

As Introduced

**131st General Assembly
Regular Session
2015-2016**

H. B. No. 77

Representative Patmon

A BILL

To amend sections 4740.01, 4740.02, 4740.03, 1
4740.04, 4740.05, 4740.06, 4740.061, 4740.07, 2
4740.08, 4740.09, 4740.10, 4740.101, 4740.12, 3
4740.13, 4740.131, 4740.15, 4740.16, and 4740.99 4
and to enact sections 4740.18, 4740.19, 4740.20, 5
and 4740.21 of the Revised Code to require 6
statewide registration of home improvement 7
contractors, to modify the membership of the 8
Ohio Construction Industry Licensing Board, and 9
to make an appropriation. 10

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

Section 1. That sections 4740.01, 4740.02, 4740.03, 11
4740.04, 4740.05, 4740.06, 4740.061, 4740.07, 4740.08, 4740.09, 12
4740.10, 4740.101, 4740.12, 4740.13, 4740.131, 4740.15, 4740.16, 13
and 4740.99 be amended and sections 4740.18, 4740.19, 4740.20, 14
and 4740.21 of the Revised Code be enacted to read as follows: 15

Sec. 4740.01. As used in this chapter: 16

(A) "License" means a license the Ohio construction 17
industry licensing board issues to an individual as a heating, 18
ventilating, and air conditioning contractor, refrigeration 19

contractor, electrical contractor, plumbing contractor, or 20
hydronics contractor. 21

(B) "~~Contractor~~Specialty contractor" means any individual 22
or contracting company that satisfies both of the following: 23

(1) Has responsibility for the means, method, and manner 24
of construction, improvement, renovation, repair, or maintenance 25
on a construction project with respect to one or more trades and 26
who offers, identifies, advertises, or otherwise holds out or 27
represents that the individual or contracting company is 28
permitted or qualified to perform or have responsibility for the 29
means, method, and manner of construction, improvement, 30
renovation, repair, or maintenance with respect to one or more 31
trades on a construction project; 32

(2) Does either of the following: 33

(a) Performs construction, improvement, or renovation on a 34
construction project with respect to the individual's or 35
contracting company's trade; 36

(b) Employs tradespersons who perform construction, 37
improvement, or renovation on a construction project with 38
respect to the individual's or contracting company's trades. 39

(C) "Contracting company" means a company in the 40
construction industry working on construction projects. 41

(D) "Licensed trade" means a trade performed by a heating, 42
ventilating, and air conditioning contractor, a refrigeration 43
contractor, an electrical contractor, a plumbing contractor, or 44
a hydronics contractor. 45

(E) "Tradesperson" means any individual who is employed by 46
a specialty contractor and who engages in construction, 47

improvement, renovation, repair, or maintenance of buildings or 48
structures without assuming responsibility for the means, 49
method, or manner of that construction, improvement, renovation, 50
repair, or maintenance. 51

(F) "Construction project" means a construction project 52
involving a building or structure subject to Chapter 3781. of 53
the Revised Code and the rules adopted under that chapter, but 54
not an industrialized unit ~~or a residential building~~ as defined 55
in section 3781.06 of the Revised Code or a residential 56
building. 57

(G) "Training agency" means an entity approved by the 58
administrative section of the board to provide continuing 59
education courses. 60

(H) "Home improvement" includes the repair, replacement, 61
remodeling, alteration, conversion, modernization, improvement, 62
rehabilitation, or sandblasting of, or the addition to, any 63
residential building. "Home improvement" does not include any of 64
the following: 65

(1) The construction of a new residential building; 66

(2) The sale of appliances such as stoves, refrigerators, 67
freezers, room air conditioners, and other appliances that are 68
designed for installation in, and are easily removable from, a 69
residential building without material alteration of the 70
residential building; 71

(3) Any work performed without compensation. 72

(I) "Home improvement contractor" means any individual who 73
undertakes, offers to undertake, or agrees to perform any home 74
improvement for an owner. 75

(J) "Owner" means the person who contracts with a home improvement contractor for a home improvement. "Owner" may include the owner of a residential building or a person the owner authorizes to act on the owner's behalf to contract for a home improvement. 76
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(K) "Residential building" has the same meaning as in section 3781.06 of the Revised Code. 81
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Sec. 4740.02. (A) There is hereby created within the 83
department of commerce, the Ohio construction industry licensing 84
board, consisting of ~~seventeen~~twenty-two residents of this 85
state. The board shall have an administrative section, a home 86
improvement section, and three specialty sections: a plumbing 87
and hydronics section, an electrical section, and a heating, 88
ventilating, air conditioning, and refrigeration section. The 89
director of commerce shall appoint all members of the board. The 90
director or the director's designee shall serve as a member of 91
the administrative section and the director shall appoint to the 92
section to represent the public, one member who is not a member 93
of any group certified by any section of the board. Each 94
section, other than the administrative section, shall annually 95
elect a member of its section to serve a one-year term on the 96
administrative section. 97

(B) The plumbing and hydronics section consists of five 98
members, one of whom is a plumbing inspector employed by the 99
department of commerce, a municipal corporation, or a health 100
district, two of whom are plumbing contractors who have no 101
affiliation with any union representing plumbers, and two of 102
whom are plumbing contractors who are signatories to agreements 103
with unions representing plumbers. 104

The plumbing and hydronics section has primary 105

responsibility for the licensure of plumbing contractors and 106
hydronics contractors. 107

