

As Introduced

**133rd General Assembly
Regular Session
2019-2020**

S. B. No. 176

Senator Schaffer

A BILL

To amend sections 715.27, 3781.102, 4740.01, 1
4740.03, 4740.04, 4740.05, 4740.06, 4740.07, 2
4740.11, 4740.12, 4740.13, 4740.131, 4740.14, 3
4740.16, and 4764.03 of the Revised Code to 4
license residential only construction 5
contractors and to make changes to the law 6
regulating specialty construction contractors. 7

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 715.27, 3781.102, 4740.01, 8
4740.03, 4740.04, 4740.05, 4740.06, 4740.07, 4740.11, 4740.12, 9
4740.13, 4740.131, 4740.14, 4740.16, and 4764.03 of the Revised 10
Code be amended to read as follows: 11

Sec. 715.27. (A) Any municipal corporation may: 12

(1) Regulate the erection of fences, billboards, signs, 13
and other structures, within the municipal corporation, and 14
provide for the removal and repair of insecure billboards, 15
signs, and other structures; 16

(2) Regulate the construction and repair of wires, poles, 17
plants, and all equipment to be used for the generation and 18
application of electricity; 19

(3) Provide for the licensing of house movers; plumbers; sewer tappers; vault cleaners; and ~~specialty~~ contractors who are not required to hold a valid license issued pursuant to Chapter 4740. of the Revised Code;

(4) Require all ~~specialty~~ contractors ~~other than those who are not required to hold~~ a valid license issued pursuant to Chapter 4740. of the Revised Code, to successfully complete an examination, test, or demonstration of technical skills, and may impose a fee and additional requirements for a license or registration to engage in their respective occupations within the jurisdiction of the municipal corporation.

(B) No municipal corporation shall require any specialty contractor who holds a valid license issued pursuant to Chapter 4740. of the Revised Code to complete an examination, test, or demonstration of technical skills to engage in the type of contracting for which the license is held, within the municipal corporation.

(C) A municipal corporation may require a specialty contractor who holds a valid license issued pursuant to Chapter 4740. of the Revised Code to register with the municipal corporation and pay any fee the municipal corporation imposes before that specialty contractor may engage within the municipal corporation in the type of contracting for which the license is held. Any fee shall be the same for all specialty contractors who engage in the same type of contracting. A municipal corporation may require a bond and proof of all of the following:

(1) Insurance pursuant to division (B) (4) of section 4740.06 of the Revised Code;

(2) Compliance with Chapters 4121. and 4123. of the Revised Code; 49
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(3) Registration with the tax department of the municipal corporation. 51
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If a municipal corporation requires registration, imposes such a fee, or requires a bond or proof of the items listed in divisions (C) (1), (2), and (3) of this section, the municipal corporation immediately shall permit a contractor who presents proof of holding a valid license issued pursuant to Chapter 4740. of the Revised Code, who registers, pays the fee, obtains a bond, and submits the proof described under divisions (C) (1), (2), and (3) of this section, as required, to engage in the type of contracting for which the license is held, within the municipal corporation. 53
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(D) A municipal corporation may revoke the registration of a contractor registered with that municipal corporation for good cause shown. Good cause shown includes the failure of a contractor to maintain a bond or the items listed in divisions (C) (1), (2), and (3) of this section, if the municipal corporation requires those. 63
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(E) A municipal corporation that licenses ~~specialty~~ contractors pursuant to division (A) (3) of this section may accept, for purposes of satisfying its licensing requirements, a valid license issued pursuant to Chapter 4740. of the Revised Code that ~~a specialty~~ the contractor holds, for the construction, replacement, maintenance, or repair of one-family, two-family, or three-family dwelling houses or accessory structures incidental to those dwelling houses. 69
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(F) A municipal corporation shall not register a specialty 77

contractor who is required to hold a license under Chapter 4740. 78
of the Revised Code but does not hold a valid license issued 79
under that chapter. 80

(G) As used in this section, "specialty contractor" means 81
a heating, ventilating, and air conditioning contractor, 82
refrigeration contractor, electrical contractor, plumbing 83
contractor, or hydronics contractor, as those contractors are 84
described in Chapter 4740. of the Revised Code. 85

Sec. 3781.102. (A) Any county or municipal building 86
department certified pursuant to division (E) of section 3781.10 87
of the Revised Code as of September 14, 1970, and that, as of 88
that date, was inspecting single-family, two-family, and three- 89
family residences, and any township building department 90
certified pursuant to division (E) of section 3781.10 of the 91
Revised Code, is hereby declared to be certified to inspect 92
single-family, two-family, and three-family residences 93
containing industrialized units, and shall inspect the buildings 94
or classes of buildings subject to division (E) of section 95
3781.10 of the Revised Code. 96

~~(B) Each board of county commissioners may adopt, by 97
resolution, rules establishing standards and providing for the 98
licensing of electrical and heating, ventilating, and air 99
conditioning contractors who are not required to hold a valid 100
and unexpired license pursuant to Chapter 4740. of the Revised 101
Code. 102~~

~~Rules adopted by a board of county commissioners pursuant 103
to this division may be enforced within the unincorporated areas 104
of the county and within any municipal corporation where the 105
legislative authority of the municipal corporation has 106
contracted with the board for the enforcement of the county 107~~

~~rules within the municipal corporation pursuant to section 108
307.15 of the Revised Code. The rules shall not conflict with 109
rules adopted by the board of building standards pursuant to 110
section 3781.10 of the Revised Code or by the department of 111
commerce pursuant to Chapter 3703. of the Revised Code. This 112
division does not impair or restrict the power of municipal 113
corporations under Section 3 of Article XVIII, Ohio 114
Constitution, to adopt rules concerning the erection, 115
construction, repair, alteration, and maintenance of buildings 116
and structures or of establishing standards and providing for 117
the licensing of specialty contractors pursuant to section 118
715.27 of the Revised Code. 119~~

~~A board of county commissioners, pursuant to this 120
division, may require all electrical contractors and heating, 121
ventilating, and air conditioning contractors, other than those 122
who hold a valid and unexpired license issued pursuant to 123
Chapter 4740. of the Revised Code, to successfully complete an 124
examination, test, or demonstration of technical skills, and may 125
impose a fee and additional requirements for a license to engage 126
in their respective occupations within the jurisdiction of the 127
board's rules under this division. 128~~

