and construction
12 inspectors and home inspectors. All rules promulgated by the Board
13 shall be reviewed and approved as provided in subsection F of
14 Section 308 of Title 75 of the Oklahoma Statutes.

15 2. The Board shall have the power to enforce the provisions of
16 the Construction Industries Board Act, The Plumbing License Law of
17 1955, the Oklahoma Inspectors Act, the Electrical License Act, the
18 Mechanical Licensing Act, the Home Inspection Licensing Act, and the
19 Roofing Contractor Registration Act, as provided in the respective
20 acts.

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 Mechanical Licensing Act, ~~and~~ the Home Inspection Licensing Act,
2 and the Roofing Contractor Registration Act, including but not
3 limited to authorizing the Board chair, vice-chair, administrator,
4 or designee to determine good reason for and to cancel a scheduled
5 meeting or reschedule meetings of a licensing or registration act
6 advisory examining committee of the Board pursuant to state
7 requirements. Such canceling or rescheduling meetings authority
8 provided for in this section shall supersede all other meeting
9 scheduling requirements for acts administered by the Board;

10 2. Serve as a code variance and appeals board for the trades
11 and industries it regulates which do not have statutory code
12 variance and appeals boards;

13 3. Order or subpoena the attendance of witnesses, the
14 inspection of records and premises, and the production of relevant
15 books and papers for the investigation of matters that may come
16 before the Board;

17 4. Initiate disciplinary proceedings, request prosecution of
18 and initiate injunctive proceedings against any person who violates
19 any of the provisions of ~~the~~ The Plumbing License Law of 1955, the
20 Oklahoma Inspectors Act, the Electrical License Act, the Mechanical
21 Licensing Act, ~~and~~ the Home Inspection Licensing Act, and the
22 Roofing Contractor Registration Act;

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

4 6. Establish and levy administrative fines for violations of
5 law or rule in the trades and industries the Board licenses or
6 regulates or against any person or entity denying the Board or its
7 representatives access to a job site for purposes of enforcing any
8 of the provisions of ~~the~~ The Plumbing License Law of 1955, the
9 Oklahoma Inspectors Act, the Electrical License Act, ~~and~~ the
10 Mechanical Licensing Act, the Home Inspection Licensing Act, or the
11 Roofing Contractor Registration Act; provided, however, the Board is
12 not authorized to inspect or issue administrative violations or
13 fines for public utilities, public service corporations, intrastate
14 gas pipeline companies, gas gathering pipeline companies, gas
15 processing companies, rural electric associations, municipal
16 utilities or their subsidiaries, chemical plants, gas processing
17 plants or petroleum refineries where the entity uses their employees
18 or contractors to work on their own facilities or equipment;

19 7. Direct such other expenditures as may be necessary in the
20 performance of its duties including, but not limited to,
21 expenditures for office space, equipment, furnishings and contracts
22 for legal services. All expenditures shall be made pursuant to the
23 Oklahoma Central Purchasing Act; and
24

1 8. Enforce provisions of the plumbing, electrical and
2 mechanical codes as adopted by the Oklahoma Uniform Building Code
3 Commission pursuant to the Oklahoma Uniform Building Code Commission
4 Act.

5 C. The Board shall account for all receipts and expenditures of
6 the monies of the Board, including annually preparing and publishing
7 a statement of receipts and expenditures of the Board for each
8 fiscal year. The Board's annual statement of receipts and
9 expenditures shall be audited by the State Auditor and Inspector or
10 an independent accounting firm in accordance with the provisions of
11 subsection B of Section 212 of Title 74 of the Oklahoma Statutes,
12 and the audit report shall be certified to the Governor of this
13 state to be true and correct, under oath, by the chair and vice-
14 chair of the Board. A copy of such certified report, if not already
15 available online, shall be delivered to the chairs of the respective
16 Senate and House of Representatives Committees having authority over
17 matters relating to business, labor and construction industry
18 licensing or regulation not later than February 1 each year.

