

PROSPECTIVE ANALYSIS

PUBLIC WORKS CONTRACTOR LICENSING BOARD

IDAPA 24.39.50

RULE 110 APPLICATION FOR LICENSURE

Proposed Rule: The proposed rule eliminates unnecessary verbiage from the rule and states that the applicant must submit the application in the manner proscribed by the Administrator.

Current Rule: An application for licensure requires: statement of general nature of contracting; description of value and general character of contract work completed in prior three year period; description of applicant's machinery and equipment; annual financial statement (based upon classification may also require auditor's report); letter from applicant's bonding company; documentation of guaranty agreement; name/SSN/address or TIN/business address/names of all corporate officers.

Note: Exam requirements are set forth in (current) Rule 112.

Legal Authority: 54-1905; 54-1907. Discretionary

Define the specific problem the proposed rule is attempting to solve. Can it be solved through non-regulatory means?

One goal of the ZBR process is to eliminate unnecessary verbiage and increase readability of administrative rules. The proposed rule attempts to address this goal and minimize regulatory means.

What evidence is there that the rule, as proposed, will solve the problem?

The proposed rule significantly reduces the word count.

Federal Law Comparison (where applicable)

Summary of Law (include direct link)

How is the proposed Idaho rule more stringent? (if applicable)

There are Federal regulations pertaining to bidding and contracting for Federal projects but apply to Federal projects only, rather than state or locality.	
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State Law Comparison

State	Summary of Law (include direct link)	How is the proposed Idaho rule more stringent? (if applicable)
Alaska	Application for registration for general contractor just requires completed documentation showing bond, insurance, business entity requirements. Additional requirements apply to endorsement for residential contractors. http://www.touchngo.com/lglcntr/akstats/Statutes/Title08/Chapter18.htm	Idaho requires far more information than Alaska in its application
Montana	Contractors are not required to be licensed in Montana. If the contractor is an employer, they must register with the Department of Labor and Industries and provide proof of worker's compensation insurance. dli.mt.gov	Montana does not require contractors to be licensed.
Nevada	A trade qualified individual must have four years of experience as a journeyman, foreman, supervising employee or contractor in the classification requested within 10 years preceding the application. Training received at an accredited college or university may be used to substitute up to three years of experience. There are no education requirements if the individual has met the experience requirement. The qualifying individual must pass a Business and Law and Trade examination specific to the classification sought. Applicant must also demonstrate financial solvency and good character. https://www.leg.state.nv.us/nrs/nrs-624.html	N/A
Oregon	Complete a 16-hour pre-license training and select a Responsible Managing Individual (RMI) to take the exam; submit surety bond. https://oregon.public.law/rules/oar_chapter_812_division_3	Idaho requires far more information than OR in its application
South Dakota	South Dakota does not require licensure of contractors.	Idaho requires licensure.

Utah	Applicant must complete a 25 hour course, established through the division, a five hour business and law course (not required for licensure by endorsement), and take a division administered exam. (Experience requirements apply to specialty contractors but may be substituted with education.) Proof of financial responsibility is also required. chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://rules.utah.gov/wp-content/uploads/r156-55a.pdf	N/A
Washington	Application for registration must contain proof of insurance; type of contracting activity; type of business entity and information for each partner/proprietor. Application may be denied for previous unsatisfied judgment or outstanding fees/fines owed to Department. https://app.leg.wa.gov/rcw/default.aspx?cite=18.27	Overall, Idaho does not appear to be more restrictive.
Wyoming	All contractor registration is done through the local jurisdiction.	Whether or not Idaho was more restrictive would depend on the requirements of the local jurisdiction.

If the Idaho proposed rule has a more stringent requirement than the federal government or the reviewed states, describe the evidence base or unique circumstances that justifies the enhanced requirement:

Idaho is more restrictive because it requires licensure. However, this is not a requirement that can be addressed through the ZBR process. Legislative change would be needed.