~~(C) No board of county commissioners shall require any 129
specialty contractor who holds a valid and unexpired license 130
issued pursuant to Chapter 4740. of the Revised Code to 131
successfully complete an examination, test, or demonstration of 132
technical skills in order to engage in the type of contracting 133
for which the license is held, within the unincorporated areas 134
of the county and within any municipal corporation whose 135
legislative authority has contracted with the board for the 136
enforcement of county regulations within the municipal 137
corporation, pursuant to section 307.15 of the Revised Code. 138~~

~~(D)~~ (C) A board may impose a fee for registration of a 139
specialty contractor who holds a valid and unexpired license 140
issued pursuant to Chapter 4740. of the Revised Code before that 141
specialty contractor may engage in the type of contracting for 142
which the license is held within the unincorporated areas of the 143
county and within any municipal corporation whose legislative 144
authority has contracted with the board for the enforcement of 145
county regulations within the municipal corporation, pursuant to 146
section 307.15 of the Revised Code, provided that the fee is the 147
same for all specialty contractors who wish to engage in that 148
type of contracting. If a board imposes such a fee, the board 149
immediately shall permit a specialty contractor who presents 150
proof of holding a valid and unexpired license and pays the 151
required fee to engage in the type of contracting for which the 152
license is held within the unincorporated areas of the county 153
and within any municipal corporation whose legislative authority 154
has contracted with the board for the enforcement of county 155
regulations within the municipal corporation, pursuant to 156
section 307.15 of the Revised Code. 157

~~(E)~~ (D) The political subdivision associated with each 158
municipal, township, and county building department the board of 159
building standards certifies pursuant to division (E) of section 160
3781.10 of the Revised Code may prescribe fees to be paid by 161
persons, political subdivisions, or any department, agency, 162
board, commission, or institution of the state, for the 163
acceptance and approval of plans and specifications, and for the 164
making of inspections, pursuant to sections 3781.03 and 3791.04 165
of the Revised Code. 166

~~(F)~~ (E) Each political subdivision that prescribes fees 167
pursuant to division ~~(E)~~ (D) of this section shall collect, on 168
behalf of the board of building standards, fees equal to the 169

following:	170
(1) Three per cent of the fees the political subdivision collects in connection with nonresidential buildings;	171 172
(2) One per cent of the fees the political subdivision collects in connection with residential buildings.	173 174
(G) <u>(F)</u> (1) The board shall adopt rules, in accordance with Chapter 119. of the Revised Code, specifying the manner in which the fee assessed pursuant to division (F) <u>(E)</u> of this section shall be collected and remitted monthly to the board. The board shall pay the fees into the state treasury to the credit of the industrial compliance operating fund created in section 121.084 of the Revised Code.	175 176 177 178 179 180 181
(2) All money credited to the industrial compliance operating fund under this division shall be used exclusively for the following:	182 183 184
(a) Operating costs of the board;	185
(b) Providing services, including educational programs, for the building departments that are certified by the board pursuant to division (E) of section 3781.10 of the Revised Code;	186 187 188
(c) Paying the expenses of the residential construction advisory committee, including the expenses of committee members as provided in section 4740.14 of the Revised Code.	189 190 191
(H) A board of county commissioners that adopts rules providing for the licensing of electrical and heating, ventilating, and air conditioning contractors, pursuant to division (B) of this section, may accept, for purposes of satisfying the requirements of rules adopted under that division, a valid and unexpired license issued pursuant to	192 193 194 195 196 197

~~Chapter 4740. of the Revised Code that is held by an electrical- 198
or heating, ventilating, and air conditioning contractor, for- 199
the construction, replacement, maintenance, or repair of one- 200
family, two family, or three family dwelling houses or accessory- 201
structures incidental to those dwelling houses. 202~~

~~(I)~~-(G) A board of county commissioners shall not register 203
a specialty contractor who is required to hold a license under 204
Chapter 4740. of the Revised Code but does not hold a valid 205
license issued under that chapter. 206

~~(J)~~-(H) As used in this section, "specialty contractor" 207
means a heating, ventilating, and air conditioning contractor, 208
refrigeration contractor, electrical contractor, plumbing 209
contractor, or hydronics contractor, as those contractors are 210
described in Chapter 4740. of the Revised Code. 211

Sec. 4740.01. As used in this chapter: 212

(A) "License" means both a "universal license" and a 213
"residential only license" as defined in this section. 214

(B) "Universal license" means a license the Ohio 215
construction industry licensing board issues to an individual as 216
a heating, ventilating, and air conditioning contractor, 217
refrigeration contractor, electrical contractor, plumbing 218
contractor, or hydronics contractor for commercial and 219
residential construction projects. 220

~~(B)~~-(C) "Residential only license" means a license the 221
Ohio construction industry licensing board issues to an 222
individual as a heating, ventilating, and conditioning 223
contractor, refrigeration contractor, electrical contractor, 224
plumbing contractor, or hydronics contractor for residential 225
construction projects only. 226

<u>(D)</u> "Contractor" means any individual or contracting company that satisfies both of the following:	227 228
(1) Has responsibility for the means, method, and manner of construction, improvement, renovation, repair, or maintenance on a construction project with respect to one or more trades and who offers, identifies, advertises, or otherwise holds out or represents that the individual or contracting company <u>with which the individual is associated</u> is permitted or qualified to perform or have responsibility for the means, method, and manner of construction, improvement, renovation, repair, or maintenance with respect to one or more trades on a construction project;	229 230 231 232 233 234 235 236 237
(2) Does either <u>any</u> of the following:	238
(a) Performs construction, improvement, or renovation on a construction project with respect to the individual's or contracting company's trade;	239 240 241
(b) Employs tradespersons who perform construction, improvement, or renovation on a construction project with respect to the individual's or contracting company's trades;	242 243 244
<u>(c) Uses direct labor subcontractors who perform construction, improvement, or renovation on a residential construction project with respect to the individual's or contracting company's trades.</u>	245 246 247 248
(C) <u>(E)</u> "Contracting company" means a company in the construction industry working on that <u>contracts with a person for heating, ventilating, and air conditioning construction projects, refrigeration construction projects, electrical construction projects, plumbing construction projects, or hydronics construction projects.</u>	249 250 251 252 253 254
(D) <u>(F)</u> "Licensed trade" means a trade performed by a	255

heating, ventilating, and air conditioning contractor, a 256
refrigeration contractor, an electrical contractor, a plumbing 257
contractor, or a hydronics contractor. 258