(C) The electrical section consists of five members, one 108
of whom is an electrical inspector employed by the department of 109
commerce, a municipal corporation, or a county, two of whom are 110
electrical contractors who have no affiliation with any union 111
representing electricians, and two of whom are electrical 112
contractors who are signatories to agreements with unions 113
representing electricians. 114

The electrical section has primary responsibility for the 115
licensure of electrical contractors. 116

(D) The heating, ventilating, air conditioning, and 117
refrigeration section consists of five members, one of whom is a 118
heating, ventilating, air conditioning, and refrigeration 119
inspector employed by either the department of commerce or a 120
municipal corporation; two of whom are heating, ventilating, and 121
air conditioning contractors or refrigeration contractors who 122
have no affiliation with any union representing heating, 123
ventilating, and air conditioning tradespersons or refrigeration 124
tradespersons; and two of whom are heating, ventilating, and air 125
conditioning contractors or refrigeration contractors who are 126
signatories to agreements with unions representing heating, 127
ventilating, and air conditioning tradespersons or refrigeration 128
tradespersons. 129

The heating, ventilating, air conditioning, and 130
refrigeration section has primary responsibility for the 131
licensure of heating, ventilating, and air conditioning 132
contractors and refrigeration contractors. 133

(E) ~~Within~~ The home improvement section consists of five 134

members, one of whom is certified under section 3781.10 of the 135
Revised Code to inspect residential buildings, two of whom are 136
home improvement contractors registered under this chapter, and 137
two of whom are representatives of an association that 138
represents the interests of home improvement contractors. 139

The home improvement section has primary responsibility 140
for the registration of home improvement contractors. 141

(F) Not later than ninety days after July 31, 1992 142
the effective date of this amendment, initial appointments shall be 143
made to the home improvement section of the board. Of the 144
initial appointments to the board that section, two appointments 145
in each section, other than the administrative section, are 146
shall be for terms ending one year after July 31, 1992 147
2016, and two are shall be for terms ending two years after July 31, 1992. 148
All other appointments to the board are 2017, and one shall be 149
for terms a term ending three years after July 31, 1992 150
2018. Thereafter, terms of office of all appointed members of the 151
board are for three years, each term ending on the same day of 152
the same month of the year as did the term that it succeeds. 153
Each member shall hold office from the date of appointment until 154
the end of the term for which the member was appointed. Members 155
may be reappointed. Vacancies shall be filled in the manner 156
provided for original appointments. Any member appointed to fill 157
a vacancy occurring prior to the expiration of the term for 158
which the member's predecessor was appointed shall hold office 159
as a member for the remainder of that term. A member shall 160
continue in office subsequent to the expiration of a term until 161
a successor takes office or until a period of sixty days has 162
elapsed, whichever occurs first. 163

~~(F)~~ (G) Before entering upon the discharge of official 164

duties, each member shall take the oath of office required by 165
Section 7 of Article XV, Ohio Constitution. 166

~~(G)~~ (H) Each member, except for the director or the 167
director's designee, shall receive a per diem amount fixed 168
pursuant to section 124.15 of the Revised Code when actually 169
attending to matters of the board and for the time spent in 170
necessary travel, and all actual and necessary expenses incurred 171
in the discharge of official duties. 172

~~(H)~~ (I) The director of commerce may remove any member of 173
the board the director appoints for malfeasance, misfeasance, or 174
nonfeasance. 175

~~(I)~~ (J) Membership on the board and holding any office of 176
the board does not constitute holding a public office or 177
employment within the meaning of any section of the Revised 178
Code, or an interest, either direct or indirect, in a contract 179
or expenditure of money by the state or any municipal 180
corporation, township, special district, school district, 181
county, or other political subdivision. No member or officer of 182
the board is disqualified from holding any public office or 183
employment nor shall the officer or member forfeit any public 184
office or employment by reason of holding a position as an 185
officer or member of the board. 186

~~(J)~~ (K) The board, and each section of the board, shall 187
meet only after adequate advance notice of the meeting has been 188
given to each member of the board or section, as appropriate. 189

Sec. 4740.03. (A) The administrative section of the Ohio 190
construction industry licensing board annually shall elect from 191
among its members a chairperson and other officers as the board, 192
by rule, designates. The chairperson shall preside over meetings 193

of the administrative section or designate another member to 194
preside in the chairperson's absence. The administrative section 195
shall hold at least two regular meetings each year, but may meet 196
at additional times as specified by rule, at the call of the 197
chairperson, or upon the request of two or more members. A 198
majority of the members of the administrative section 199
constitutes a quorum for the transaction of all business. The 200
administrative section may not take any action without the 201
concurrence of at least ~~three~~four of its members. 202

(B) (1) The administrative section shall employ a 203
secretary, who is not a member of the board, to serve at the 204
pleasure of the administrative section, and shall fix the 205
compensation of the secretary. The secretary shall be in the 206
unclassified civil service of the state. 207

(2) The secretary shall do all of the following: 208

(a) Keep or set standards for and delegate to another 209
person the keeping of the minutes, books, and other records and 210
files of the board and each section of the board; 211

(b) Issue all licenses and registrations in the name of 212
the board; 213

(c) Send out all notices, including advance notices of 214
meetings of the board and each section of the board, and attend 215
to all correspondence of the board and each section of the 216
board, under the direction of the administrative section; 217

(d) Receive and deposit all fees payable pursuant to this 218
chapter into the industrial compliance operating fund created 219
pursuant to section 121.084 of the Revised Code; 220

