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## **Construction Claims Task Force**

### **Phase I Motions and Proposal Schedule**

**July 26, 2006**

#### **Background:**

During Phase I of the Task Force's inquiry into construction claims, the Task Force received testimony and recommendations from panelists. Approximately sixty-five recommendations were brought forward. The Task Force went through a prioritization exercise on February 15, 2006, reducing the list of recommendations to twenty. After comparing Task Force recommendations, staff consolidated similar recommendations to put forward ten concept papers on April 11, 2006 meeting. The ten concept papers contained sub-themes that carried over into the current list (below). On May 24, 2006 the Task Force voted on further actions to be taken on the concepts. A summary of the current status of each concept appears below:

#### *Approved for Drafting*

##### **CCB Licensing & Enforcement Changes Proposal**

- Increase the authority of the Construction Contractors Board to terminate the license of a contractor with a history of problems.
- Provide CCB with emergency suspension powers.
- Increase power of CCB to investigate and prosecute contractors.
- Give the Construction Contractors Board the authority to issue criminal citations against the most egregious contractors.
- Investigate whether improvements to CCB's methods of researching whether an applicant was involved with a corporate entity disciplined by the CCB needs to be changed.
- Investigate whether improvements to CCB's methods of inquiry into the criminal history and financial stability of prospective contractors through the application process needs to be changed.

##### **Building Code Amendment Proposal**

- Develop a list of recommended code changes and include flashing details. Focus on providing additional mechanical ventilation for a structure, the level of allowable moisture in the wall cavities of a structure, and provide additional requirements on the use of flashing.

##### **Recovery Fund Proposal**

- Develop recovery fund options, including but not limited to funding for residential structures.

##### **Consumer Information Proposal**

- Require contractors to provide information on consumer protection at the time of bid in order to maintain their lien rights.
- Consider a time period for the consumer to fully review consumer information and the contract prior to signing.
- Revise "Information Notice to Owner" to direct consumers to information on the web or inform consumers how to contact CCB to obtain information.

##### **Residential Permits Proposal**

- Require the party responsible for constructing a building to obtain any necessary permits for the work. Require the person that obtains any necessary permits for construction work to designate on the permit the party that is actually responsible for the work.

##### **Building Envelope Professionals Proposal**

- Require contractors to take continuing education for building envelope design standards.
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- Require training and continuing education for contractors involved in envelope construction.
  - Train and certify individuals employed by contractors to properly install elements of a building envelope.
  - Develop and make available to contractors and designers best practice guidelines related to building envelope construction.

*Items Under Further Consideration:*

**Maintenance Information Proposal**

- Before completion of the transaction the contractor shall provide the consumer with a maintenance checklist for the specific product
- Before completing the real estate transaction, provide a consumer with a standardized maintenance checklist developed by the state
- Before completing the real estate transaction, supply a consumer with an owner-made manual that details the maintenance requirements of a particular dwelling
- Before completing the sale of a new home, require the contract to include default contractual terms that require a consumer to receive maintenance information

**Third-Party Envelope Inspector Proposal**

- Require third-party inspectors to inspect building envelope installations.

**Contractor Bonding Proposal**

- Increase the bond amount a contractor must pay to be licensed.

**Building Envelope Professionals Proposal**

- Require designers to provide specific building envelope designs for resisting water intrusion. [Pending additional research.]
- Require RMI to verify that work conforms to code and to the design. [Additional research on commercial and residential construction requirements by other states needed.]
- Require designers or other supervisors provide onsite assurances of satisfactory construction work. [Additional research on commercial and residential construction requirements by other states needed.]
- Require certificate of occupancy to verify compliance with residential building requirements. [Associated with verification of work by contractor and design professional; under further consideration.]

*No Longer Under Consideration:*

**Consumer Information Proposal**

- Provide consumer protection information at time that permit is taken out.
- Ask financial institutions to provide consumer information.
- Require financial institutions to provide consumer information.

**Training Proposal**

- Provide training opportunities to contractors on best practice guidelines.
  - Provide training opportunities to designers.
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Based on the votes taken during the May 24, 2006 meeting, staff has compiled a preliminary schedule for the drafting and presentation of proposals. The list is as follows:

June 28, 2006
CCB Enforcement Powers Proposal Building Code Changes Proposal
July 26, 2006
Recovery Fund Proposal Consumer Information Proposal
August 23, 2006
Residential Permits Proposal Building Envelope Professionals Proposal