~~(E)~~(G) "Tradesperson" means any individual who is 259
employed by a contractor and who engages in construction, 260
improvement, renovation, repair, or maintenance of buildings or 261
structures without assuming responsibility for the means, 262
method, or manner of that construction, improvement, renovation, 263
repair, or maintenance. "Tradesperson" does not include a direct 264
labor subcontractor. 265

~~(F)~~(H) "Construction project" means a construction 266
project involving a building or structure subject to Chapter 267
3781. of the Revised Code and the rules adopted under that 268
chapter. A construction project may include a residential 269
building but not an industrialized unit ~~or a residential~~ 270
~~building~~ as those terms are defined in section 3781.06 of the 271
Revised Code. 272

~~(G)~~(I) "Training agency" means an entity approved by the 273
administrative section of the board to provide continuing 274
education courses. 275

(J) "Direct labor subcontractor" means an individual who 276
engages in construction, improvement, renovation, repair, or 277
maintenance of residential construction projects under terms 278
specified in an agreement with a contractor and to whom both of 279
the following apply: 280

(1) The contractor has the right to control or direct only 281
the result of the construction, improvement, renovation, repair, 282
or maintenance performed by the individual. 283

(2) The income the individual earns from the construction, 284

improvement, renovation, repair, or maintenance is subject to 285
the "Self-Employment Contributions Act of 1954," 68A Stat. 353, 286
26 U.S.C. 1401 et seq., as amended, and the regulations adopted 287
under it. 288

Sec. 4740.03. (A) The administrative section of the Ohio 289
construction industry licensing board annually shall elect from 290
among its members a chairperson and other officers as the board, 291
by rule, designates. The chairperson shall preside over meetings 292
of the administrative section or designate another member to 293
preside in the chairperson's absence. The administrative section 294
shall hold at least two regular meetings each year, but may meet 295
at additional times as specified by rule, at the call of the 296
chairperson, or upon the request of two or more members. A 297
majority of the members of the administrative section 298
constitutes a quorum for the transaction of all business. The 299
administrative section may not take any action without the 300
concurrence of ~~at least three~~ a majority of its members. 301

(B) (1) The administrative section shall employ a 302
secretary, who is not a member of the board, to serve at the 303
pleasure of the administrative section, and shall fix the 304
compensation of the secretary. The secretary shall be in the 305
unclassified civil service of the state. 306

(2) The secretary shall do all of the following: 307

(a) Keep or set standards for and delegate to another 308
person the keeping of the minutes, books, and other records and 309
files of the board and each section of the board; 310

(b) Issue all licenses in the name of the board; 311

(c) Send out all notices, including advance notices of 312
meetings of the board and each section of the board, and attend 313

to all correspondence of the board and each section of the 314
board, under the direction of the administrative section; 315

(d) Receive and deposit all fees payable pursuant to this 316
~~chapter into the industrial compliance operating fund created~~ 317
~~pursuant to section 121.084 of the Revised Code~~ in accordance 318
with section 4740.11 of the Revised Code; 319

(e) Perform all other duties incidental to the office of 320
the secretary or properly assigned to the secretary by the 321
administrative section of the board. 322

(3) Before entering upon the discharge of the duties of 323
the secretary, the secretary shall file with the treasurer of 324
state a bond in the sum of five hundred thousand dollars, 325
payable to the state, to ensure the faithful performance of the 326
secretary's duties. The board shall pay the premium of the bond 327
in the same manner as it pays other expenditures of the board. 328

(C) Upon the request of the administrative section of the 329
board, the director of commerce shall supply the board and its 330
sections with personnel, office space, and supplies, as the 331
director determines appropriate. The administrative section of 332
the board shall employ any additional staff it considers 333
necessary and appropriate. 334

(D) The chairperson of the board or the secretary, or 335
both, as authorized by the board, shall approve all vouchers of 336
the board. 337

Sec. 4740.04. The administrative section of the Ohio 338
construction industry licensing board is responsible for the 339
administration of this chapter and shall do all of the 340
following: 341

(A) Schedule the contractor examinations each of the other 342

sections of the board directs. Each type of examination shall be 343
held at least four times per year. 344

(B) Select and contract with one or more persons to do all 345
of the following relative to the examinations: 346

(1) Prepare, administer, score, and maintain the 347
confidentiality of the examinations; 348

(2) Be responsible for all the expenses required to 349
fulfill division (B)(1) of this section; 350

(3) Charge an applicant a fee in an amount the 351
administrative section of the board authorizes for ~~administering~~ 352
~~the examination~~ processing the application. 353

(C) Issue and renew licenses as follows: 354

(1) Issue a license to any individual who the appropriate 355
specialty section of the board determines is qualified pursuant 356
to section 4740.06 of the Revised Code to hold a license and has 357
attained, within the twelve months preceding the individual's 358
application for licensure, a score on the examination that the 359
appropriate specialty section authorizes for the licensed trade. 360

(a) Each license shall include the contractor's name, 361
license number, expiration date, and the name of the contracting 362
company associated with the individual, as applicable. If the 363
license is a residential only license, the license shall 364
indicate that it is a residential only license. If the license 365
is a universal license, the license shall indicate that it is a 366
universal license. 367

(b) Each license issued to an individual who holds more 368
than one valid license shall contain the same license number and 369
expiration date as the original license issued to that 370

individual.	371
(2) Renew licenses for individuals who meet the renewal requirements of section 4740.06 of the Revised Code.	372 373
(D) Make an annual written report to the director of commerce on proceedings had by or before the board for the previous year and make an annual statement of all money received and expended by the board during the year;	374 375 376 377
(E) Keep a record containing the name, address, the date on which the board issues or renews a license to, and the license number of, every heating, ventilating, and air conditioning contractor, refrigeration contractor, electrical contractor, plumbing contractor, and hydronics contractor issued a license pursuant to this chapter;	378 379 380 381 382 383
(F) Regulate a contractor's use and display of a license issued pursuant to this chapter and of any information contained in that license;	384 385 386
(G) Adopt rules in accordance with Chapter 119. of the Revised Code as necessary to properly discharge the administrative section's duties under this chapter. The rules shall include, but not be limited to, the following:	387 388 389 390
(1) Application procedures for examinations;	391
(2) Specifications for continuing education requirements for license renewal that address all of the following:	392 393
(a) A requirement that an individual who holds any number of valid and unexpired licenses accrue <u>a total of ten the required number of hours of continuing education courses per year</u> . <u>The total hours shall be the aggregate of the hours of continuing education for all licenses the contractor holds.</u>	394 395 396 397 398