(e) Perform all other duties incidental to the office of 221
the secretary or properly assigned to the secretary by the 222

administrative section of the board. 223

(3) Before entering upon the discharge of the duties of 224
the secretary, the secretary shall file with the treasurer of 225
state a bond in the sum of five thousand dollars, payable to the 226
state, to ensure the faithful performance of the secretary's 227
duties. The board shall pay the premium of the bond in the same 228
manner as it pays other expenditures of the board. 229

(C) Upon the request of the administrative section of the 230
board, the director of commerce shall supply the board and its 231
sections with personnel, office space, and supplies, as the 232
director determines appropriate. The administrative section of 233
the board shall employ any additional staff it considers 234
necessary and appropriate. 235

(D) The chairperson of the board or the secretary, or 236
both, as authorized by the board, shall approve all vouchers of 237
the board. 238

Sec. 4740.04. The administrative section of the Ohio 239
construction industry licensing board is responsible for the 240
administration of this chapter and shall do all of the 241
following: 242

(A) Schedule the specialty contractor examinations ~~each of~~ 243
~~that~~ the ~~other specialty~~ sections of the board directs. Each 244
type of examination shall be held at least four times per year. 245

(B) Select and contract with one or more persons to do all 246
of the following relative to the specialty contractor 247
examinations: 248

(1) Prepare, administer, score, and maintain the 249
confidentiality of the examinations; 250

(2) Be responsible for all the expenses required to fulfill division (B) (1) of this section;	251 252
(3) Charge an applicant a fee in an amount the administrative section of the board authorizes for administering the examination.	253 254 255
(C) Issue and renew licenses <u>and registrations</u> as follows:	256
(1) Issue a license to any individual who the appropriate specialty section of the board determines is qualified pursuant to section 4740.06 of the Revised Code to hold a license and has attained, within the twelve months preceding the individual's application for licensure, a score on the examination that the appropriate specialty section authorizes for the licensed trade.	257 258 259 260 261 262
(a) Each license shall include the <u>specialty contractor's</u> name, license number, expiration date, and the name of the contracting company associated with the individual, as applicable.	263 264 265 266
(b) Each license issued to an individual who holds more than one valid license shall contain the same license number and expiration date as the original license issued to that individual.	267 268 269 270
(2) Renew licenses for individuals who meet the renewal requirements of section 4740.06 of the Revised Code.	271 272
<u>(3) Issue and renew a registration as a home improvement contractor to an individual who meets the requirements of section 4740.18 of the Revised Code.</u>	273 274 275
(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	276 277 278

and expended by the board during the year; 279

(E) Keep a record ~~containing~~ of every individual issued a 280
license or registration pursuant to this chapter, including the 281
individual's name, address, the date on which the board issues 282
~~or renews a license to~~ license or registration was issued, and 283
the individual's license or registration number of, every 284
~~heating, ventilating, and air conditioning contractor,~~ 285
~~refrigeration contractor, electrical contractor, plumbing~~ 286
~~contractor, and hydronics contractor issued a license pursuant~~ 287
~~to this chapter;~~ 288

(F) Regulate ~~a contractor's~~ the use and display of a 289
license or registration issued pursuant to this chapter and of 290
any information contained in that license or registration; 291

(G) Adopt rules in accordance with Chapter 119. of the 292
Revised Code as necessary to properly discharge the 293
administrative section's duties under this chapter. The rules 294
shall include, but not be limited to, the following: 295

(1) Application procedures for specialty contractor 296
examinations; 297

(2) Specifications for continuing education requirements 298
for license renewal that address all of the following: 299

(a) A requirement that an individual who holds any number 300
of valid and unexpired licenses accrue a total of ten hours of 301
continuing education courses per year; 302

(b) Fees the board charges to persons who provide 303
continuing education courses, in an amount of twenty-five 304
dollars annually for each person approved to provide courses, 305
not more than ten dollars plus one dollar per credit hour for 306
each course submitted to a specialty section of the board for 307

approval according to division (F) of section 4740.05 of the Revised Code, and one dollar per credit hour of instruction per attendee;

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

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

(4) Requirements regarding the financial liability insurance or surety bond that an applicant must hold to be eligible for registration as a home improvement contractor under section 4740.18 of the Revised Code.

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

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

Sec. 4740.05. Each specialty section and the home improvement section of the Ohio construction industry licensing board, ~~other than the administrative section,~~ shall do all of the following, as applicable:

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

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

(2) Criteria for the section to use in deciding whether to issue, ~~or renew,~~ a license or to suspend, revoke, or refuse to issue or renew a license or registration;

(3) The determinations and approvals the specialty section 335
makes under the reciprocity provision of section 4740.08 of the 336
Revised Code; 337

(4) Criteria for continuing education courses that are 338
required for license renewal and are conducted pursuant to this 339
chapter; 340

(5) A requirement that any training agency seeking 341
approval to provide continuing education courses submit the 342
required information to the appropriate specialty section of the 343
board at least thirty days, but not more than one year, prior to 344
the date on which the course is proposed to be offered; 345

(6) A prohibition against any training agency providing a 346
continuing education course unless the administrative section of 347
the board approved that training agency not more than one year 348
prior to the date the course is offered; 349

(7) A list of disqualifying offenses pursuant to sections 350
4740.06, 4740.10, and 4776.10 of the Revised Code. 351

(B) Investigate allegations in reference to violations of 352
this chapter and the rules adopted pursuant to it that pertain 353
to the ~~specialty~~ section and determine by rule a procedure to 354
conduct investigations and hearings on these allegations; 355

