

AN ACT

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IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

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To amend Chapter 28 of Title 47 of the District of Columbia Official Code to create a Board of Construction Managers and General Contractors, to establish eligibility criteria for the licensure of construction managers and residential and commercial contractors, and to establish a Residential and Commercial Contractor Guaranty and Education Fund.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “General Contractor Licensing Amendment Act of 2024”.

Sec. 2. Chapter 28 of Title 47 of the District of Columbia Official Code is amended as follows:

(a) The table of contents is amended by adding a new part designation Part D-ii to read as follows:

“Part D-ii. Construction managers and general contractors.

“Sec. 47-2853.78. Definitions.

“Sec. 47-2853.78a. Scope of practice for construction management and general contracting.

“Sec. 47-2853.78b. Necessity for license; exemptions.

“Sec. 47-2853.78c. Eligibility criteria for construction managers and general contractors.

“Sec. 47-2853.78d. Financial statements or balance sheets; surety bonds in lieu of providing financial statements or balance sheets.

“Sec. 47-2853.78e. Recovery on bond.

“Sec. 47-2853.78f. Establishment of Residential and Commercial Contractor Guaranty and Education Fund.

“Sec. 47-2853.78g. Applications for payments from Fund; maximum payment; management of Fund.

“Sec. 47-2853.78h. Responsibility for contracting with persons lacking proper license.

“Sec. 47-2853.78i. Certain representations prohibited.”.

(b) Section 47-2853.04(a) is amended as follows:

(1) A new paragraph (8A) is added to read as follows:

“(8A) Commercial contractor;”.

(2) A new paragraph (11A) is added to read as follows:

“(11A) Construction manager;”.

(3) A new paragraph (29A) is added to read as follows:

“(29A) Residential contractor;”.

(c) Section 47-2853.06 is amended by adding a new subsection (i) to read as follows:

“(i)(1) There is established a Board of Construction Managers and General Contractors to consist of 8 members, of whom:

“(A) One shall be a construction manager licensed in the District with at least 2 years of experience in construction management;

“(B) Two shall be general contractors licensed in the District with at least 2 years of experience in residential property construction or repair;

“(C) Two shall be general contractors licensed in the District with at least 2 years of experience in commercial property construction or repair;

“(D) One shall be a consumer member;

“(E) One shall be a member of the District of Columbia Bar in good standing engaged in the practice of construction law or finance law; and

“(F) One shall be an ex officio non-voting member designated by the Director of the Department of Buildings.

“(2) The Board shall regulate the practice of construction management and general contracting, except as provided for in §§ 47-2853.78a and 47-2853.78b(b). The Board may establish insurance requirements, subcategories for licensure, education, and experience requirements for licensure, and other requirements.”.

(d) Subchapter I-B is amended by adding a new Part D-ii to read as follows:

“Part D-ii. Construction managers and general contractors.

“Sec. 47-2853.78. Definitions.

“As used in this part:

“(1) “Board” means the Board of Construction Managers and General Contractors.

“(2) “Commercial contractor” means a contractor who acts with regard to all or any part of any real property or appurtenance that is not residential real property.

“(3) “Commercial property” shall have the same meaning as set forth in § 42-2103(1A).

“(4) “Construction manager” means any person, firm, partnership, corporation, association, or other organization or entity which, for compensation, is contracted to supervise and coordinate the work of design professionals and multiple general contractors, while allowing the design professionals and general contractors to control individual operations and the manner of design and construction. Services provided by a construction manager may include:

“(A) Coordination, management, or supervision of design or construction;

“(B) Cost management, including estimates of construction costs and development of project budgets;

“(C) Scheduling, which may include critical path techniques, for all phases of the project;

“(D) Design review, including review of formal design submission and construction feasibility; and

“(E) Bid packaging and contractor selection.

“(5) “Contractor” means any person, firm, partnership, corporation, association, or other organization or entity which, for compensation or with the intent to sell, undertakes or offers to undertake, or submits a bid to construct, alter, repair, add to, subtract from, improve, move, wreck, or demolish any building, highway, road, railroad, excavation, or other structure, project, development or improvement.

“(6) “Licensee” means a residential contractor, commercial contractor, or construction manager licensed under this part.