(b) Fees the board charges to persons who provide 399
continuing education courses, in an amount of twenty-five 400
dollars annually for each person approved to provide courses, 401
not more than ten dollars plus one dollar per credit hour for 402
each course submitted to a specialty section of the board for 403
approval according to division (F) of section 4740.05 of the 404
Revised Code, and one dollar per credit hour of instruction per 405
attendee; 406

(c) A provision limiting approval of continuing education 407
courses to one year. 408

(3) Requirements for criminal records checks of applicants 409
under section 4776.03 of the Revised Code. 410

(H) Adopt any continuing education curriculum as the other 411
sections of the board establish or approve pursuant to division 412
(F) of section 4740.05 of the Revised Code; 413

(I) Keep a record of its proceedings and do all things 414
necessary to carry out this chapter. 415

Sec. 4740.05. Each specialty section of the Ohio 416
construction industry licensing board, ~~other than the~~ 417
~~administrative section,~~ shall do all of the following: 418

(A) Adopt rules in accordance with Chapter 119. of the 419
Revised Code that are limited to the following: 420

(1) Criteria for the specialty section to use in 421
evaluating the qualifications of an individual; 422

(2) Criteria for the specialty section to use in deciding 423
whether to issue, renew, suspend, revoke, or refuse to issue or 424
renew a license; 425

(3) The determinations and approvals the specialty section 426

makes under the reciprocity provision of section 4740.08 of the Revised Code; 427
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(4) Criteria for continuing education courses conducted pursuant to this chapter; 429
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(5) A requirement that any training agency seeking approval to provide continuing education courses submit the required information to the appropriate specialty section of the board at least thirty days, but not more than one year, prior to the date on which the course is proposed to be offered; 431
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(6) A prohibition against any training agency providing a continuing education course unless the administrative section of the board approved that training agency not more than one year prior to the date the course is offered; 436
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(7) A list of disqualifying offenses pursuant to sections 4740.06, 4740.10, and 4776.10 of the Revised Code. 440
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(B) Investigate allegations in reference to violations of this chapter and the rules adopted pursuant to it that pertain to the specialty section and determine by rule a procedure to conduct investigations and hearings on these allegations; 442
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(C) Maintain a record of its proceedings; 446

(D) Grant approval to a training agency to offer continuing education courses pursuant to rules the board adopts; 447
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(E) As required, do all things necessary to carry out this chapter; 449
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(F) Establish or approve a continuing education curriculum for license renewal for each class of contractors for which the specialty section has primary responsibility. No curriculum may require more than ~~five~~four hours per year in specific course 451
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requirements. ~~No contractor may be required to take more than~~ 455
~~ten hours per year in continuing education courses. The ten~~ 456
total hours shall be the aggregate of hours of continuing 457
education for all licenses the contractor holds. 458

(G) Design the examination for the type of contractor the 459
specialty section licenses to determine an applicant's 460
competence to perform that type of contracting. 461

(H) In accordance with rules the specialty sections 462
establish, direct the administrative section to issue, renew, or 463
refuse to issue or renew licenses for the classes of contractors 464
for which each has primary responsibility as set forth in 465
section 4740.02 of the Revised Code. 466

Sec. 4740.06. (A) Any individual who applies for a license 467
shall file a written application with the appropriate specialty 468
section of the Ohio construction industry licensing board, 469
accompanied with the application fee as determined pursuant to 470
section 4740.09 of the Revised Code. The application shall be on 471
the form the section prescribes and verified by the applicant's 472
oath. The applicant shall provide information satisfactory to 473
the section showing that the applicant meets the requirements of 474
division (B) of this section. The application shall indicate 475
whether the applicant is seeking a universal license or a 476
residential only license. 477

(B) To qualify to take an examination, an individual 478
shall: 479

(1) Be at least eighteen years of age; 480

(2) Be a United States citizen or legal alien who produces 481
valid documentation to demonstrate the individual is a legal 482
resident of the United States; 483

(3) Either have been a tradesperson for a licensed 484
contractor in the type of licensed trade for which the 485
application is filed for not less than ~~five~~ three years 486
immediately prior to the date the application is filed, be a 487
currently registered professional engineer in this state with 488
three years of business experience in the construction industry 489
in the trade for which the engineer is applying to take an 490
examination, or have other experience acceptable to the 491
appropriate specialty section of the board; 492

(4) Maintain contractor's liability insurance in an amount 493
the appropriate specialty section of the board determines and 494
only in one contracting company name; 495

(5) Comply with Chapters 4121., 4123., 4127., 4131., and 496
4141. of the Revised Code; 497

(6) Identify the contracting company with which the 498
individual is associated as a full-time officer, proprietor, 499
partner, or employee pursuant to section 4740.07 of the Revised 500
Code and to which the applicant's license will be assigned; 501

(7) Not have done any of the following: 502

(a) Been convicted of or pleaded guilty to a crime of 503
moral turpitude or a disqualifying offense as those terms are 504
defined in section 4776.10 of the Revised Code; 505

(b) Violated this chapter or any rule adopted pursuant to 506
it; 507

(c) Obtained or renewed a license issued pursuant to this 508
chapter, or any order, ruling, or authorization of the board or 509
a section of the board by fraud, misrepresentation, or 510
deception; 511

(d) Engaged in fraud, misrepresentation, or deception in 512
the conduct of business. 513

(C) When an applicant for licensure as a contractor in a 514
licensed trade meets the qualifications set forth in division 515
(B) of this section and passes the required examination, the 516
appropriate specialty section of the board, within ninety days 517
after the application was filed, shall authorize the 518
administrative section of the board to license the applicant for 519
the type of contractor's license for which the applicant 520
qualifies. A specialty section of the board may withdraw its 521
authorization to the administrative section for issuance of a 522
license for good cause shown, on the condition that notice of 523
that withdrawal is given prior to the administrative section's 524
issuance of the license. 525