(C) Maintain a record of its proceedings; 356

(D) Grant approval to a training agency to offer 357
continuing education courses for license renewal pursuant to 358
rules the board adopts; 359

(E) As required, do all things necessary to carry out this 360
chapter; 361

(F) Establish or approve a continuing education curriculum 362

for license renewal for each class of specialty contractors for 363
which the specialty section has primary responsibility. No 364
curriculum may require more than five hours per year in specific 365
course requirements. No specialty contractor may be required to 366
take more than ten hours per year in continuing education 367
courses. The ten hours shall be the aggregate of hours of 368
continuing education for all licenses the specialty contractor 369
holds. 370

(G) Design the examination for the type of specialty 371
contractor the specialty section licenses to determine an 372
applicant's competence to perform that type of specialty 373
contracting. 374

Sec. 4740.06. (A) Any individual who applies for a license 375
as a specialty contractor shall file a written application with 376
the appropriate specialty section of the Ohio construction 377
industry licensing board, accompanied with the application fee 378
as determined pursuant to section 4740.09 of the Revised Code. 379
The application shall be on the form the specialty section 380
prescribes and verified by the applicant's oath. The applicant 381
shall provide information satisfactory to the specialty section 382
showing that the applicant meets the requirements of division 383
(B) of this section. 384

(B) To qualify to take an examination, an individual 385
shall: 386

(1) Be at least eighteen years of age; 387

(2) Be a United States citizen or legal alien who produces 388
valid documentation to demonstrate the individual is a legal 389
resident of the United States; 390

(3) Either have been a tradesperson in the type of 391

licensed trade for which the application is filed for not less 392
than five years immediately prior to the date the application is 393
filed, be a currently registered engineer in this state with 394
three years of business experience in the construction industry 395
in the trade for which the engineer is applying to take an 396
examination, or have other experience acceptable to the 397
appropriate specialty section of the board; 398

(4) Maintain contractor's liability insurance in an amount 399
the appropriate specialty section of the board determines and 400
only in one contracting company name; 401

(5) Not have done any of the following: 402

(a) Been convicted of or pleaded guilty to a crime of 403
moral turpitude or a disqualifying offense as those terms are 404
defined in section 4776.10 of the Revised Code; 405

(b) Violated this chapter or any rule adopted pursuant to 406
it; 407

(c) Obtained or renewed a license issued pursuant to this 408
chapter, or any order, ruling, or authorization of the board or 409
a specialty section of the board by fraud, misrepresentation, or 410
deception; 411

(d) Engaged in fraud, misrepresentation, or deception in 412
the conduct of business. 413

(C) When an applicant for licensure as a specialty 414
~~contractor in a licensed trade~~ meets the qualifications set 415
forth in division (B) of this section and passes the required 416
examination, the appropriate specialty section of the board, 417
within ninety days after the application was filed, shall 418
authorize the administrative section of the board to license the 419
applicant for the type of ~~contractor's~~ license for which the 420

applicant qualifies. A specialty section of the board may 421
withdraw its authorization to the administrative section for 422
issuance of a license for good cause shown, on the condition 423
that notice of that withdrawal is given prior to the 424
administrative section's issuance of the license. 425

(D) (1) Except as provided in division (D) (2) of this 426
section, if an applicant does not pass the required examination, 427
the applicant may retake the examination not less than sixty 428
days after the applicant's most recent examination. 429

(2) An applicant who does not pass the required 430
examination after taking the examination five times under this 431
section shall reapply for a license under division (A) of this 432
section before retaking the required examination any subsequent 433
time. 434

(E) All licenses a specialty contractor holds pursuant to 435
this chapter shall expire annually on the same date, which shall 436
be the expiration date of the original license the specialty 437
contractor holds. An individual holding a valid, unexpired 438
license may renew the license, without reexamination, by 439
submitting an application to the appropriate specialty section 440
of the board not more than ninety calendar days before the 441
expiration of the license, along with the renewal fee the 442
specialty section requires and proof of compliance with the 443
applicable continuing education requirements. The applicant 444
shall provide information in the renewal application 445
satisfactory to demonstrate to the appropriate specialty section 446
that the applicant continues to meet the requirements of 447
division (B) of this section. 448

Upon application and within one calendar year after a 449
license has expired, a specialty section may waive any of the 450

requirements for renewal of a license upon finding that an 451
applicant substantially meets the renewal requirements or that 452
failure to timely apply for renewal is due to excusable neglect. 453
A specialty section that waives requirements for renewal of a 454
license may impose conditions upon the licensee and assess a 455
late filing fee of not more than double the usual renewal fee. 456
An applicant shall satisfy any condition the specialty section 457
imposes before a license is reissued. 458

(F) An individual holding a valid license may request the 459
specialty section of the board that authorized that license to 460
place the license in inactive status under conditions, and for a 461
period of time, as that specialty section determines. 462

(G) Except for the ninety-day extension provided for a 463
license assigned to a contracting company under division (D) of 464
section 4740.07 of the Revised Code, a license held by an 465
individual immediately terminates upon the death of the 466
individual. 467

(H) Nothing in any license issued by the Ohio construction 468
industry licensing board shall be construed to limit or 469
eliminate any requirement of or any license issued by the Ohio 470
fire marshal. 471

(I) (1) Subject to divisions (I) (2), (3), and (4) of this 472
section, no specialty section of the board shall adopt, 473
maintain, renew, or enforce any rule, or otherwise preclude in 474
any way, an individual from receiving or renewing a license 475
under this chapter due to any past criminal activity or 476
interpretation of moral character, except as pursuant to 477
division (B) (5) (a) of this section. If the specialty section 478
denies an individual a license or license renewal, the reasons 479
for such denial shall be put in writing. 480

(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 specialty 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 specialty 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 specialty section, prior to September 28, 2012, was required or authorized to deny the application based on that offense.