19 D. The Board shall account for all fines, penalties and fees
20 assessed and collected pursuant to the Administrative Procedures Act
21 or any rule promulgated for regulation of any industry and trade
22 under the authority of the Construction Industries Board. All
23 fines, penalties and fees assessed for any violation of law or rule
24 shall be automatically reviewed and brought before the entire Board

1 for consideration and vote not later than ~~the last day of the~~
2 ~~monthly quarter in~~ ninety (90) days from which it was imposed. The
3 Construction Industries Administrator shall present to the Board a
4 written recommendation and summary for each case in which an
5 assessment of a fine, penalty or fee was imposed after
6 administrative proceedings. The Board shall consider the
7 recommendations for each case at the next meeting date and at such
8 meeting shall either vote to affirm the recommendations or vote to
9 deny the recommendations and remand the case for further
10 administrative hearing, with or without instructions. No
11 administrative case shall be delayed or continued by the Board after
12 being placed on an agenda for final Board review, except with the
13 consent of all parties. The licensee or persons affected by the
14 imposition of an administrative fine, penalty or fee on final review
15 by the Board shall have all rights of appeal preserved pursuant to
16 the Administrative Procedures Act until final action by the Board.

17 E. The Construction Industries Board shall hear all appeals
18 timely made from an administrative ruling relating to an industry
19 and trade regulated by the Board; however, this appeal authority
20 shall not be in addition to the appeal process authorized by the
21 Administrative Procedures Act. Any ruling by the Board from an
22 administrative hearing may be further appealed to the district court
23 of Oklahoma County. The district court, upon conclusion of an
24

1 appeal from a Board ruling, shall be authorized to award reasonable
2 legal fees to the prevailing party.

3 SECTION 3. AMENDATORY 59 O.S. 2021, Section 1000.4a, is
4 amended to read as follows:

5 Section 1000.4a A. The Construction Industries Board shall
6 have the additional powers to:

7 1. Receive and convey information relating to the skilled
8 trades regulated by the Construction Industries Board including, but
9 not limited to, workforce development; and

10 2. Enter into contracts with the Oklahoma Department of Career
11 and Technology Education ~~for~~ or any Oklahoma State Board of Career
12 and Technology Education fully accredited vocational or technical
13 school or system of education institution in the State of Oklahoma
14 receiving state appropriations and offering programs in secondary
15 and postsecondary instruction that provide electrical, mechanical,
16 plumbing or roofing trade coursework for any of the following
17 purposes, or combination thereof:

18 a. developing and implementing instructional courses on
19 Oklahoma ~~statutes~~ Statutes and rules that govern the
20 electrical, mechanical, plumbing and roofing trades,
21 which courses can be in conjunction with instruction
22 in performing trade work or instruction on statewide-
23 adopted trade codes, or both, for the advancement of
24

1 the electrical, mechanical, plumbing and roofing
2 trades, or

- 3 b. developing and implementing a workforce development
4 program that will create interest in the pursuit of a
5 skilled trade career. The workforce development
6 program may consist of, but is not limited to, use of
7 the Internet, community and school presentations, and
8 research and instruction on the electrical,
9 mechanical, plumbing and roofing trades.

10 B. All contracts ~~with the Oklahoma Department of Career and~~
11 ~~Technology Education~~ pursuant to this section shall be approved by
12 the Construction Industries Board in accordance with the Oklahoma
13 Open Meeting Act. Costs of the contracts ~~with the Oklahoma~~
14 ~~Department of Career and Technology Education~~ for education and
15 workforce development programs shall be paid from the Skilled Trade
16 Education and Workforce Development Fund established herein and
17 funded by administrative fines or penalties as described in this
18 section. Applications for proposals are to be submitted to the
19 Board on forms provided requiring sufficient justification and
20 information to evaluate costs, return on investment, value, and
21 viability of the proposal. Any contracts will include the
22 requirement that the recipient of the funds will, upon the
23 completion of the contract, provide a written report to the Board
24 providing an accounting of expenditures, describing an explanation

1 of the funds used for the services provided and the success of
2 outreach demonstrating a return on the investment including, but not
3 limited to, an accounting of accomplishments.