(D) (1) Except as provided in division (D) (2) of this 526
section, if an applicant does not pass the required examination, 527
the applicant may retake the examination not less than sixty 528
days after the applicant's most recent examination. 529

(2) An applicant who does not pass the required 530
examination after taking the examination five times under this 531
section shall reapply for a license under division (A) of this 532
section before retaking the required examination any subsequent 533
time. 534

(E) All licenses a contractor holds pursuant to this 535
chapter shall expire annually on the same date, which shall be 536
the expiration date of the original license the contractor 537
holds. An individual holding a valid, unexpired license may 538
renew the license, without reexamination, by submitting an 539
application to the appropriate specialty section of the board 540
not more than ninety calendar days before the expiration of the 541

license, along with the renewal fee the specialty section 542
requires and proof of compliance with the applicable continuing 543
education requirements. The applicant shall provide information 544
in the renewal application satisfactory to demonstrate to the 545
appropriate specialty section that the applicant continues to 546
meet the requirements of division (B) of this section. 547

Upon application and within one calendar year after a 548
license has expired, a section may waive any of the requirements 549
for renewal of a license upon finding that an applicant 550
substantially meets the renewal requirements or that failure to 551
timely apply for renewal is due to excusable neglect. A section 552
that waives requirements for renewal of a license may impose 553
conditions ~~upon with which~~ the licensee is required to comply 554
and assess a late filing fee of not more than double the usual 555
renewal fee. An applicant shall satisfy any condition the 556
section imposes before a license is reissued. 557

(F) An individual holding a valid license may request the 558
section of the board that authorized that license to place the 559
license in inactive status under conditions, and for a period of 560
time, as that section determines. 561

(G) Except for the ninety-day extension provided for a 562
license assigned to a contracting company under division (D) of 563
section 4740.07 of the Revised Code, a license held by an 564
individual immediately terminates upon the death of the 565
individual. 566

(H) Nothing in any license issued by the Ohio construction 567
industry licensing board shall be construed to limit or 568
eliminate any requirement of or any license issued by the Ohio 569
fire marshal. 570

~~(I) (1) Subject to divisions (I) (2), (3), and (4) of this section, no specialty section of the board shall adopt, maintain, renew, or enforce any rule, or otherwise preclude in any way, an individual from receiving or renewing a license under this chapter due to any past criminal activity or interpretation of moral character, except as pursuant to division (B) (5) (a) of this section. If the specialty section denies an individual a license or license renewal, the reasons for such denial shall be put in writing.~~

~~(2) Except as otherwise provided in this division, if an individual applying for a license has been convicted of or pleaded guilty to a misdemeanor that is not a crime of moral turpitude or a disqualifying offense less than one year prior to making the application, the section may use its discretion in granting or denying the individual a license. Except as otherwise provided in this division, if an individual applying for a license has been convicted of or pleaded guilty to a felony that is not a crime of moral turpitude or a disqualifying offense less than three years prior to making the application, the section may use its discretion in granting or denying the individual a license. The provisions in this paragraph do not apply with respect to any offense unless the section, prior to September 28, 2012, was required or authorized to deny the application based on that offense.~~

~~In all other circumstances, the section shall follow the procedures it adopts by rule that conform to division (I) (1) of this section.~~

~~(3) In considering a renewal of an individual's license, the section shall not consider any conviction or plea of guilty prior to the initial licensing. However, the board may consider~~

~~a conviction or plea of guilty if it occurred after the~~ 601
~~individual was initially licensed, or after the most recent~~ 602
~~license renewal.~~ 603

~~(4) The section may grant an individual a conditional~~ 604
~~license that lasts for one year. After the one year period has~~ 605
~~expired, the license is no longer considered conditional, and~~ 606
~~the individual shall be considered fully licensed.~~ 607

~~(I) Notwithstanding divisions (D) and (H) division (E) of~~ 608
~~this section and sections 4740.04 and 4740.05 of the Revised~~ 609
~~Code, the board may establish rules that amend the continuing~~ 610
~~education requirements and license renewal schedule for~~ 611
~~licensees as provided in or adopted pursuant to those sections~~ 612
~~for the purpose of establishing a compliance incentive program.~~ 613
~~These rules may include provisions for the creation of the~~ 614
~~program and the qualifications, continuing education~~ 615
~~requirements, and renewal schedule for the program.~~ 616

Sec. 4740.07. (A) Except as otherwise provided in this 617
section, the administrative section of the Ohio construction 618
industry licensing board shall issue and renew all licenses 619
under this chapter in the name of the individual who meets the 620
requirements of section 4740.06 of the Revised Code. 621

(B) All individuals applying for a license under this 622
chapter shall request, at the time of applying for a license 623
that the individual's license be assigned to a contracting 624
company with whom the individual is employed on a full-time 625
basis. If the individual is issued a license and meets the 626
requirements of this section for the assignment of the license 627
to a contracting company, the administrative section shall 628
assign the license to and issue a license in the name of the 629
contracting company. The license assigned and issued to a 630

contracting company under this division shall state the name and 631
position of the individual who assigned the license to the 632
contracting company. If a license is not assigned to a 633
contracting company in accordance with this division, the 634
appropriate specialty section of the board shall place that 635
license in inactive status. 636

(C) During the period a contracting company holds a 637
license issued under division (B) of this section, the 638
administrative section shall not issue another license to the 639
individual who assigned the license to the contracting company 640
for the same type of contracting for which the contracting 641
company utilizes the assigned license. 642

(D) (1) If a contractor who assigned a license to a 643
contracting company under division (B) of this section ceases to 644
be associated with the contracting company for any reason, 645
including the death of the contractor, the contractor or 646
contracting company immediately shall notify the appropriate 647
specialty section of the board of the date on which the 648
contractor ceased to be associated with the contracting company. 649
Such a license assignment is invalid according to the 650
following, as applicable: 651

(a) Ninety calendar days after the death of the 652
contractor; 653

(b) Ninety calendar days after the contractor completes a 654
change of company form; 655

(c) At an earlier time to which the contracting company 656
and the contractor agree. 657

(2) If a license assignment made to a contracting company 658
becomes invalid pursuant to division (D) (1) of this section and 659

another individual has assigned a license to the contracting 660
company for the same type of contracting for which the 661
invalidated license assignation had been made, the contracting 662
company may continue to operate under the other assigned 663
license. 664