In all other circumstances, the specialty 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 specialty 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 individual was initially licensed, or after the most recent license renewal.

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

~~(I)~~(J) Notwithstanding divisions ~~(D)~~(E) and ~~(H)~~(I) of this

section and sections 4740.04 and 4740.05 of the Revised Code, 511
the board may establish rules that amend the continuing 512
education requirements and license renewal schedule for 513
licensees as provided in or adopted pursuant to those sections 514
for the purpose of establishing a compliance incentive program. 515
These rules may include provisions for the creation of the 516
program and the qualifications, continuing education 517
requirements, and renewal schedule for the program. 518

Sec. 4740.061. (A) As used in this section, "license" and 519
"applicant for an initial license" have the same meanings as in 520
section 4776.01 of the Revised Code, except that "license" as 521
used in both of those terms refers to the types of 522
authorizations otherwise issued or conferred under this chapter. 523

(B) In addition to any other eligibility requirement set 524
forth in this chapter, each applicant for an initial license or 525
registration shall comply with sections 4776.01 to 4776.04 of 526
the Revised Code. The Ohio construction industry licensing board 527
shall not grant a license or registration to an applicant for an 528
initial license or registration unless the applicant complies 529
with sections 4776.01 to 4776.04 of the Revised Code and the 530
board, in its discretion, decides that the results of the 531
criminal records check do not make the applicant ineligible for 532
a license or registration issued pursuant to section 4740.04 or 533
4740.08 of the Revised Code. 534

Sec. 4740.07. (A) Except as otherwise provided in this 535
section, the administrative section of the Ohio construction 536
industry licensing board shall issue and renew all licenses and 537
registrations under this chapter in the name of the individual 538
who meets the requirements of section 4740.06 or 4740.18, as 539
applicable, of the Revised Code. 540

(B) ~~All individuals~~ (1) An individual applying for a 541
license or registration under this chapter shall request, at the 542
time of applying for a license or registration that the 543
individual's license or registration be assigned as follows: 544

(a) In the case of an individual applying for a license as 545
a specialty contractor, to a contracting company with whom the 546
individual is employed; 547

(b) In the case of an individual who is employed by a 548
business entity and is applying for registration as a home 549
improvement contractor, to the business entity with whom the 550
individual is employed. 551

~~If~~ (2) If the individual is issued a license or 552
registration and meets the requirements of this section for the 553
assignment of the license or registration to a contracting 554
company or business entity, the administrative section shall 555
assign the license or registration to and issue a license or 556
registration in the name of the contracting company or business 557
entity. The license or registration assigned and issued to a 558
contracting company or business entity under this division shall 559
state the name and position of the individual who assigned the 560
license or registration to the contracting company or business 561
entity. If a license is not assigned to a contracting company in 562
accordance with this division, the appropriate specialty section 563
of the board shall place that license in inactive status. 564

(C) During the period a contracting company or business 565
entity holds a license or registration issued under division (B) 566
of this section, the administrative section shall not issue 567
another license or registration to the individual who assigned 568
the license or registration to the contracting company or 569
business entity for the same type of contracting for which the 570

contracting company or business entity utilizes the assigned 571
license or registration. 572

(D) (1) If a contractor who assigned a license or 573
registration to a contracting company or business entity under 574
division (B) of this section ceases to be associated with the 575
contracting company or business entity for any reason, including 576
the death of the contractor, the contractor ~~or,~~ contracting 577
company, or business entity, as applicable, immediately shall 578
notify the appropriate ~~specialty~~ section of the board of the 579
date on which the contractor ceased to be associated with the 580
contracting company or business entity. Such a license or 581
registration assignment is invalid according to the following, 582
as applicable: 583

(a) Ninety calendar days after the death of the 584
contractor; 585

(b) Ninety calendar days after the contractor completes a 586
change of company form; 587

(c) At an earlier time to which the contracting company or 588
business entity and the contractor agree. 589

(2) If a license or registration assignment made to a 590
contracting company or business entity becomes invalid pursuant 591
to division (D) (1) of this section and another individual has 592
assigned a license or registration to the contracting company or 593
business entity for the same type of contracting for which the 594
invalidated license or registration assignment had been made, 595
the contracting company or business entity may continue to 596
operate under the other assigned license or registration. 597

(E) Any work a contracting company or business entity 598
conducts under the license or registration assigned under this 599

section or displayed under division (F) of section 4740.04 of 600
the Revised Code is deemed to be conducted under the personal 601
supervision of the individual named in the license or 602
registration and any violation of any term of the license or 603
registration is deemed to have been committed by the individual 604
named in the license or registration. 605

(F) No individual who assigns a license or registration to 606
a contracting company or business entity shall assign a license 607
or registration for the same type of contracting to another 608
contracting company or business entity until the original 609
license or registration assignment is invalid pursuant to 610
division (D) of this section. 611

