

1 SB242
2 199714-4
3 By Senators Givhan, Price and Gudger
4 RFD: Fiscal Responsibility and Economic Development
5 First Read: 04-APR-19

1 SB242

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4 ENROLLED, An Act,

5 Relating to the Home Builders Licensure Board; to
6 amend Sections 34-14A-1, 34-14A-2, 34-14A-3, and 34-14A-12,
7 Code of Alabama 1975, and to add Section 34-14A-20 to the Code
8 of Alabama 1975, to develop a statewide program to increase
9 the availability of construction trade education; to create
10 the Alabama Construction Trade Advisory Council; to develop a
11 statewide program to provide for the availability of
12 construction trade educational grants; to provide for the
13 administration of the program; to require the board to adopt
14 guidelines for the program; and to require the board to
15 establish an application process for the review of
16 applications for grants and the distribution of monies through
17 the program.

18 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

19 Section 1. Sections 34-14A-1, 34-14A-2, 34-14A-3,
20 and 34-14A-12, Code of Alabama 1975, are amended to read as
21 follows:

22 "§34-14A-1.

23 "In the interest of the public health, safety,
24 welfare, and consumer protection and to regulate the home
25 building and private residence construction industry, the

1 purpose of this chapter, and the intent of the Legislature in
2 passing it, is to provide for the licensure of those persons
3 who engage in home building, private residence construction,
4 and home improvement industries, including remodeling, and to
5 provide home building standards and to support education
6 within the construction trades in the State of Alabama. The
7 Legislature recognizes that the home building and home
8 improvement construction industries are significant
9 industries. Home builders may pose significant harm to the
10 public when unqualified, incompetent, or dishonest home
11 builders and remodelers provide inadequate, unsafe, or
12 inferior building services. The Legislature finds it necessary
13 to regulate the residential home building and home improvement
14 industries.

15 "§34-14A-2.

16 "As used in this chapter, the following terms shall
17 have the following meanings, respectively, unless the context
18 clearly indicates otherwise:

19 "(1) ADVISORY COUNCIL. The Alabama Construction
20 Trade Advisory Council.

21 "~~(1)~~ (2) BOARD. The Home Builders Licensure Board.

22 "~~(2)~~ (3) COST OF THE UNDERTAKING. The total cost of
23 the materials, labor, supervision, overhead, and profit.

24 "~~(3)~~ (4) HOMEOWNER. A person who owns and resides in
25 or intends to reside in a structure constructed or remodeled

1 by a licensee of the board, or who contracts with a licensee
2 for the purchase, construction, repair, improvement, or
3 reimprovement of a structure to be used as a residence.

4 "~~(4)~~ (5) IMPROVEMENT. Any site-built addition or
5 enhancement attached to or detached from a residence or
6 structure for use and enjoyment by the homeowner.

7 "~~(5)~~ (6) INACTIVE LICENSE. A license issued at the
8 request of a licensee, or a building official or a building
9 inspector, that is renewable, but that is not currently valid.

10 "~~(6)~~ (7) LICENSE. Any license issued by the board
11 pursuant to this chapter.

12 "~~(7)~~ (8) LICENSEE. A holder of any license issued
13 pursuant to this chapter.

14 "~~(8)~~ (9) PERSON. Any natural person, limited or
15 general partnership, corporation, association, limited
16 liability company, or other legal entity, or any combination
17 thereof.

18 "~~(9)~~ (10) QUALIFYING REPRESENTATIVE. The individual
19 designated by a general partnership, limited partnership,
20 corporation, limited liability company, or not-for-profit
21 organization applying for a license who either holds a license
22 individually or meets the experience and ability requirements
23 for licensure, and who is one of the following:

24 "a. A general partner in the case of any
25 partnership.

1 "b. An officer in the case of a corporation.

2 "c. A member in the case of a member-managed limited
3 liability company.

4 "d. A manager in the case of a manager-managed
5 limited liability company.

6 "~~(10)~~ (11) RESIDENCE. A single unit providing
7 complete independent residential living facilities for one or
8 more persons, including permanent provisions for living,
9 sleeping, eating, cooking, and sanitation.

10 "~~(11)~~ (12) RESIDENTIAL HOME BUILDER. A person who
11 constructs a residence or structure for sale or who, for a
12 fixed price, commission, fee, or wage, undertakes or offers to
13 undertake the construction or superintending of the
14 construction, or who manages, supervises, assists, or provides
15 consultation to a homeowner regarding the construction or
16 superintending of the construction, of any residence or
17 structure that is not over three floors in height and that
18 does not have more than four residential units, or the repair,
19 improvement, or reimprovement thereof, to be used by another
20 as a residence when the cost of the undertaking exceeds ten
21 thousand dollars (\$10,000). Notwithstanding the foregoing, the
22 term includes a residential roofer when the cost of the
23 undertaking exceeds two thousand five hundred dollars
24 (\$2,500). Nothing herein shall prevent any person from
25 performing these acts on his or her own residence or on his or

1 her other real estate holdings. Anyone who engages or offers
2 to engage in any acts described in this subdivision, through
3 advertising or otherwise, shall be deemed to have engaged in
4 the business of residential home building.