(E) Any work a contracting company conducts under the 665
license assigned under this section or displayed under division 666
(F) of section 4740.04 of the Revised Code is deemed to be 667
conducted under the personal supervision of the individual named 668
in the license and any violation of any term of the license is 669
deemed to have been committed by the individual named in the 670
license. 671

For the period of time during which more than one license 672
for the same type of contracting is assigned to a contracting 673
company, the appropriate specialty section of the board shall 674
determine under which license the violation was committed, and 675
any individual named in the other license shall not be held 676
liable for the violation. 677

(F) No individual who assigns a license to a contracting 678
company shall assign a license for the same type of contracting 679
to another contracting company until the original license 680
assignation is invalid pursuant to division (D) of this section. 681

(G) Any individual who assigns a license to a contracting 682
company under this section shall be actively engaged in business 683
as the type of contractor for which the license is issued and be 684
readily available for consultation with ~~the~~ both of the 685
following: 686

(1) The contracting company to which the license is 687
assigned; 688

(2) An investigator appointed by the director of commerce 689
pursuant to division (C) of section 4740.03 of the Revised Code. 690

(H) No license assigned under this section shall be 691
assigned to more than one contracting company at a time. 692

Sec. 4740.11. The Ohio construction industry licensing 693
board and its sections shall deposit twenty per cent of all 694
receipts, fees, and fines collected under this chapter into the 695
construction industry licensing enforcement fund, which is 696
hereby created in the state treasury. The board shall use the 697
funds to enforce the provisions of this chapter. The board shall 698
deposit the remainder of the receipts, fees, and fines collected 699
under this chapter into the state treasury to the credit of the 700
industrial compliance operating fund created in section 121.084 701
of the Revised Code. 702

Sec. 4740.12. (A) Each political subdivision, district, or 703
agency of this state that oversees any type of construction for 704
which a contractor is required to be licensed under this chapter 705
shall require proof that the contractor holds a valid license 706
issued under this chapter prior to doing either of the 707
following: 708

(1) Registering a contractor to do work as a heating, 709
ventilating, and air conditioning contractor, electrical 710
contractor, plumbing contractor, or hydronics contractor on 711
construction, improvement, renovation, repair, or maintenance of 712
buildings; 713

(2) Issuing a building permit, or otherwise accepting or 714
approving plans and specifications in accordance with section 715
3791.04 of the Revised Code, to a contractor to do work as a 716
heating, ventilating, and air conditioning contractor, 717

refrigeration contractor, electrical contractor, plumbing contractor, or hydronics contractor. 718
719

(B) No political subdivision, district, or agency of the state may adopt an ordinance or rule that requires contractor registration and the assessment of a registration or license fee unless that ordinance or rule also requires any contractor who registers and pays the registration or license fee to be shall require a contractor who is licensed in the contractor's trade pursuant to this chapter to meet any additional eligibility requirements for registration by the political subdivision, district, or agency of the state. 720
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(C) Nothing in this section shall be construed to limit the ability of a political subdivision, district, or agency of this state to charge a registration fee or require permits, approvals, or code compliance bonds. 729
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~~(B)~~ (D) Except as provided in division (A) (B) of this section, nothing in this chapter shall be construed to limit the operation of any statute or rule of this state or any ordinance or rule of any political subdivision, district, or agency of the state that does either of the following: 733
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(1) Regulates the installation, repair, maintenance, or alteration of plumbing systems, hydronics systems, electrical systems, heating, ventilating, and air conditioning systems, or refrigeration systems; 738
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(2) Requires the registration and assessment of a registration or license fee of tradespersons who perform heating, ventilating, and air conditioning, refrigeration, electrical, plumbing, or hydronics construction, improvement, renovation, repair, or maintenance. 742
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Sec. 4740.13. (A) (1) Except as provided in section 747
4740.131 of the Revised Code, no individual shall recklessly 748
perform any of the duties, responsibilities, or functions of a 749
heating, ventilating, and air conditioning contractor, 750
refrigeration contractor, electrical contractor, plumbing 751
contractor, or hydronics contractor, other than for the 752
individual's primary residence, unless that individual is 753
licensed under this chapter or unless the individual is employed 754
by a contractor licensed under this chapter. 755

(2) No person shall recklessly act as or claim to be a 756
type of contractor that this chapter licenses unless that person 757
holds or has been assigned a license issued pursuant to this 758
chapter for the type of contractor that person is acting as or 759
claiming to be. 760

(B) Upon the request of the appropriate specialty section 761
of the Ohio construction industry licensing board, the attorney 762
general may bring a civil action for appropriate relief, 763
including but not limited to a temporary restraining order or 764
permanent injunction in the court of common pleas of the county 765
where the unlicensed person resides or is acting as or claiming 766
to be a licensed contractor. 767

(C) After a finding, pursuant to a review and 768
investigation, that a person has violated division (A) (1) or (2) 769
of this section, the appropriate specialty section may file a 770
complaint against an unlicensed person with the appropriate 771
local prosecutor for criminal prosecution. 772

(D) A contractor licensed under this chapter may install, 773
service, and maintain the related or interfaced control wiring 774
for equipment and devices related to their specific license, on 775
the condition that the control wiring is less than twenty-five 776

volts. 777

~~(D)~~ (E) A person is not an electrical contractor subject 778
to licensure under this chapter for work that is limited to the 779
construction, improvement, renovation, repair, testing, or 780
maintenance of the following systems using less than fifty volts 781
of electricity: fire alarm or burglar alarm, cabling, tele-data 782
sound, communication, and landscape lighting and irrigation. 783

Sec. 4740.131. Nothing in this chapter shall be construed 784
~~to prohibit~~ do either of the following: 785

(A) Prohibit a contractor from leasing, on a temporary or 786
permanent basis, an employee from a professional employer 787
organization, as defined by section 4125.01 of the Revised Code, 788
or from a temporary agency to perform work under the direct 789
supervision of the contractor; 790

(B) Require a direct labor subcontractor to be licensed 791
under this chapter. 792

Sec. 4740.14. (A) There is hereby created within the 793
department of commerce the residential construction advisory 794
committee consisting of nine persons the director of commerce 795
appoints. The advisory committee shall be made up of the 796
following members: 797

(1) Three shall be general contractors who have recognized 798
ability and experience in the construction of residential 799
buildings. 800