(G) Any individual who assigns a license or registration 612
to a contracting company or business entity under this section 613
shall be actively engaged in business as the type of contractor 614
for which the license or registration is issued and be readily 615
available for consultation with the contracting company or 616
business entity to which the license or registration is 617
assigned. 618

(H) No license or registration assigned under this section 619
shall be assigned to more than one contracting company or 620
business entity at a time. 621

Sec. 4740.08. When a written reciprocity agreement between 622
the states exists, and an individual who is registered, 623
licensed, or certified in another state applies to the 624
appropriate specialty section of the Ohio construction industry 625
licensing board submits a copy of the reciprocity agreement, and 626
pays the licensure fee determined pursuant to section 4740.09 of 627
the Revised Code, the appropriate specialty section of the board 628
shall authorize the administrative section to issue, without 629

examination, a license as a specialty contractor to that 630
individual if the appropriate specialty section of the board 631
determines, pursuant to rules it adopts, that the requirements 632
for registration, licensure, or certification under the laws of 633
the other state are substantially equal to the requirements for 634
licensure in this state and that the other state extends similar 635
reciprocity to persons licensed under this chapter. The 636
appropriate specialty section of the board may withdraw its 637
authorization to the administrative section for issuance of a 638
license for good cause prior to the administrative section's 639
issuance of the license. 640

Sec. 4740.09. The fees for licenses or registrations and 641
their renewal, including late fees, subject to the approval of 642
the controlling board, shall be determined by each respective 643
specialty section and the home improvement section of the Ohio 644
construction industry licensing board. Each respective ~~specialty~~ 645
~~section of the board~~ may increase these fees, provided that no 646
increase exceeds fifty per cent of the lowest fee determined by 647
that section ~~of the board~~ during the three-year period 648
immediately preceding an increase, and further provided that no 649
increase is made more than once a year. 650

Sec. 4740.10. (A) ~~A specialty~~ The appropriate section of 651
the Ohio construction industry licensing board may impose any of 652
the following, or any combination of the following, disciplinary 653
actions against an applicant for or license the holder of a 654
license or registration issued under this chapter, as 655
applicable, for committing an act listed in division (B) of this 656
section: 657

(1) Suspend, revoke, or refuse to issue any license or 658
registration; 659

- (2) Require a license holder to complete additional 660
continuing education hours; 661
- (3) Issue a fine. 662
- (B) (1) An applicant for or ~~licensee~~ the holder of a 663
license or registration shall be subject to disciplinary action 664
as prescribed under division (A) of this section for any of the 665
following: 666
- (a) Having been convicted of or pleading guilty to a crime 667
of moral turpitude or disqualifying offense as those terms are 668
defined in section 4776.10 of the Revised Code; 669
- (b) Violating any provision of this chapter; 670
- (c) Violating any rule adopted pursuant to this chapter; 671
- (d) Obtaining or attempting to obtain a license or 672
registration or a renewal of such license or registration 673
pursuant to this chapter by means of fraud, deception, or 674
misrepresentation; 675
- (e) Obtaining an order, ruling, or authorization from any 676
section of the board by means of fraud or misrepresentation; 677
- (f) Engaging in fraud, misrepresentation, or deception in 678
the conduct of business; 679
- (g) Transferring the person's license or registration to 680
another person without the approval of the appropriate ~~specialty~~ 681
section; 682
- (h) (i) Allowing the person's license or registration to be 683
used by an unlicensed or unregistered person or entity; 684
- (ii) Division (B) (1) (h) (i) of this section does not apply 685
to a contracting company or business entity that has been 686

assigned a license or registration under section 4740.07 of the Revised Code. 687
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(i) Failing to comply with a disciplinary action imposed by the appropriate ~~specialty~~ section; 689
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(j) Failing to maintain liability insurance or a surety bond, as applicable, throughout the license or registration year, unless in the case of a license as a specialty contractor, the license has properly been placed in inactive status under section 4740.06 of the Revised Code. 691
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(2) The appropriate ~~specialty~~ section of the board may take disciplinary action against an applicant or license or registration holder as prescribed under division (A) of this section upon receiving notice that a municipal corporation or any other governmental agency has suspended or revoked the local contracting license or registration of an individual ~~or,~~ contracting company, or business entity that also holds a license or registration pursuant to this chapter. 696
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(C) The appropriate specialty sections shall direct the administrative section to refuse to issue any license as a specialty contractor to an applicant upon a finding by the appropriate specialty section that the applicant has done either of the following: 704
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(1) Had another person take the required examination for the applicant; 709
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(2) Failed to pass the required examination. 711

(D) If an individual fails to request a hearing within thirty days after the date a ~~specialty~~ section, in accordance with section 119.07 of the Revised Code, notifies the individual of the board's intent to impose a disciplinary action against 712
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the individual under division (A) of this section, the ~~specialty~~ 716
section, by a majority vote of a quorum of the section members, 717
may impose the action against the individual without holding an 718
adjudication hearing. 719

Sec. 4740.101. On receipt of a notice pursuant to section 720
3123.43 of the Revised Code, the Ohio construction industry 721
licensing board shall comply with sections 3123.41 to 3123.50 of 722
the Revised Code and any applicable rules adopted under section 723
3123.63 of the Revised Code with respect to a license or 724
registration issued pursuant to this chapter. 725

Sec. 4740.12. (A) No political subdivision, district, 726
county or municipal building department, or agency of the state 727
may adopt an ordinance or rule that requires specialty 728
contractor registration and the assessment of a registration or 729
license fee unless that ordinance or rule also requires any 730
specialty contractor who registers and pays the registration or 731
license fee to be licensed in the contractor's trade pursuant to 732
this chapter. 733

