

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 768

BY WAYS AND MEANS COMMITTEE

AN ACT

1 RELATING TO THE IDAHO CONTRACTOR REGISTRATION ACT; AMENDING SECTION
2 54-5210, IDAHO CODE, TO REQUIRE CERTAIN INFORMATION TO BE PROVIDED
3 IN APPLICATIONS AND TO MAKE TECHNICAL CORRECTIONS; AMENDING SECTION
4 54-5215, IDAHO CODE, TO REVISE AND ESTABLISH PROVISIONS REGARDING THE
5 BOARD'S AUTHORITY TO INVESTIGATE AND DISCIPLINE; AMENDING SECTION
6 54-5216, IDAHO CODE, TO PROVIDE FOR CERTAIN APPLICATIONS FOR NEW REGIS-
7 TRATION; AND DECLARING AN EMERGENCY AND PROVIDING AN EFFECTIVE DATE.
8

9 Be It Enacted by the Legislature of the State of Idaho:

10 SECTION 1. That Section 54-5210, Idaho Code, be, and the same is hereby
11 amended to read as follows:

12 54-5210. APPLICATION FOR REGISTRATION. (1) An applicant for registra-
13 tion as a contractor shall submit an application under oath ~~upon~~ on a form to
14 be prescribed by the board ~~and which that~~ that shall include the following infor-
15 mation pertaining to the applicant:

16 (a) Social security number for natural persons or employer tax identi-
17 fication number for other persons;

18 (b) The name and physical address under which the applicant conducts
19 business. Any business doing business under an assumed name shall
20 provide satisfactory proof of having legally filed a certificate of
21 assumed name with the Idaho secretary of state;

22 (c) The name and physical address of each principal, member, partner,
23 shareholder, or any other person claiming an ownership interest in the
24 business entity ~~for which registration is being applied for~~ that is ap-
25 plying for registration;

26 (d) A certificate issued by an insurance company authorized to do busi-
27 ness in the state of Idaho or other satisfactory proof that the appli-
28 cant has procured and has in effect worker's compensation insurance or
29 a statement by the contractor as to why such certificate or coverage is
30 not required for the applicant;

31 (e) A certificate issued by an insurance company authorized to do busi-
32 ness in the state of Idaho that the applicant has procured and has in ef-
33 fect a general liability policy, including products and completed op-
34 erations insurance covering the applicant's construction operations in
35 the sum of not less than three hundred thousand dollars (\$300,000) sin-
36 gle limit. The name of the insurance company, the insured and policy
37 number shall be made available only to persons or their insurers stating
38 that they possess a claim against the contractor;

39 (f) A statement of the type of construction to be undertaken by the ap-
40 plicant, or such other information as may be required by the board pur-
41 suant to administrative rules adopted by the board; ~~and~~

1 (g) A designated natural person to act as the individual responsible
 2 for compliance with the law and rules applicable to the registration;

3 (h) A properly executed irrevocable consent to service of process, ap-
 4 plicable only to matters involving the registration, in the manner and
 5 form prescribed by the board; and

6 ~~(g)~~ (i) A statement that the applicant and each principal, member,
 7 partner, shareholder or any other person claiming an ownership inter-
 8 est in the business entity for which registration is being applied for
 9 herein applying for registration pursuant to this section has never
 10 been denied, surrendered or had revoked a contractor's license or
 11 registration privilege in this or any other state or, if a license or
 12 registration privilege has been denied, surrendered or revoked in this
 13 or any other state, an explanation of any such denial, surrender or re-
 14 vocation.

15 (2) Along with such application, the applicant shall submit a registra-
 16 tion fee as may be set by the board to cover its administrative and enforce-
 17 ment costs, not to exceed one hundred fifty dollars (\$150) per year.

18 (3) An application for registration that has been denied by the board
 19 shall be considered a contested case as provided for in chapter 52, title 67,
 20 Idaho Code, and shall be subject to the provisions of that chapter as well as
 21 the administrative rules adopted by the board governing contested cases.

22 (4) An applicant or registrant shall provide the certificates of insur-
 23 ance required pursuant to subsection (1) of this section to the board upon
 24 request.

25 SECTION 2. That Section 54-5215, Idaho Code, be, and the same is hereby
 26 amended to read as follows:

27 54-5215. AUTHORITY TO INVESTIGATE AND DISCIPLINE -- SUSPENSION OR
 28 REVOCATION OF REGISTRATION. (1) The board may investigate any person engaged
 29 in contracting within the state of Idaho or any person believed to have acted
 30 as a contractor without being duly registered as required by this chapter.
 31 Upon receipt of a written complaint from a person who claims to have been in-
 32 jured or defrauded by such person, or upon information received by the board,
 33 the board shall perform an investigation of the facts alleged against such
 34 person. A contractor shall provide necessary documents and shall promptly
 35 answer all reasonable investigative questions asked by the board. Upon
 36 request, a contractor shall promptly make available to the board all of the
 37 documents that a contractor is required to disclose to owners and purchasers
 38 of residential real property pursuant to section 45-525, Idaho Code. Such
 39 documents shall be made available at the contractor's cost and at the loca-
 40 tion and in the manner requested by the board; provided, however, that the
 41 board may not request any trade secrets as defined in section 74-107(1),
 42 Idaho Code, or more than the minimum necessary amount of information needed
 43 to complete its investigation. If the board investigation reveals that the
 44 facts alleged or received are sufficient to proceed with a formal action, the
 45 board may authorize the filing of an administrative complaint against such
 46 person and may seek injunctive relief prohibiting such person from engaging
 47 in construction.