5 "~~(12)~~ (13) RESIDENTIAL ROOFER. A person who installs
6 products or repairs surfaces on the external upper covering of
7 a residence or structure that seals, waterproofs, or
8 weatherproofs the residence or structure.

9 "~~(13)~~ (14) STRUCTURE. A residence on a single lot,
10 including a site-built home, a condominium, a duplex or
11 multi-unit residential building consisting of not more than
12 four residential units, or any improvement thereto.

13 "~~(14)~~ (15) TRANSACTION. The act of entering into a
14 contract with a licensee to engage in the business of
15 residential home building.

16 "§34-14A-3.

17 "There is established the Home Builders Licensure
18 Board to regulate the residential home building and
19 residential construction industry and to promote and expend
20 funds for the education and support of associated construction
21 trades. The board shall have nine members who shall be
22 appointed as follows: Three by the Governor, three by the
23 Lieutenant Governor, and three by the Speaker of the House of
24 Representatives, from a list of three qualified individuals
25 for each position, provided by the governing body of the Home

1 Builders Association of Alabama. Seven of the members shall be
2 residential home builders, as defined in this chapter, with at
3 least five years' experience as a residential home builder,
4 and each shall be a bona fide resident of the State of
5 Alabama. One member shall be a building official or inspector
6 currently employed by a city, county, or state governmental
7 entity and actively engaged in inspecting or regulating
8 residential construction in this state. One shall be a
9 consumer member of the general public not employed by or
10 affiliated with a licensee hereunder, and who has no spouse or
11 immediate family member employed by or affiliated with a
12 licensee hereunder. Each member of the board shall be a
13 citizen of this state, and the membership of the board shall
14 be inclusive and reflect the racial, gender, geographic,
15 urban/rural, and economic diversity of the state. Of the
16 initial members of this board, the appointing authorities
17 shall designate that each appointee shall serve for an initial
18 term of one, two, or three years, their terms of office
19 expiring on December 31, of the years. Subsequent terms shall
20 be for a period of three years. This appointing authority
21 shall make an appointment to fill a vacancy for the remainder
22 of any unexpired term from a list of three qualified persons
23 supplied by the governing body of the Home Builders
24 Association of Alabama. Each board member shall hold over

1 after the expiration of his or her term until his or her
2 successor shall be duly appointed and qualified.

3 "§34-14A-12.

4 "(a) The board is authorized to establish or adopt,
5 ~~or both,~~ residential building codes and standards of practice
6 for residential home builders within the state. A residential
7 building code or standard of practice adopted or established
8 by the board does not supersede or otherwise exempt
9 residential home builders from a local building law or code
10 adopted by the governing body of a county or municipality or
11 from a local or general law.

12 "(b) The county commissions of the several counties
13 are authorized and empowered to adopt building laws and codes
14 by ordinance which shall apply in the unincorporated areas of
15 the county. The building laws and codes of the county
16 commission shall not apply within any municipal police
17 jurisdiction, in which that municipality is exercising its
18 building laws or codes, without the express consent of the
19 governing body of that municipality. The building laws and
20 codes of the county commission may apply within the corporate
21 limits of any municipality with the express consent of the
22 governing body of the municipality. The county commission may
23 employ building inspectors to see that its laws or codes are
24 not violated and that the plans and specifications for
25 buildings are not in conflict with the ordinances of the

1 county and may exact fees to be paid by the owners of the
2 property inspected.

3 "(c) Utilizing the same authority and procedures as
4 municipalities pursuant to Sections 11-53A-20 to 11-53A-26,
5 inclusive, the county commission may condemn buildings, parts
6 of buildings, or structures dangerous to the public and
7 prohibit the use thereof and abate the same as a nuisance.

8 "(d) The county commissions, municipalities, and
9 other public entities ~~are hereby authorized to~~ may enter into
10 mutual agreements, compacts, and contracts for the
11 administration and enforcement of their respective building
12 laws and codes."

13 Section 2. Section 34-14A-20 is added to Chapter 14A
14 of Title 34, Code of Alabama 1975, to read as follows:

15 §34-14A-20.

16 (a) The Alabama Construction Trade Academy Fund is
17 established in the State Treasury. The fund shall be comprised
18 of federal, state, and private funding through direct
19 budgetary funding and grants for the expansion of construction
20 trade education. To the extent practicable, monies in the fund
21 shall be used to leverage other forms of funding from private
22 sources. A percentage of matching funds, as established by the
23 advisory council, must come from private, non-governmental
24 sources. The board may not use more than 15 percent of the
25 monies in the fund for administrative and operational costs

1 incurred in the implementation and administration of this
2 section.

3 (b) The board, in cooperation with public and
4 private sector partners, shall establish a program to provide
5 funding mechanisms for tool grants, program incentives,
6 supplies, mobile facilities, and other programs to support the
7 development and continuation of construction trade education
8 programs in the state.

9 (c) The board shall administer the program and shall
10 apply for funds from federal grant programs and other
11 applicable funding sources authorized by law.