(B) Except as provided in division (A) of this section, 734
nothing in this chapter shall be construed to limit the 735
operation of any statute or rule of this state or any ordinance 736
or rule of any political subdivision, district, or agency of the 737
state that does either of the following: 738

(1) Regulates the installation, repair, maintenance, or 739
alteration of plumbing systems, hydronics systems, electrical 740
systems, heating, ventilating, and air conditioning systems, or 741
refrigeration systems; 742

(2) Requires the registration and assessment of a 743
registration or license fee of tradespersons who perform 744

heating, ventilating, and air conditioning, refrigeration, 745
electrical, plumbing, or hydronics construction, improvement, 746
renovation, repair, or maintenance. 747

Sec. 4740.13. (A) No person shall act as or claim to be a 748
type of specialty contractor that this chapter licenses unless 749
that person holds or has been assigned a license issued pursuant 750
to this chapter for the type of specialty contractor that person 751
is acting as or claiming to be. 752

(B) No person shall act as a home improvement contractor 753
unless the person is registered as a home improvement contractor 754
under this chapter. 755

(C) No person shall advertise or otherwise hold the person 756
out as a home improvement contractor unless the person is 757
registered as a home improvement contractor under this chapter. 758

(D) Upon the request of the appropriate ~~specialty~~-section 759
of the Ohio construction industry licensing board, the attorney 760
general may bring a civil action for appropriate relief, 761
including but not limited to a temporary restraining order or 762
permanent injunction in the court of common pleas of the county 763
where the unlicensed or unregistered person resides or is acting 764
as or claiming to be a licensed specialty contractor or 765
registered home improvement contractor. 766

~~(C)~~-(E) A specialty contractor licensed under this chapter 767
may install, service, and maintain the related or interfaced 768
control wiring for equipment and devices related to their 769
specific license, on the condition that the control wiring is 770
less than twenty-five volts. 771

~~(D)~~-(F) A person is not an electrical contractor subject 772
to licensure under this chapter for work that is limited to the 773

construction, improvement, renovation, repair, testing, or 774
maintenance of the following systems using less than fifty volts 775
of electricity: fire alarm or burglar alarm, cabling, tele-data 776
sound, communication, and landscape lighting and irrigation. 777

Sec. 4740.131. Nothing in this chapter shall be construed 778
to prohibit a specialty contractor from leasing, on a temporary 779
or permanent basis, an employee from a professional employer 780
organization, as defined by section 4125.01 of the Revised Code, 781
or from a temporary agency to perform work under the direct 782
supervision of the specialty contractor. 783

Sec. 4740.15. If a check or other draft instrument used to 784
pay any fee required by this chapter is returned as unpaid for 785
insufficient funds or any other reason, the board secretary 786
shall notify the licensee or registrant that the check or other 787
draft instrument was returned and that the ~~licensee's holder's~~ 788
license or registration will be canceled unless the licensee or 789
registrant, within fifteen days after the mailing of the notice, 790
submits the fee and a penalty in an amount the board establishes 791
by rules it adopts pursuant to Chapter 119. of the Revised Code. 792
If the licensee or registrant does not submit the fee and the 793
penalty within the time specified, or if any check or other 794
draft instrument used to pay either the fee or the penalty is 795
returned to the board secretary for insufficient funds or any 796
other reason, the license or registration shall be canceled 797
immediately without a hearing and the licensee or registrant 798
shall cease activity as a licensee or registrant under this 799
chapter until both the fee and the penalty have been paid. 800

Sec. 4740.16. (A) An investigator appointed by the 801
director of commerce, on behalf of the appropriate specialty 802
section or the home improvement section of the Ohio construction 803

industry licensing board may investigate any person who 804
allegedly has violated section 4740.13 of the Revised Code. If, 805
after an investigation pursuant to section 4740.05 of the 806
Revised Code, the ~~appropriate specialty~~ section determines that 807
reasonable evidence exists that a person has violated section 808
4740.13 of the Revised Code, the ~~appropriate specialty~~ section 809
shall send a written notice to that person in the same manner as 810
prescribed in section 119.07 of the Revised Code for licensees 811
and registrants. 812

(B) The appropriate specialty section or the home 813
improvement section shall hold a hearing regarding the alleged 814
violation in the same manner prescribed for an adjudication 815
hearing under section 119.09 of the Revised Code. If the 816
~~appropriate specialty~~ section, after the hearing, determines a 817
violation has occurred, the ~~appropriate specialty~~ section, upon 818
an affirmative vote of a majority of its members, may impose a 819
fine on the person, not exceeding one thousand dollars per 820
violation per day and may file a complaint against the person 821
with the appropriate local prosecutor for criminal prosecution. 822
The ~~appropriate specialty~~ section's determination is an order 823
that the person may appeal in accordance with section 119.12 of 824
the Revised Code. 825

(C) If the appropriate specialty section or the home 826
improvement section assesses a person a civil penalty for a 827
violation of section 4740.13 of the Revised Code and the person 828
fails to pay that civil penalty within the time period 829
prescribed by the ~~appropriate specialty~~ section, the ~~appropriate~~ 830
~~specialty~~ section shall forward to the attorney general the name 831
of the person and the amount of the civil penalty for the 832
purpose of collecting that civil penalty. In addition to the 833
civil penalty assessed pursuant to this section, the person also 834

shall pay any fee assessed by the attorney general for 835
collection of the civil penalty. 836