48 (2) The board shall have the authority to issue informal letters of rep-
 49 rimand, suspend, refuse to renew, or revoke a registration, impose a civil

1 penalty in an amount not to exceed one thousand dollars (\$1,000) ~~or~~ per vi-
 2 olation, provided that no such penalty shall be issued for a violation of
 3 paragraph (e), (h), or (i) of this subsection. The board shall also have the
 4 authority to issue a formal reprimand against any registered contractor if,
 5 after an opportunity for a hearing, the board determines that:

6 (a) A contractor has violated any of the provisions of this chapter in-
 7 cluding, but not limited to, failure to keep current or provide insur-
 8 ance coverage as required by this chapter;

9 (b) A contractor has violated any of the provisions of chapter 6, title
 10 48, Idaho Code, relating to consumer protection including, but not lim-
 11 ited to, making fraudulent misrepresentations to consumers;

12 (c) A contractor employed fraud or deception, made a misrepresentation
 13 or misstatement, or employed any unlawful means in applying for or se-
 14 curing registration as a contractor;

15 (d) A contractor employed fraud or deception, made a misrepresentation
 16 or misstatement, or employed any unlawful means in applying for or se-
 17 curing a building permit or other permits for construction of any type;

18 (e) A contractor failed to pay the required fee for registration as pro-
 19 vided in this chapter;

20 (f) A contractor has been convicted of or has engaged in conduct consti-
 21 tuting a violation of public laws, ordinances or rules of this state,
 22 or any subdivision thereof, relevant to contracting, reflecting on
 23 the registered contractor's ability or qualifications to continue
 24 contracting for other persons, and making the registered contractor a
 25 threat to the public safety, health or well-being;

26 (g) A contractor has engaged in any other conduct whether of the same
 27 or a different character than ~~hereinabove specified which~~ specified
 28 pursuant to this subsection that constitutes dishonest or dishonorable
 29 dealings;

30 (h) A contractor had a license, registration or certification revoked,
 31 suspended or refused by this or another state, territory, incorporated
 32 municipality, county, alternative form of local government, or other
 33 municipal or political corporation or subdivision of this or another
 34 state, or omitted such information from any application to the board, or
 35 failed to divulge such information when requested by the board;

36 (i) A contractor has been adjudged mentally incompetent by a court of
 37 competent jurisdiction; or

38 (j) A contractor interfered with an investigation or disciplinary pro-
 39 ceeding by a willful misrepresentation of facts or by the use of threats
 40 or harassment against any person to prevent such person from providing
 41 evidence in a disciplinary proceeding, investigation or other legal ac-
 42 tion instituted in accordance with this chapter.

43 (3) By order, the board may prohibit any individual associated with a
 44 registration from registering as a contractor under a different name after
 45 the registered individual has had:

46 (a) Registration revoked; or

47 (b) Three (3) or more formal discipline actions within five (5) years
 48 for one (1) or more violations of paragraph (b), (c), (d), (f), (g), or
 49 (j) of subsection (2) of this section.

1 ~~(3)~~ (4) A contractor whose registration has been revoked or suspended
 2 shall be required to return his certificate of registration within the time
 3 determined by the board or, upon a failure to do so, shall be liable for civil
 4 penalties as set by the board but not to exceed fifty dollars (\$50.00) per
 5 day for each day the certificate is not returned after the expiration of the
 6 period allowed.

7 ~~(4)~~ (5) The suspension or revocation of a registration shall be consid-
 8 ered a contested case as provided for in chapter 52, title 67, Idaho Code, and
 9 shall be subject to the provisions of that chapter as well as the administra-
 10 tive rules adopted by the board governing contested cases.

11 ~~(5)~~ (6) The assessment of attorney's fees and costs incurred in the in-
 12 vestigation and prosecution or defense of a person under this section shall
 13 be governed by the provisions of section 12-117(5), Idaho Code.

14 (7) For a violation of this section, the board may require successful
 15 completion of a training course adopted by the board in lieu of formal disci-
 16 pline.

17 SECTION 3. That Section 54-5216, Idaho Code, be, and the same is hereby
 18 amended to read as follows:

19 54-5216. REINSTATEMENT OF REGISTRATION AFTER DISCIPLINE. (1) The
 20 board may reinstate a suspended or revoked registration upon a showing that:

21 ~~(1)~~ (a) The grounds for such suspension or revocation have been elimi-
 22 nated;

23 ~~(2)~~ (b) Such a violation is not likely to reoccur in the future; and

24 ~~(3)~~ (c) The public interest is not jeopardized by reinstating the reg-
 25 istration.

26 (2) An individual who is prohibited from registration pursuant to the
 27 provisions of section 54-5215(3), Idaho Code, shall be entitled to submit
 28 an application for new registration pursuant to the provisions of section
 29 67-2614(10), Idaho Code.

30 SECTION 4. An emergency existing therefor, which emergency is hereby
 31 declared to exist, this act shall be in full force and effect on and after
 32 July 1, 2026.