

By: Representative Smith (39th)

To: Insurance; Judiciary B

HOUSE BILL NO. 856

1 AN ACT TO AMEND SECTION 73-59-1, MISSISSIPPI CODE OF 1972, TO
2 DEFINE INACTIVE RESIDENTIAL BUILDER AND INACTIVE REMODELER; TO
3 AMEND SECTION 73-39-3, MISSISSIPPI CODE OF 1972, TO REQUIRE ACTIVE
4 RESIDENTIAL BUILDERS AND REMODELERS TO HAVE LIABILITY AND WORKERS'
5 COMPENSATION INSURANCE; AND FOR RELATED PURPOSES.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

7 **SECTION 1.** Section 73-59-1, Mississippi Code of 1972, is
8 amended as follows:

9 73-59-1. For the purposes of this chapter, the following
10 words shall have the meanings ascribed herein:

11 (a) "Board" means the State Board of Contractors
12 created in Section 31-3-3, Mississippi Code of 1972.

13 (b) "Inactive residential builder" means a person
14 licensed as a residential builder who is not currently active in
15 the business of building.

16 (c) "Inactive remodeler" means a person licensed as a
17 remodeler who is not currently active in the business of
18 remodeling.

19 (d) "Residential builder" means any corporation,
20 partnership or individual who constructs a building or structure
21 for sale for use by another as a residence or who, for a fixed
22 price, commission, fee, wage or other compensation, undertakes or
23 offers to undertake the construction, or superintending of the
24 construction, of any building or structure which is not more than
25 three (3) floors in height, to be used by another as a residence,
26 when the cost of the undertaking exceeds Fifty Thousand Dollars
27 (\$50,000.00).

28 (e) "Remodeler" means any corporation, partnership or
29 individual who, for a fixed price, commission, fee, wage or other
30 compensation, undertakes or offers to undertake the construction,
31 or superintending of the construction, of improvements to an
32 existing residence when the cost of the improvements exceeds Ten
33 Thousand Dollars (\$10,000.00).

34 (f) "Residential construction" means any undertaking
35 described in paragraph (b) of this section performed by a
36 residential builder.

37 (g) "Residential improvement" means any undertaking
38 described in paragraph (c) of this section performed by a
39 remodeler.

40 **SECTION 2.** Section 73-59-3, Mississippi Code of 1972, is
41 amended as follows:

42 73-59-3. (1) Except as otherwise provided in Section
43 73-59-15, persons who perform residential construction or
44 residential improvement shall be licensed by the board annually,
45 and, as a prerequisite to obtaining a license or renewal thereof,
46 each shall submit to the board:

47 (a) Proof of workers' compensation insurance, unless
48 such person is an active residential builder or remodeler;

49 (b) A federal employment identification number or
50 social security number.

51 (2) The board shall * * * require liability insurance to be
52 licensed under this chapter unless such person is an inactive
53 builder or remodeler.

54 (3) The board shall issue or renew a license to a
55 residential builder or remodeler upon payment to the board of the
56 license fee. The initial license fee shall be Fifty Dollars
57 (\$50.00). The license fee may thereafter be increased or
58 decreased by the board and cannot exceed One Hundred Dollars
59 (\$100.00); however, the receipts from fees collected by the board
60 shall be no greater than the amount required to pay all costs and

61 expenses incurred by the board in enforcing the provisions of this
62 chapter. Twenty-five Dollars (\$25.00) of the fee required by this
63 section which is assessed to residential builders licensed under
64 the provisions of Section 73-59-1 et seq. shall be deposited to
65 the Construction Education Fund created pursuant to Section
66 31-3-14 and shall be distributed to the Mississippi Housing
67 Institute. The remaining fees collected under this chapter shall
68 be deposited into the special fund in the State Treasury known as
69 the "State Board of Contractor's Fund" created pursuant to Section
70 31-3-17 and shall be used for the administration and enforcement
71 of this chapter and as provided in Section 31-3-14. Amounts in
72 such fund shall not lapse into the State General Fund at the end
73 of a fiscal year. Interest accrued to such fund shall remain in
74 the fund. All expenditures from the special fund shall be by
75 requisition to the Department of Finance and Administration,
76 signed by the executive secretary of the board and countersigned
77 by the chairman or vice chairman of the board.

78 (4) The license shall expire on the last day of the twelfth
79 month following its issuance or renewal and shall become invalid
80 unless renewed. The board shall notify by mail every licensee
81 under this chapter of the date of the expiration of his license
82 and the amount of the fee required for renewal of the license for
83 one (1) year. Such notice shall be mailed within thirty (30) days
84 prior to the expiration date of the license. The failure on the
85 part of any licensee to renew his license annually in such twelfth
86 month shall not deprive such licensee of the right of renewal,
87 provided that renewal is effected within one hundred twenty (120)
88 days after the expiration date of the license by payment of the
89 license fee plus a penalty of ten percent (10%) of the license
90 fee. A new license required to replace a revoked, lost, mutilated
91 or destroyed license may be issued, subject to the rules of the
92 board, for a charge of not more than Twenty-five Dollars (\$25.00).

93 (5) Any person who is not a resident of the State of
94 Mississippi who desires to perform residential construction or
95 residential improvement shall be licensed to perform such
96 construction or improvement as provided by this chapter.

97 **SECTION 3.** This act shall take effect and be in force from
98 and after July 1, 2006.