4 C. Fines or penalties collected by the Board and deposited in
5 the Oklahoma Mechanical Licensing Revolving Fund, the Electrical
6 Revolving Fund, the Plumbing Licensing Revolving Fund and the
7 Roofing Contractor Registration Revolving Fund may be transferred to
8 the Skilled Trade Education and Workforce Development Fund created
9 in subsection E of this section for the following purposes:

10 1. To develop instructional materials on Oklahoma laws,
11 statutes and rules, as they relate to the plumbing, mechanical,
12 electrical and roofing trades and state licensing standards;

13 2. To cover the cost of equipment, materials, personnel and any
14 other costs of developing and implementing the trade curriculum; and

15 3. To cover the cost of equipment, materials, personnel and any
16 other costs of developing and implementing the workforce development
17 program used to promote the plumbing, mechanical, electrical and
18 roofing trades as a career in Oklahoma.

19 D. The Skilled Trade Education and Workforce Development Fund
20 monies shall be used only for the advancement of trade-related
21 education and workforce development, and only if available based
22 upon statutory limitations.

23 E. 1. There is hereby created in the State Treasury a
24 revolving fund for the Construction Industries Board to be

1 designated the "Skilled Trade Education and Workforce Development
2 Fund". The fund shall be a continuing fund, not subject to fiscal
3 year limitations. The fund shall consist of an annual transfer of
4 fully adjudicated fine revenue received in the Oklahoma Mechanical
5 Licensing Revolving Fund, Electrical Revolving Fund, Plumbing
6 Licensing Revolving Fund or Roofing Contractor Registration
7 Revolving Fund as determined pursuant to this section. Funds may be
8 transferred only from the prior fiscal year.

9 2. If actual receipts, not including fine receipts, exceed
10 actual expenses and outstanding encumbrances, then one hundred
11 percent (100%) of all fully adjudicated fine revenue received shall
12 be transferred from each specific trade revolving fund: the
13 Oklahoma Mechanical Licensing Revolving Fund, Electrical Revolving
14 Fund, Plumbing Licensing Revolving Fund or Roofing Contractor
15 Registration Revolving Fund.

16 3. If at any time the receipts in the Oklahoma Mechanical
17 Licensing Revolving Fund, Electrical Revolving Fund, Plumbing
18 Licensing Revolving Fund or Roofing Contractor Registration
19 Revolving Fund, not including fine receipts, are less than actual
20 expenses and outstanding encumbrances, then the difference of fine
21 receipts over actual expenses and outstanding encumbrances, if any,
22 shall be transferred.

23 4. If at any time the annual receipts in the Oklahoma
24 Mechanical Licensing Revolving Fund, Electrical Revolving Fund,

1 Plumbing Licensing Revolving Fund or Roofing Contractor Registration
2 Revolving Fund, including fine receipts, are less than the actual
3 expenses and outstanding encumbrances, there shall be no transfer of
4 funds for that period.

5 5. All monies accruing to the credit of the Skilled Trade
6 Education and Workforce Development Fund may be budgeted and
7 expended by the Construction Industries Board for workforce
8 development as it relates to the skilled trades and to contract for
9 the services identified in ~~Section 1000.4 of Title 59 of the~~
10 ~~Oklahoma Statutes or~~ this act. Expenditures from the fund shall be
11 made upon warrants issued by the State Treasurer against claims
12 filed as prescribed by law with the Director of the Office of
13 Management and Enterprise Services for approval and payment.

14 6. All unexpended or outstanding Skilled Trade Education and
15 Workforce Development Funds from any written agreement where work or
16 services have not been previously approved by specific quote or cost
17 estimate and have not been performed within eighteen (18) months of
18 the date the agreement was signed are hereby released from the
19 agreement and are available for future agreements approved by the
20 Board pursuant to this act, except for specific quotes, estimates,
21 or invoices that previously have been approved for payment,
22 performance has been initiated, and completed within twenty-four
23 (24) months of the signed agreement.

24 SECTION 4. This act shall become effective July 1, 2023.

1 SECTION 5. It being immediately necessary for the preservation
2 of the public peace, health or safety, an emergency is hereby
3 declared to exist, by reason whereof this act shall take effect and
4 be in full force from and after its passage and approval.

5 COMMITTEE REPORT BY: COMMITTEE ON BUSINESS AND COMMERCE
6 April 3, 2023 - DO PASS
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