

## BRIEFING PAPER

### SB 2855

#### **Background**

The MS State Board of Contractors and the residential construction industry supports clarification and minor updates for residential builder license language in current statute. The objective is to make sure that contractors and sub-contractors are providing quality construction work and to address public safety issues when dealing with potentially dangerous equipment. The goal and intent is to provide a bill that would clarify the statue's current intent to protect consumers against unlicensed builders and would add licensure standards for subcontractors for specific trades that could involve major safety hazards. SB 2855 would address these issues and makes the three changes listed below. Other edits to the bill are simply clean up language that do not affect the statute.

#### **New Licensure Requirements for HVAC, Mechanical, Electrical and Gas Sub Contractors**

Safety and quality are two primary concerns for residential construction. It is important for Mississippians to have access to subcontractors who are using sound practices, taking proper safety precautions in the construction process and are qualified to do the work. The State Board of Contractors and the residential construction industry would support licensure requirements for those subcontractors that affect safety, including HVAC, gas, mechanical and electrical construction. The specific areas were chosen due to the safety concerns that are often attributed in these areas.

Each Mississippi city/county currently has different standards on licensure. Many larger cities/counties are already requiring residential licensing for subcontractors in these areas. This bill would help make the law more consistent across the state. The bill would take a phase-in approach to the requirement and would exempt any projects under \$2,500 in worth to protect homeowners who are performing simple jobs. Commercial construction already holds licensure requirements in these areas. Subcontractors who already hold a commercial license would be counted as licensed residential subcontractors in this statute.

#### **New Licensure Requirements for Solar Panel Installation**

SB 2855 would add solar panel installation licensure into the statute. "Residential solar contractor" means any person or entity that installs, modifies, maintains and repairs solar energy systems. The new addition would ensure that fly by night companies are not installing solar panels for Mississippi residents. Sometimes there are incentives tied to efficiency standard installation and this requirement would protect consumers. This is a public safety concern as well as quality standard. The language would exclude utility workers under the MS Utilities Act.

#### **Residential Builder/Remodeler Licensure Clarification**

SB 2855 clarifies requirements for builders/remodelers who dispute or file suits on a contract. The legislation simply clarifies licensure requirements under Mississippi State Code: §73-59-9(3) and required a residential builder or remodeler to be properly licensed at the time of rendering services to bring action or enforce a contract. This language simply clarifies the original intent of the law and closes the gap on frivolous lawsuits by unlicensed contractors.