

## **Construction Claims Task Force**

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

**9.19.2006**

#### **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. Staff has submitted six concepts covering topics approved for drafting. A summary of the current status of each concept appears below:

#### *Drafted for Task Force Consideration:*

##### **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. [See Proposal #2, CCB Enforcement & Licensing Changes Proposal]
- Provide CCB with emergency suspension powers. [See Proposal #2, CCB Enforcement & Licensing Changes Proposal]
- Increase power of CCB to investigate and prosecute contractors. [See Proposal #2, CCB Enforcement & Licensing Changes Proposal]
- Give the Construction Contractors Board the authority to issue criminal citations against the most egregious contractors. [See Proposal #2, CCB Enforcement & Licensing Changes Proposal]
- 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. [See Proposal #2, CCB Enforcement & Licensing Changes Proposal]
- 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. [See Proposal #2, CCB Enforcement & Licensing Changes Proposal]

##### **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. [See Proposal #1, Clarifying Building Code Requirements]

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

- Develop recovery fund options, including but not limited to funding for residential structures. [See Proposal #3, Recovery Fund]

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

- Require contractors to provide information on consumer protection at the time of bid in order to maintain their lien rights. [See Proposal #4, Consumer Information Proposal]
  - Consider a time period for the consumer to fully review consumer information and the contract prior to signing. [See Proposal #4, Consumer Information Proposal]
  - Revise "Information Notice to Owner" to direct consumers to information on the web or inform consumers how to contact CCB to obtain information. [See Proposal #4, Consumer Information Proposal]
-

**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. [See Proposal #5, Residential Permits]

**Building Envelope Certification Proposal**

- Require contractors to take continuing education for building envelope design standards. [See Proposal #6, Building Envelope Certification]
- Require training and continuing education for contractors involved in envelope construction. [See Proposal #6, Building Envelope Certification]
- Train and certify individuals employed by contractors to properly install elements of a building envelope. [See Proposal #6, Building Envelope Certification]
- Require all contractors obtain continuing education on building code changes. [See Proposal #6, Building Envelope Certification]

*Items Under Further Consideration:***Building Envelope Professionals Proposal**

- Require designers to provide specific building envelope designs for resisting water intrusion. [See Proposal #7, Envelope Design Details]
- Require RMI to verify that work conforms to code and to the design. [See Proposal #6, Building Envelope Certification]
- Require certificate of occupancy to verify compliance with residential building requirements. [See Proposal #5, Residential Permits]
- Require designers or other supervisors provide onsite assurances of satisfactory construction work.
- Develop and make available to contractors and designers best practice guidelines related to building envelope construction.

**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.
-

*No Longer Under Consideration:***Additional 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.

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:

<b>June 28, 2006</b>
CCB Enforcement Powers Proposal Building Code Changes Proposal
<b>July 26, 2006</b>
Recovery Fund Proposal Consumer Information Proposal
<b>August 23, 2006</b>
Residential Permits Proposal Building Envelope Professionals Proposal
<b>September 12, 2006</b>
Envelope Design Details