(2) Two shall be building officials who have experience 801
administering and enforcing a residential building code. 802

(3) One, chosen from a list of three names the Ohio fire 803
chief's association submits, shall be from the fire service 804

certified as a fire safety inspector who has at least ten years 805
of experience enforcing fire or building codes. 806

(4) One shall be a residential contractor who has 807
recognized ability and experience in the remodeling and 808
construction of residential buildings. 809

(5) One shall be an architect registered pursuant to 810
Chapter 4703. of the Revised Code, with recognized ability and 811
experience in the architecture of residential buildings. 812

(6) One, chosen from a list of three names the Ohio 813
municipal league submits to the director, shall be a mayor of a 814
municipal corporation in which the Ohio residential building 815
code is being enforced in the municipal corporation by a 816
certified building department. 817

(B) Terms of office shall be for three years, with each 818
term ending on the date three years after the date of 819
appointment. Each member shall hold office from the date of 820
appointment until the end of the term for which the member was 821
appointed. Vacancies shall be filled in the manner provided for 822
initial appointments. Any member appointed to fill a vacancy in 823
an unexpired term shall hold office for the remainder of that 824
term. 825

(C) The advisory committee shall do all of the following: 826

(1) Recommend to the board of building standards a 827
building code for residential buildings. The committee shall 828
recommend a code that it may model on a residential building 829
code a national model code organization issues, with adaptations 830
necessary to implement the code in this state. If the board of 831
building standards decides not to adopt a code the committee 832
recommends, the committee shall revise the code and resubmit it 833

until the board adopts a code the committee recommends as the 834
state residential building code; 835

(2) Advise the board regarding the establishment of 836
standards for certification of building officials who enforce 837
the state residential building code; 838

(3) Assist the board in providing information and guidance 839
to residential contractors and building officials who enforce 840
the state residential building code; 841

(4) Advise the board regarding the interpretation of the 842
state residential building code; 843

(5) Provide other assistance the committee considers 844
necessary; 845

(6) Provide the board with a written report of the 846
committee's findings for each consideration required by division 847
(D) of this section. 848

(D) The committee shall not make its recommendation to the 849
board pursuant to divisions (C)(1), (2), and (4) of this section 850
until the advisory committee has considered all of the 851
following: 852

(1) The impact that the state residential building code 853
may have upon the health, safety, and welfare of the public; 854

(2) The economic reasonableness of the residential 855
building code; 856

(3) The technical feasibility of the residential building 857
code; 858

(4) The financial impact that the residential building 859
code may have on the public's ability to purchase affordable 860

housing. 861

(E) The advisory committee may provide the board with any 862
rule the committee recommends to update or amend the state 863
residential building code or any rule that the committee 864
recommends to update or amend the state residential building 865
code after receiving a petition described in division (A) (2) of 866
section 3781.12 of the Revised Code. 867

(F) Members of the advisory committee shall receive no 868
salary for the performance of their duties as members, but shall 869
receive their actual and necessary expenses incurred in the 870
performance of their duties as members of the advisory committee 871
and shall receive a per diem for each day in attendance at an 872
official meeting of the committee, to be paid from the 873
industrial compliance operating fund in the state treasury, 874
using fees collected in connection with residential buildings 875
pursuant to division ~~(F) (2)~~ (E) (2) of section 3781.102 of the 876
Revised Code and deposited in that fund. 877

(G) The advisory committee is not subject to sections 878
101.82 to 101.87 of the Revised Code. 879

(H) Serving as a member of the residential construction 880
advisory committee does not constitute holding a public office 881
or position of employment under the laws of this state and 882
service on the committee does not constitute grounds for 883
removing a committee member from a public office or position of 884
employment. 885

Sec. 4740.16. (A) An investigator appointed by the 886
director of commerce pursuant to division (C) of section 4740.03 887
of the Revised Code, on behalf of the appropriate specialty 888
section of the Ohio construction industry licensing board may 889

investigate any person who allegedly has violated section 890
4740.13 of the Revised Code. ~~If,~~ 891

(1) The director may limit the investigation to areas or 892
activities related only to licenses, permits, or approvals. 893

(2) Any person who wishes to make a complaint against a 894
person who allegedly has violated section 4740.13 of the Revised 895
Code shall submit the complaint in writing to the appropriate 896
section of the board within one year after the date of the 897
action or event upon which the complaint is based. 898

(B) If, after an investigation pursuant to section 4740.05 899
of the Revised Code, the appropriate specialty section, or 900
section's designee, determines that reasonable evidence exists 901
that a person has violated section 4740.13 of the Revised Code, 902
the appropriate specialty section or investigator shall send a 903
written notice to that person in the same manner as prescribed 904
in section 119.07 of the Revised Code for licensees. 905

~~(B) The~~ (C) Except as provided in division (E) of this 906
section, the appropriate specialty section shall hold a hearing 907
regarding the alleged violation in the same manner prescribed 908
for an adjudication hearing under section 119.09 of the Revised 909
Code. If the appropriate specialty section, after the hearing, 910
determines a violation has occurred, the appropriate specialty 911
section, upon an affirmative vote of a majority of its members, 912
may impose a fine on the person, not exceeding one thousand 913
dollars per violation per day and may file a complaint against 914
the person with the appropriate local prosecutor for criminal 915
prosecution. The appropriate specialty section's determination 916
is an order that the person may appeal in accordance with 917
section 119.12 of the Revised Code. 918

~~(C)~~ (D) If the appropriate specialty section assesses a person a civil penalty for a violation of section 4740.13 of the Revised Code and the person fails to pay that civil penalty within the time period prescribed by the appropriate specialty section, the appropriate specialty section shall forward to the attorney general the name of the person and the amount of the civil penalty for the purpose of collecting that civil penalty. In addition to the civil penalty assessed pursuant to this section, the person also shall pay any fee assessed by the attorney general for collection of the civil penalty.

~~(D)~~ (E) If a person fails to request a hearing within thirty days after the date the appropriate specialty section, in accordance with section 119.07 of the Revised Code, notifies the person of the section's intent to act against the person under division ~~(A)~~ (B) of this section, the section, by majority vote of a quorum of the section members, may take the action against a person without holding an adjudication hearing.