Anticipated impact of the proposed rule on various stakeholders:

Category	Potential Impact
Fiscal impact to the state General Fund, any dedicated fund, or federal fund	N/A
Impact to Idaho businesses, with special consideration for small businesses	N/A

Impact to any local government in Idaho	N/A
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Rule 111 FINANCIAL REQUIREMENTS

Proposed Rule: The proposed rule increases the financial requirements by a factor of two.

Current Rule: Financial Requirements for obtaining and maintain a heavy, highway, building and specialty construction license are established in Table by Net Worth and Working Capital and vary by license class from \$10,000 net worth/\$3,000 working capital for Class D to \$1M/\$600k for Unlimited

Legal Authority: 54-1905; 54-1907. Discretionary.

Define the specific problem the proposed rule is attempting to solve. Can it be solved through non-regulatory means?

The financial requirements contained in table have not been updated for many years. Since then, there has been significant inflation and the construction market in Idaho has boomed.

What evidence is there that the rule, as proposed, will solve the problem?

The rule increases the financial requirements by a factor of two to more accurately reflect Idaho's current construction industry.

Federal Law Comparison (where applicable)

Summary of Law (include direct link)	How is the proposed Idaho rule more stringent? (if applicable)
There are Federal regulations pertaining to bidding and contracting for Federal projects but apply to Federal projects only, rather than state or locality.	

State Law Comparison

State	Summary of Law (include direct link)	How is the proposed Idaho rule more stringent? (if applicable)
Alaska	<p>Bond or cash deposit in lieu of bond is required. The amount required is based upon type of contractors, ranging from \$5,000 for a handyman contractor to \$25,000 for a General Contractor. All contractors with employees must have Worker's Compensation coverage.</p> <p>Liability insurance is required for any project that has an aggregate value of \$2500 or more. Minimum coverage = \$20,000 property and \$50/100,000 for bodily injury.</p> <p>http://www.touchngo.com/lglcntr/akstats/Statutes/Title08/Chapter18.htm</p>	Idaho has net worth/working capital requirement.
Montana	<p>Licensure is voluntary in Montana. Only employers are required to register, and they must provide proof of worker's compensation insurance at that time.</p> <p>dli.mt.gov</p>	Idaho requires licensure.
Nevada	<p>A bond or cash deposit in lieu of bond is required based upon classification. Bond amount is set by statute as between \$1,000-\$500,000 with amount fixed by Board. Additionally bonding requirements apply if the contractor has past wage violations. Proof of workers compensation insurance is required.</p> <p>https://www.leg.state.nv.us/nrs/nrs-624.html</p>	Idaho has net worth/working capital requirement.

<p>Oregon</p>	<p>Surety Bond is required for license. Bond amounts vary by whether it is a residential or commercial bond and the type of contractor. Residential bond requirements are between \$10,000-20,000 and commercial bond requirements are between \$20,000-\$75,000.</p> <p>Proof of general liability insurance is required for license. The minimum coverage amounts are based upon residential versus commercial and project type. All coverage for residential must be per occurrence rather than per claim. Residential varies from \$100,000 to \$500,000 minimum coverage per occurrence. Commercial contractors can either have aggregate policies or per occurrence based upon the type of contractor. Those requirements vary from \$500,000 to \$2M.</p> <p>Any contractor with employees is also required to submit proof of worker's compensation coverage.</p> <p>https://oregon.public.law/rules/oar_chapter_812_division_3</p>	<p>Idaho has net worth/working capital requirement.</p>
<p>South Dakota</p>	<p>No applicable law or rule</p>	<p>South Dakota does not have any requirements for this.</p>
<p>Utah</p>	<p>Proof of liability insurance and workers' compensation insurance are required.</p> <p>A surety bond is required; however, unlike other jurisdictions, there is not a fixed amount. The bond amount is calculated by the department based upon business valuation. (See formula in R156-55a-602(5).)</p> <p>chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://rules.utah.gov/wp-content/uploads/r156-55a.pdf</p>	<p>Idaho has net worth/working capital requirement.</p>

Washington	Surety bond of \$12,000 is required and general liability insurance of \$250,000 (per occurrence); worker's compensation insurance verification or verification of self-insured. https://app.leg.wa.gov/rcw/default.aspx?cite=18.27	Idaho has net worth/working capital requirement.
Wyoming	Determined by locality.	Would be dependent upon regulation by locality. Unknown.