“(7) “Residential contractor” means a contractor acting with regard to all or any part of a residential real property or appurtenance.

“(8) “Residential real property” means:

“(A) A single-family residential dwelling or unit, including a condominium, cooperative unit, townhouse, or rowhouse; or

“(B) Improved real estate that consists of 2 residential units or more.

“Sec. 47-2853.78a. Scope of practice for construction management and general contracting.

“(a) For purposes of this part, the term “practice of construction management” means scheduling, estimating and approving, coordinating, managing or directing phases of a project for the construction, demolition, alteration, or reconstruction of any commercial or residential property.

“(b)(1) For purposes of this part, the term “practice of general contracting” means undertaking or offering to undertake, or submitting a bid to construct, alter, repair, add to, subtract from, improve, move, wreck, or demolish any building, excavation or other structure, project, development, or improvement with respect to residential real property or commercial property.

“(2) For purposes of this part, the term “practice of general contracting” does not include construction work on electrical systems, elevators, fire protection systems, refrigeration or air conditioning systems, or any other work that requires a specific trade license issued by the Board of Industrial Trades pursuant to this subchapter.

“Sec. 47-2853.78b. Necessity for license; exemptions.

“(a) No person may engage in the District in any activity as a construction manager, commercial contractor, or residential contractor, or submit a bid to perform work as a construction manager, commercial contractor, or residential contractor, as defined in § 47-2853.78, unless that person holds an applicable license issued under the provisions of this part.

“(b) The following are exempt from licensure:

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“(1) Work done exclusively by employees of the United States government or the District of Columbia;

“(2) The sale or installation of a finished product, material or article, or merchandise that is not actually fabricated into and does not become a permanent fixed part of the structure;

“(3) A material supplier who renders advice concerning use of products sold and who does not provide construction or installation services;

“(4) Work performed by an employer’s employees, for which the employees are paid regular wages and not a contract price, on commercial property or residential real property owned or leased by the employer which is not intended for speculative sale or lease;

“(5) Work performed by a public utility, as defined in § 34–214;

“(6) Work performed directly under the supervision of a licensed residential or commercial contractor when the work is performed by:

“(A) A student in good standing and enrolled in a public or private institution of higher education;

“(B) A student enrolled in a career or technical education program; or

“(C) An apprentice; and

“(7) Work personally performed on a residential real property by the owner or occupant thereof.

“Sec. 47-2853.78c. Eligibility criteria for construction managers and general contractors.

“(a) Notwithstanding subsection (b) of this section, an applicant for licensure shall establish to the satisfaction of the Board that the applicant:

“(1) For a construction manager license:

“(A) Holds one of the following licenses:

“(i) Commercial contractor;

“(ii) Residential contractor;

“(iii) Professional engineer; or

“(iv) Architect; and

“(B) Has not had a license held under subparagraph (A) of this paragraph denied, suspended, or revoked within one year prior to the date on which the application is filed.

“(2) For a commercial or residential contractor license:

“(A) Has at least 4,000 hours or 2 years of experience performing construction work on commercial properties if he or she is applying for a commercial contractor license, or has at least 4,000 hours or 2 years of experience performing home improvement or construction work within the last 6 years if he or she applying for a residential contractor license, or has comparable experience or a combination of education and experience that the Board deems equivalent;

“(B) Has passed an examination or examinations given by or under the direction of the Board, or any other examination acceptable to the Board;

“(C) Is compliant with financial statement, balance sheet, or bonding requirements under § 47-2853.78d and any insurance requirements established by the Board;

“(D) Has not had a license issued pursuant to this part denied, suspended, or revoked within one year prior to the date on which the application is filed; and

“(E) Provides such additional evidence as the Board determines is necessary.

“(b) A construction manager, residential contractor, or commercial contractor with an active basic business license issued prior to the effective date of this act is deemed to be eligible for licensure until the expiration of his or her basic business license and shall satisfy the eligibility requirements for licensure at the renewal of his or her business license.

“Sec. 47-2853.78d. Financial statements or balance sheets; surety bonds in lieu of providing financial statements or balance sheets.

