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HOUSE BILL NO. 1979

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the House Committee on General Laws on January 24, 2017)

(Patron Prior to Substitute—Delegate Peace)

A BILL to amend and reenact § 54.1-1101 of the Code of Virginia and to amend the Code of Virginia by adding a section numbered 54.1-1115.01, relating to the Board for Contractors; exemptions; responsibility for contracting with unlicensed persons.

Be it enacted by the General Assembly of Virginia:

1. That § 54.1-1101 of the Code of Virginia is amended and reenacted as follows:

§ 54.1-1101. Exemptions; failure to obtain certificate of occupancy; penalties.

A. The provisions of this chapter shall not apply to:

1. Any governmental agency performing work with its own forces;

2. Work bid upon or undertaken for the armed services of the United States under the Armed Services Procurement Act;

3. Work bid upon or undertaken for the United States government on land under the exclusive jurisdiction of the federal government either by statute or deed of cession;

4. Work bid upon or undertaken for the Department of Transportation on the construction, reconstruction, repair or improvement of any highway or bridge;

5. Any other persons who may be specifically excluded by other laws but only to such an extent as such laws provide;

6. Any material supplier who renders advice concerning use of products sold and who does not provide construction or installation services;

7. Any person who performs or supervises the construction, removal, repair or improvement of no more than one primary residence owned by him and for his own use during any 24-month period;

8. Any person who performs or supervises the construction, removal, repair or improvement of a house upon his own real property as a bona fide gift to a member of his immediate family provided such member lives in the house. For purposes of this section, "immediate family" includes one's mother, father, son, daughter, brother, sister, grandchild, grandparent, mother-in-law and father-in-law;

9. Any person who performs or supervises the repair or improvement of industrial or manufacturing facilities, or a commercial or retail building, for his own use;

10. Any person who performs or supervises the repair or improvement of residential dwelling units owned by him that are subject to the Virginia Residential Landlord and Tenant Act (§ 55-248.2 et seq.);

11. Any owner-developer, provided that any third party third-party purchaser is made a third party third-party beneficiary to the contract between the owner-developer and a licensed contractor whereby the contractor's obligation to perform the contract extends to both the owner-developer and the third party;

12. Work undertaken by students as part of a career and technical education project as defined in § 22.1-228 established by any school board in accordance with Article 5 (§ 22.1-228 et seq.) of Chapter 13 of Title 22.1 for the construction of portable classrooms or single family homes; and

13. Any person who performs the removal of building detritus or provides janitorial, cleaning, or sanitizing services incidental to the construction, removal, repair, or improvement of real property; and

14. Work undertaken by a person providing construction, remodeling, repair, improvement, removal, or demolition valued at \$2,500 or less per project on behalf of a properly licensed contractor, provided that such contractor holds a valid license in the residential or commercial building contractor classification. However, any construction services that require an individual license or certification shall be rendered only by an individual licensed or certified in accordance with this chapter.

All other contractors performing work for any government or for any governmental agency are subject to the provisions of this chapter and are required to be licensed as provided herein.

B. Any person who is exempt from the provisions of this chapter as a result of subdivision A 7, 10, 11, or 12 of subsection A shall obtain a certificate of occupancy for any building constructed, repaired or improved by him prior to conveying such property to a third party third-party purchaser, unless such purchaser has acknowledged in writing that no certificate of occupancy has been issued and that such purchaser consents to acquire the property without a certificate of occupancy.

C. Any person who is exempt from the provisions of this chapter as a result of subdivision 7, 8, 9, 10, 11, or 12 of subsection A shall comply with the provisions of the Uniform Statewide Building Code (§ 36-97 et seq.).

D. Any person who violates the provisions of subsections subsection B or C shall be guilty of a Class 1 misdemeanor. The third or any subsequent conviction of violating subsections subsection B or C

HOUSE SUBSTITUTE

HB1979H1

60 during a 36-month period shall constitute a Class 6 felony.

61 **§ 54.1-1115.01. Responsibility for contracting with persons lacking the proper credential.**

62 *Any contractor that directly employs or otherwise contracts with a person who is not credentialed by*
63 *the Board for work requiring a credential under this chapter shall be solely responsible for any*
64 *monetary penalty or other sanction resulting from the act of employing or contracting with a person*
65 *who lacks the proper credential based upon such person's failure to obtain or maintain the required*
66 *credential.*