Sec. 4764.03. Section 4764.02 of the Revised Code does not apply to any person described as follows if the person is acting within the scope of practice of the person's respective profession:

(A) A person who is employed by or whose services otherwise are retained by this state or a political subdivision of this state for the purpose of enforcing building codes;

(B) A person holding a valid certificate to practice architecture issued under Chapter 4703. of the Revised Code;

(C) A person registered as a professional engineer under Chapter 4733. of the Revised Code;

(D) A heating, ventilating, and air conditioning

contractor, refrigeration contractor, electrical contractor, 948
plumbing contractor, or hydronics contractor who is licensed 949
under Chapter 4740. ~~or section 3781.102 of the Revised Code or~~ 950
~~who is licensed or registered under section 715.27 of the~~ 951
Revised Code; 952

(E) A real estate broker, real estate salesperson, foreign 953
real estate dealer, or foreign real estate salesperson who is 954
licensed under Chapter 4735. of the Revised Code; 955

(F) A real estate appraiser who is licensed under Chapter 956
4763. of the Revised Code; 957

(G) A public insurance adjuster who holds a valid 958
certificate of authority issued under Chapter 3951. of the 959
Revised Code or an employee or representative of an insurer 960
licensed to transact business in this state under Title XXXIX of 961
the Revised Code who conducts an inspection of any property or 962
structure for purposes related to the business of insurance; 963

(H) A commercial applicator of pesticide who is licensed 964
under Chapter 921. of the Revised Code. 965

Section 2. That existing sections 715.27, 3781.102, 966
4740.01, 4740.03, 4740.04, 4740.05, 4740.06, 4740.07, 4740.11, 967
4740.12, 4740.13, 4740.131, 4740.14, 4740.16, and 4764.03 of the 968
Revised Code are hereby repealed. 969

Section 3. Notwithstanding division (A) of section 4740.13 970
of the Revised Code which, as a result of amendments made by 971
this act, prohibits a person from performing any residential 972
construction duties with respect to heating, ventilating, and 973
air conditioning; refrigeration; electrical; plumbing; or 974
hydronics without a license, a person may perform those 975
residential construction duties without a license until six 976

months after the effective date of this act. 977

Section 4. (A) Notwithstanding division (C) of section 978
4740.06 of the Revised Code, the appropriate specialty section 979
of the Construction Industry Licensing Board may authorize the 980
administrative section of the Board to issue a license under 981
section 4740.06 of the Revised Code to an applicant without 982
requiring the applicant to pass the examination if the applicant 983
applies for licensure within six months after the effective date 984
of this act and all of the following apply: 985

(1) The applicant meets either of the following 986
requirements: 987

(a) The applicant holds a valid and unexpired registration 988
or license issued in the specialty trade by a municipality, 989
county, or health department of this state prior to the 990
effective date of this act. 991

(b) The applicant has been actively engaged as a 992
residential heating, ventilating, and air conditioning 993
contractor, refrigeration contractor, electrical contractor, 994
plumbing contractor, or hydronics contractor for at least three 995
consecutive years immediately preceding the effective date of 996
this act. The applicant shall submit to the Board records from 997
the contracting company with which the applicant is associated 998
and shall satisfy the qualifications necessary to take the 999
examination under division (B) of section 4740.06 of the Revised 1000
Code. The records submitted shall include tax returns and other 1001
evidence necessary to verify that the applicant has met the 1002
experience requirements of division (A) (1) (b) of this section. 1003
The qualifications necessary to take the examination may include 1004
other experience acceptable to the appropriate specialty section 1005
of the Board. The application shall be reviewed by at least 1006

three members of the appropriate section of the Board. 1007

(2) The applicant pays an application fee of fifty 1008
dollars. 1009

(3) The applicant identifies the contracting company with 1010
which the applicant is associated as a full-time officer, 1011
proprietor, or partner to which the applicant's license will be 1012
assigned pursuant to section 4740.07 of the Revised Code. 1013

(4) The applicant complies with section 4740.061 of the 1014
Revised Code. 1015

(5) The applicant submits to the appropriate specialty 1016
section evidence of all of the following: 1017

(a) Current contractor's liability insurance in the name 1018
of a single company under which the applicant is a primary 1019
insured. The liability insurance shall be in an amount of not 1020
less than five hundred thousand dollars including complete 1021
operations coverage. 1022

(b) Compliance with Chapters 4121., 4123, 4127., 4131., 1023
and 4141. of the Revised Code; 1024

(c) Compliance with any other requirements the Board 1025
determines to be necessary. 1026

(6) The applicant has not done any of the following: 1027

(a) Been convicted of or pleaded guilty to a crime of 1028
moral turpitude or a disqualifying offense as those terms are 1029
defined in section 4776.10 of the Revised Code; 1030

(b) Violated Chapter 4740. of the Revised Code or any rule 1031
adopted pursuant to it; 1032

(c) Obtained or renewed a license issued pursuant to 1033

Chapter 4740. of the Revised Code, or any order, ruling, or 1034
authorization of the Ohio Construction Industry Licensing Board 1035
or a section of the Board by fraud, misrepresentation, or 1036
deception; 1037

(d) Engaged in fraud, misrepresentation, or deception in 1038
the conduct of business. 1039

(B) The appropriate specialty section shall act on an 1040
application submitted pursuant to division (A) of this section 1041
within ninety days after the applicant submitted a completed 1042
application under that division. The specialty section may 1043
withdraw its authorization to the administrative section for 1044
issuance of a license for good cause shown at any time before 1045
the administrative section issues the license. 1046

(C) The Board shall issue a universal license to any 1047
person that holds a license issued by the Ohio Construction 1048
Industry Licensing Board, in good standing, as a heating, 1049
ventilating, and air conditioning contractor, refrigeration 1050
contractor, electrical contractor, plumbing contractor, or 1051
hydronics contractor immediately prior to the effective date of 1052
this act. A license issued under this division shall be 1053
effective for the term of the license that it replaced. 1054

Section 5. Section 4740.06 of the Revised Code is 1055
presented in this act as a composite of the section as amended 1056
by both Am. Sub. H.B. 486 and Sub. S.B. 78 of the 130th General 1057
Assembly. The General Assembly, applying the principle stated in 1058
division (B) of section 1.52 of the Revised Code that amendments 1059
are to be harmonized if reasonably capable of simultaneous 1060
operation, finds that the composite is the resulting version of 1061
the section in effect prior to the effective date of the section 1062
as presented in this act. 1063