If the Idaho proposed rule has a more stringent requirement than the federal government or the reviewed states, describe the evidence base or unique circumstances that justifies the enhanced requirement:

Idaho is more restrictive because it requires licensure. However, this is not a requirement that can be addressed through the ZBR process. Legislative change would be needed.

Anticipated impact of the proposed rule on various stakeholders:

Category	Potential Impact
Fiscal impact to the state General Fund, any dedicated fund, or federal fund	
Impact to Idaho businesses, with special consideration for small businesses	
Impact to any local government in Idaho	

Rule 112 EXAMINATIONS

Proposed Rule: The proposed rule eliminates unnecessary verbiage in the examination requirement. It also eliminates the waiting period found in the current rule, which requires an applicant to wait sixty days after failing an examination twice.

Current Rule: Examinations are given by the Division in house. If an applicant fails an examination, they may retake the examination up to two times. After two times, the applicant must reapply for the examination.

Legal Authority: 54-1905; 54-1907. Discretionary.

Define the specific problem the proposed rule is attempting to solve. Can it be solved through non-regulatory means?

One goal of the ZBR process is to eliminate unnecessary verbiage and increase readability of administrative rules. The proposed rule attempts to address this goal and minimize regulatory means. Additionally, the rule eliminates the waiting period after failing the examination, which reduces barriers to licensure.

What evidence is there that the rule, as proposed, will solve the problem?

The overall word count is reduced and the waiting period requirement is eliminated.

Federal Law Comparison (where applicable)

Summary of Law (include direct link)	How is the proposed Idaho rule more stringent? (if applicable)
There are Federal regulations pertaining to bidding and contracting for Federal projects but apply to Federal projects only, rather than state or locality.	

State Law Comparison

State	Summary of Law (include direct link)	How is the proposed Idaho rule more stringent? (if applicable)
Alaska	<p>Examination requirements vary by classification. However, if an applicant fails an examination, they must resubmit an application for examination and pay all required fees.</p> <p>http://www.touchngo.com/lglcntr/akstats/Statutes/Title08/Chapter18.htm</p>	N/A
Montana	Not applicable. dli.mt.gov	N/A
Nevada	<p>An applicant has three attempts to pass each exam. A candidate must wait for two weeks to retake the exam after failing it. After the three failed attempt, the applicant must apply again with a new application and fee and wait 30 days to retake the exam.</p> <p>Per Board policy, not found in statute or rule.</p>	Applicant has one more attempt to take exam in Nevada.
Oregon	<p>An applicant who requires multiple attempts to take the test may not take the same version of the test. Rule requires the agency to proscribe a time limit to take the test, but it is not set in rule.</p> <p>https://oregon.public.law/rules/oar_chapter_812_division_3</p>	No time limit or number of attempts in rule.
South Dakota	Not applicable.	N/A

Utah	An applicant who fails the examination must wait 30 days to retake the examination for up to three failures. After three failures, the applicant must wait 6 months to retake. Applicants for licensure by endorsement are not required to take the examination. chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://rules.utah.gov/wp-content/uploads/r156-55a.pdf	Utah allows one more attempt than Idaho prior to requiring new application.
Washington	Not applicable https://app.leg.wa.gov/rcw/default.aspx?cite=18.27	N/A
Wyoming	Not applicable	N/A

If the Idaho proposed rule has a more stringent requirement than the federal government or the reviewed states, describe the evidence base or unique circumstances that justifies the enhanced requirement:

Idaho requires licensure but this is set forth in statute so could not be changed through the ZBR process.

Anticipated impact of the proposed rule on various stakeholders:

Category	Potential Impact
Fiscal impact to the state General Fund, any dedicated fund, or federal fund	N/A

Impact to Idaho businesses, with special consideration for small businesses	N/A
Impact to any local government in Idaho	N/A