“(a) As proof of financial responsibility, an applicant for a commercial or residential contractor license shall demonstrate compliance with a minimum net worth requirement fixed by the Board by providing either:

“(1) A financial statement on a form prescribed by the Board, subject to additional verification if the Board determines that sufficient questions or ambiguities exist in the applicant’s presentation of financial information; or

“(2) A balance sheet reviewed by a certified public accountant licensed by the Board of Accountancy;

“(b)(1) Notwithstanding subsection (a) of this section, an applicant for a commercial or residential contractor license may demonstrate financial responsibility by electing to obtain and maintain a bond:

“(A) In the amount of \$25,000 for a residential contractor; or

“(B) In an amount fixed by the Board, for a commercial contractor.

“(2) Proof of current bond shall be submitted to the Board and shall come from a corporate surety certified by the U.S. Department of Treasury to do business pursuant to 31 U.S.C. § 9305.

“Sec. 47-2853.78e. Recovery on bond.

“(a)(1) If a commercial or residential contractor who elected to hold a continuous bond pursuant to § 47-2853.78d(b) fails to satisfy a judgment awarded by a court of competent jurisdiction in the District for improper or dishonest conduct, the judgment creditor shall have a claim against the surety bond for such damages. In order to recover the amount of any unpaid judgment, up to but not exceeding the maximum liability fixed by the Board, the judgment creditor shall meet the eligibility requirements of § 47-2853.78g(b)(1) through (5) and shall bring suit directly on the surety bond no later than 12 months after the judgment becomes final.

“(2) The liability of such surety shall be limited to actual monetary loss, court costs, and attorney fees assessed against the contractor as part of the underlying judgment. The liability of such surety shall not include any sums representing interest or punitive damages assessed against the contractor.

“(3) The corporate surety shall notify the Board when a claim is made against a contractor’s bond, when a claim is paid, and when the bond is cancelled. Such notification shall include the amount of the claim and the circumstances surrounding the claim. Notification of cancellation shall include the effective date and reason for the cancellation. The bond may be cancelled as to future liability by the contractor’s surety upon 30 days’ notice to the Board.

“Sec. 47-2853.78f. Establishment of Residential and Commercial Contractor Guaranty and Education Fund.

“(a) There is established a Residential and Commercial Contractor Guaranty and Education Fund (“Fund”).

“(b)(1) On or after the effective date of the Construction Manager and General Contractor Licensing Amendment Act of 2024, passed on 2nd reading on October 1, 2024 (Enrolled version of Bill 25-737), every commercial residential and residential contractor licensed under this subchapter shall, as a condition for renewing his or her license, pay, in addition to other fees required under this subchapter, a sum to be established by the Mayor for deposit into the Fund.

“(2) Such amounts as may be appropriated to the Fund shall be deposited into the Fund.

“(3)(A) The money deposited into the Fund but not expended in a fiscal year shall not revert to the unassigned fund balance of the General Fund of the District of Columbia at the end of a fiscal year, or at any other time.

“(B) Subject to authorization in an approved budget and financial plan, any funds appropriated in the Fund shall be continually available without regard to fiscal year limitation.

“Sec. 47-2853.78g. Applications for payments from Fund; maximum payment; management of Fund.

“(a) Any person who obtains final judgment, including a settlement reduced to a final judgment, in any court of competent jurisdiction in the District against any other person on the grounds of fraud, misrepresentation, deceit, embezzlement, false pretenses, forgery, or violations of the provisions of this subchapter, arising directly out of any transaction which occurred when the other person was licensed under this subchapter, during the course of which the licensee performed acts for which a license is required under this subchapter, and which transaction occurred on or after the effective date of the Construction Manager and General Contractor Licensing Amendment Act of 2024, passed on 2nd reading on October 1, 2024 (Enrolled version of Bill 25-737) (“Act”); and who meets the requirements of subsection (b) of this section, may, upon termination of all proceedings, including reviews and appeals in connection with the judgment, file a written application, under oath, with the Mayor for an order directing payment from the Fund of the amount of actual and direct loss in the transaction (excluding the amount of any interest, attorney’s fees, court costs, or punitive or exemplary damages) which remains unpaid upon the judgment. The application shall be filed no later 12 months after the date on which the judgment became final.