(D) If a person fails to request a hearing within thirty 837
days after the date the appropriate specialty section or the 838
home improvement section, in accordance with section 119.07 of 839
the Revised Code, notifies the person of the section's intent to 840
act against the person under division (A) of this section, the 841
section, by majority vote of a quorum of the section members, 842
may take the action against a person without holding an 843
adjudication hearing. 844

Sec. 4740.18. (A) A person seeking registration as a home 845
improvement contractor shall submit an application to the Ohio 846
construction industry licensing board on a form prescribed by 847
the board. The board shall issue a registration as a home 848
improvement contractor to an applicant who meets all of the 849
following requirements: 850

(1) Is at least eighteen years of age; 851

(2) Pays the board any required fees determined pursuant 852
to section 4740.09 of the Revised Code; 853

(3) Has a permanent place of business in this state and 854
submits to the board the address of the permanent place of 855
business; 856

(4) Has liability insurance or a surety bond in an amount 857
specified in rules adopted by the board under section 4740.04 of 858
the Revised Code; 859

(5) Is determined eligible for registration by the board 860
pursuant to section 4740.061 of the Revised Code. 861

(B) Each registration shall include the home improvement 862

contractor's name, registration number, the expiration date of 863
the registration, and the name of the business entity with whom 864
the contractor is employed, as applicable. 865

(C) A registration issued under this section expires 866
annually and may be renewed. The board shall renew a 867
registration if the applicant submits an application for renewal 868
to the board on a form prescribed by the board and does both of 869
the following: 870

(1) Meets the requirements of division (A) of this 871
section; 872

(2) Demonstrates compliance with this chapter and the 873
rules adopted under it. 874

Sec. 4740.19. A person registered as a home improvement 875
contractor under this chapter shall present a copy of the 876
contractor's registration to a consumer before performing or 877
offering to perform any home improvement services for the 878
consumer. 879

Sec. 4740.20. Nothing in section 4740.18 or 4740.19 of the 880
Revised Code shall create a basis for any claim or cause of 881
action against the state, the Ohio construction industry 882
licensing board, or the board's employees regarding the 883
relationship between a consumer and a home improvement 884
contractor registered under this chapter. 885

Sec. 4740.21. The department of commerce shall implement a 886
statewide public campaign to inform consumers of the requirement 887
established by section 4740.19 of the Revised Code by utilizing 888
print and television public service announcements and by posting 889
information on the web site maintained by the department. 890

Sec. 4740.99. (A) Whoever violates division (A) of section 891

4740.13 of the Revised Code is guilty of a minor misdemeanor on 892
the first violation and a misdemeanor of the fourth degree on 893
subsequent violations. 894

(B) Whoever knowingly violates division (B) or (C) of 895
section 4740.13 of the Revised Code is guilty of a misdemeanor 896
of the first degree. 897

Section 2. That existing sections 4740.01, 4740.02, 898
4740.03, 4740.04, 4740.05, 4740.06, 4740.061, 4740.07, 4740.08, 899
4740.09, 4740.10, 4740.101, 4740.12, 4740.13, 4740.131, 4740.15, 900
4740.16, and 4740.99 of the Revised Code are hereby repealed. 901

Section 3. All items in this section are hereby 902
appropriated as designated out of any moneys in the state 903
treasury to the credit of the designated fund. For all 904
appropriations made in this act, those in the first column are 905
for fiscal year 2014 and those in the second column are for 906
fiscal year 2015. The appropriations made in this act are in 907
addition to any other appropriations made for the FY 2014-FY 908
2015 biennium. 909

COM DEPARTMENT OF COMMERCE 910

General Revenue Fund Group 911

GRF 800XXX Home Improvement \$ 0 \$ 1,000,000 912

Public Awareness 913

Campaign 914

TOTAL GRF General Revenue Fund \$ 0 \$ 1,000,000 915

Group 916

TOTAL ALL BUDGET FUND GROUPS \$ 0 \$ 1,000,000 917

HOME IMPROVEMENT PUBLIC AWARENESS CAMPAIGN 918

The foregoing appropriation item 800XXX, Home Improvement Public Awareness Campaign, shall be used for the statewide public campaign described in section 4740.21 of the Revised Code.

Section 4. Within the limits set forth in this act, the Director of Budget and Management shall establish accounts indicating the source and amount of funds for each appropriation made in this act, and shall determine the form and manner in which appropriation accounts shall be maintained. Expenditures from appropriations contained in this act shall be accounted for as though made in Am. Sub. H.B. 59 of the 130th General Assembly. The appropriations made in this act are subject to all provisions of Am. Sub. H.B. 59 of the 130th General Assembly that are generally applicable to such appropriations.

Section 5. Divisions (B) and (C) of section 4740.13 of the Revised Code, as amended by this act, shall take effect one year after the effective date of this act.

Section 6. Divisions (B) and (C) of section 4740.13 of the Revised Code do not apply to the first terms of the home improvement contractors who are initially appointed to the Ohio construction industry licensing board.

Section 7. Section 4740.06 of the Revised Code is presented in this act as a composite of the section as amended by both Am. Sub. H.B. 486 and Sub. S.B. 78 of the 130th General Assembly. The General Assembly, applying the principle stated in division (B) of section 1.52 of the Revised Code that amendments are to be harmonized if reasonably capable of simultaneous operation, finds that the composite is the resulting version of the section in effect prior to the effective date of the section as presented in this act.