12 (d) (1) The Alabama Construction Trade Advisory
13 Council is established. The advisory council shall consist of
14 the following members:

15 a. One member appointed by and currently serving on
16 the Home Builders Licensure Board.

17 b. One member appointed by and currently serving on
18 the State of Alabama Plumbers and Gas Fitters Examining Board.

19 c. One member appointed by and currently serving on
20 the Licensing Board for General Contractors.

21 d. One member appointed by and currently serving on
22 the State Board of Heating, Air Conditioning, and
23 Refrigeration Contractors.

24 e. One member appointed by and currently serving on
25 the Alabama Board of Electrical Contractors.

1 f. One appointee of the State Department of
2 Education who specializes in technical trade education.

3 g. One appointee of the Alabama Community College
4 System who specializes in technical trade education.

5 (2) Members of the advisory council shall be
6 appointed for a period of one year. Membership on the advisory
7 council shall be without compensation, except for
8 reimbursement of necessary travel expenses as is paid to state
9 employees for attending meetings and other necessary events of
10 the advisory council. Any expenses paid to a member of the
11 advisory council shall be paid by the member's appointing
12 authority.

13 (e) The advisory council shall make recommendations
14 to the board, and the board shall establish program
15 guidelines, promote the program statewide, evaluate
16 applications for funds, distribute funds, and monitor and
17 report the effect of the funding on the availability of
18 construction trade education. The board may adopt rules to
19 implement and administer this act.

20 (f) The advisory council shall recommend and the
21 board shall establish monitoring and accountability mechanisms
22 for projects receiving funding. Not later than the fifth
23 legislative day of each regular legislative session, the board
24 shall file a report to the Legislature on the projects funded,
25 the geographic distribution of projects funded, the private

1 sector participation rates in funded projects, the
2 administrative costs of the program, and the outcomes of the
3 program, including the number of students and adult learners
4 trained by each project funded through the program.

5 (g) The advisory council shall recommend and the
6 board shall create eligibility guidelines and provide project
7 funding through an application process. Projects eligible for
8 funding include the following:

9 (1) Mobile demonstration units that show the various
10 systems of a structure and how they interconnect.

11 (2) Tool and supply grants for public and private
12 educational providers that provide construction trade
13 education.

14 (3) Incentives for newly established construction
15 trade education courses, with priority given to carpentry
16 courses.

17 (4) Adult education initiatives that provide
18 continued learning opportunities through mobile training
19 facilities or distance learning opportunities with priority
20 focus on those serving underserved areas and widely offered
21 trainings.

22 (5) Any other proposal that in the opinion of the
23 board would address the need for construction trade education
24 in the state.

1 (h) An applicant may be a nonprofit organization,
2 not-for-profit entity, public school system, two-year college,
3 university, or other governmental entity. An applicant for
4 funding shall do all of the following:

5 (1) Demonstrate its capacity to successfully
6 implement the proposal.

7 (2) Demonstrate how the proposal shall positively
8 impact construction trade education in the state.

9 (3) Demonstrate private sector support through
10 matching funding.

11 (4) Establish an advisory council consisting of at
12 least three active trade representatives from the construction
13 trade being funded.

14 (5) Agree, for a period of not less than five years,
15 to comply with the following conditions:

16 a. Offer the courses funded through this section for
17 a period of not less than five years.

18 b. Comply with all data collection and reporting
19 requirements established by the board.

20 (i) In determining which qualified projects to fund,
21 the board shall consider all of the following factors:

22 (1) The level of private sector support for the
23 project.

24 (2) The level of need in the area in which the
25 funding is directed.

1 (3) The projected number of students that will be
2 served.

3 (4) The degree to which the project will have a
4 positive impact on the availability of construction trade
5 education in the area to be served.

6 (5) The degree to which the project will leverage
7 public and private sector funds.

8 (j) The board shall establish program guidelines
9 that require matching funds on all funded projects. A minimum
10 of 10 percent of matching funds shall be provided by private,
11 non-governmental sources. Total matching funds required may
12 not be required to exceed 25 percent of awarded state funds,
13 although additional consideration may be provided to projects
14 that exceed this amount.

15 (k) In the event that a recipient of funding
16 provided by this section fails to provide the proposed project
17 in accordance with the guidelines set forth by the board, any
18 equipment, supplies, or materials acquired with the funding
19 shall be transferred to the Alabama Home Builders Foundation
20 for redistribution to public or private programs that provide
21 construction trade education to high school, postsecondary, or
22 adult learners supported by this section.

23 (l) Any and all proceeds from the sale of equipment,
24 supplies, or materials acquired through academy funding shall
25 go into the fund.

1 Section 3. This act shall become effective on the
2 first day of the third month following its passage and
3 approval by the Governor, or its otherwise becoming law.

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President and Presiding Officer of the Senate

Speaker of the House of Representatives

SB242

Senate 07-MAY-19

I hereby certify that the within Act originated in and passed the Senate, as amended.

Patrick Harris,
Secretary.

House of Representatives
Amended and passed 30-MAY-19

Senate concurred in House amendment 30-MAY-19

By: Senator Givhan