“(b) A person filing an application meets the requirements of this subsection if:

“(1) The person is not an employee of the licensee;

“(2) The person is not a vendor of the licensee;

“(3) The person is not another licensee;

“(4) The person is not spouse or child of the licensee;

“(5) The person is not a financial or lending institution or any person whose business involves the construction or development of real property;

“(6) The person has made an investigation as is reasonably necessary to determine whether the judgment debtor possesses real or personal property or other assets that are liable to be sold or applied in satisfaction of the final judgment and has filed with the Board an affidavit that states that the investigation has been made; and

“(7) The investigation required pursuant to paragraph (6) of this subsection has not disclosed the existence of any real or personal property or other assets, or, if the investigation has disclosed the existence of real or personal property or other assets (which shall be described in the affidavit), the person has taken all action necessary for the sale or application, and the amount so realized is insufficient to satisfy the judgment (which amount shall have been stated in the affidavit together with the balance remaining due on the judgment after sale or application).

“(c) The maximum amount that may be paid from the Fund to satisfy in whole or in part a final judgment against a licensee as provided for herein, including any amount paid from recovery on a contractor’s bond pursuant to § 47-2853.78e, shall be as follows:

Amount

\$10,000 ..... Judgment is final during the first year following the effective date of the Act;

\$20,000 ..... Judgment is final during the second year following the effective date of the Act;

\$30,000 ..... Judgment is final during the third year following the effective date of the Act;

\$40,000 ..... Judgment is final during the fourth year following the effective date of the Act;

\$50,000 ..... Judgment is final during the fifth year following the effective date of the Act, and thereafter.

“(d) The aggregate of claims by judgment creditors against the Fund based upon an unpaid final judgment arising out of the acts of the licensee in connection with a single transaction shall be \$50,000, including any amount paid from recovery on a contractor’s bond pursuant to § 47-2853.78e, regardless of the number of claimants. If the aggregate of claims exceeds \$50,000, the Board shall pay \$50,000 to the claimants in proportion to the amounts of the claimants’ final judgments against the Fund which remain unpaid. If the Mayor has reason to believe that there may be additional claims against the Fund arising out of the same transaction, the Mayor may withhold payment from the Fund involving the licensee for a period of not more than one year.

“(e) Any person who commences an action for a judgment which could be the basis for an order of the Mayor directing payment from the Fund shall notify the Mayor in writing within 30 days after the date of the commencement of the action. Any failure to notify the Mayor as required under this subsection shall be grounds for the Mayor to deny an application of the person for payment from the Fund. The Mayor may waive this requirement if good cause is

shown for failure to notify. The Mayor may, in accordance with the provisions of this subchapter, commence an investigation of the complaint and hold a hearing to determine whether any license issued pursuant to this subchapter should be suspended or revoked.

“(f) Whenever an aggrieved person who has become a judgment creditor as provided in this section files an application for an order directing payment from the Fund, the Mayor shall cause a copy of the application to be served on the licensee alleged to be the judgment debtor, by certified mail, return receipt requested, to the address of record of the licensee, and the matter shall be set for hearing before the Board. Whenever the Mayor determines that the applicant is entitled to payment from the Fund, the Mayor shall issue an order directing payment from the Fund in an amount consistent with this subchapter.

“(g) If the Mayor issues an order directing payment from the Fund of any amount towards satisfaction of a judgment against a licensed residential contractor, commercial contractor, or construction manager, the license of the person shall be automatically suspended upon the issuance of the order. No residential contractor, commercial contractor, or construction manager shall be eligible to have his or her license restored until he or she has repaid in full the amount ordered paid from the Fund, plus interest at an annual rate established by the Mayor from the date of payment of the amount from the Fund, and has satisfied all rules governing licensure as set forth in this subchapter.

“(h) Whenever amounts deposited in the Fund are insufficient to satisfy any duly authorized claim or portion thereof, the Mayor shall, when sufficient money has been deposited or portions thereof, satisfy the unpaid claims in the order that the applications relating thereto were originally filed with the Mayor, including accumulated interest at an annual rate established by the Mayor for a period not to exceed one year in duration.

“(i) All sums paid pursuant to this section shall be deposited with the D.C. Treasurer and shall be credited to the Fund. Any interest earned from any deposits and investments of the Fund also shall be credited to the Fund. The interest to be credited to the Fund may be determined, consistent with the financial management procedures of the District and may be revised from time to time, as a pro-rata share of the interest earned on pooled cash, deposits, and investments.

“(j) The Mayor shall, by rule, establish minimum and maximum balances for the Fund.

“(k) Should the Office of the Chief Financial Officer project that the year-end Fund balance for any fiscal year will be less than the minimum balance established pursuant subsection (j) of this section, the Mayor shall assess each licensee an amount, not to exceed \$50 during any license year, within 30 calendar days, that is sufficient, when combined with similar assessments of other licensees, to bring the balance of the Fund up to the minimum established. Whenever the amount deposited in the Fund is more than the maximum balance established, the Mayor shall waive contributions to the Fund required by this subchapter.

“(l) Notice of an assessment required pursuant to subsection (k) of this section shall be sent, by certified mail, to each licensee at his or her address of record. The Board may waive the certified mail requirement to licensees only when the Board is doing a mass mailing, the cost of which makes the application of such fee an undue financial burden on the Board and may, in



such circumstances, send notice of the assessment by regular mail to each licensee at his or her address of record. The Board shall also post notice of the assessment in at least 2 trade publications distributed within the metropolitan area and in a local newspaper in the real estate section. Payment of the assessment shall be made within 30 calendar days after the receipt by the licensee of the notice.

“(m) A failure by any licensee to pay an assessment required pursuant to subsection (k) of this section within 30 days after the licensee has received notice of the assessment shall result in the automatic suspension of the license of the licensee. The Board shall send a notice of the suspension, by certified mail, to the address of record of the licensee within 5 days after the suspension. The license shall be restored only upon the actual receipt by the Mayor of the delinquent assessment, plus any interest and penalties as the Mayor may prescribe by rule.

“(n) The Board may expend a sum not to exceed 20% of the amounts deposited in the Fund, on October 1 of each year, for the establishment and maintenance of educational programs for improving the competency of licensees and applicants for licensure so as to further protect the public interest, and for conferences, workshops, and educational programs for real estate license officials. The cost of administering the Fund shall be paid out of the Fund.

“(o) When the Mayor has ordered a sum from the Fund to be paid to a judgment creditor, the Mayor shall be subrogated to all of the rights of the judgment creditor up to the amount paid and the judgment creditor shall assign to the Mayor all rights, title, and interest in the judgment up to the amount paid from the Fund. Any amount and interest so recovered by the Mayor or the judgment creditor on the judgment up to the amount paid shall be deposited in the Fund.

“Sec. 47-2853.78h. Responsibility for contracting with persons lacking proper license.

“Any construction manager or contractor that directly employs or otherwise contracts with a person who is not licensed by the Board for work requiring a license under this part shall be solely responsible for any monetary penalty or other sanction resulting from the act of employing or contracting with a person who lacks a proper license based upon such person’s failure to obtain or maintain the required license.

“Sec. 47-2853.78i. Certain representations prohibited.

“Unless licensed under this subchapter, no person shall assume or use the titles or designations “construction manager,” “commercial contractor,” or “residential contractor,” or any other title, designation, words, letters, abbreviations, sign, card, or device, tending to indicate that the person is licensed as a construction manager, commercial contractor, or residential contractor in the District.”.

### Sec. 3. Applicability.

(a) This act shall apply upon the later of January 1, 2026, or 120 days after the date of inclusion of its fiscal effect in an approved budget and financial plan.

(b) The Chief Financial Officer shall certify the date of the inclusion of the fiscal effect in an approved budget and financial plan and provide notice to the Budget Director of the Council of the certification.

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(c)(1) The Budget Director shall cause the notice of the certification to be published in the District of Columbia Register.

(2) The date of publication of the notice of the certification shall not affect the applicability of this act.

**Sec. 4. Fiscal impact statement.**

The Council adopts the fiscal impact statement in the committee report as the fiscal impact statement required by section 4a of the General Legislative Procedures Act of 1975, approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

**Sec. 5. Effective date.**

This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto) and a 30-day period of congressional review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December 24, 1973, (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)).

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Chairman  
Council of the District of Columbia

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Mayor  
District of Columbia