

By: Senator(s) Mettetal

To: Insurance

SENATE BILL NO. 2558

1 AN ACT TO AMEND SECTION 73-59-1, MISSISSIPPI CODE OF 1972, TO
2 DEFINE THE TERMS "ACTIVE LICENSEE" AND "INACTIVE LICENSEE"; TO
3 AMEND SECTION 73-59-3, MISSISSIPPI CODE OF 1972, TO REQUIRE PROOF
4 OF WORKERS' COMPENSATION INSURANCE AND PROOF OF LIABILITY
5 INSURANCE BEFORE OBTAINING A LICENSE AS A RESIDENTIAL BUILDER OR
6 REMODELER; AND FOR RELATED PURPOSES.

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

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

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

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

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

23 (c) "Remodeler" means any corporation, partnership or
24 individual who, for a fixed price, commission, fee, wage or other
25 compensation, undertakes or offers to undertake the construction,
26 or superintending of the construction, of improvements to an
27 existing residence when the cost of the improvements exceeds Ten
28 Thousand Dollars (\$10,000.00).

29 (d) "Residential construction" means any undertaking
30 described in paragraph (b) of this section performed by a
31 residential builder.

32 (e) "Residential improvement" means any undertaking
33 described in paragraph (c) of this section performed by a
34 remodeler.

35 (f) "Active licensee" means any builder or remodeler
36 licensed under this chapter and engaged in building and
37 remodeling.

38 (g) "Inactive licensee" means any builder or remodeler
39 licensed under this chapter and not engaged in building or
40 remodeling.

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

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

48 (a) Proof of workers' compensation insurance * * *;
49 however, workers' compensation insurance shall not be required for
50 inactive licensees.

51 (b) A federal employment identification number or
52 social security number.

53 (c) Proof of liability insurance; however, liability
54 insurance shall not be required for inactive licensees.

55 * * *

56 (2) The board shall issue or renew a license to a
57 residential builder or remodeler upon payment to the board of the
58 license fee. The initial license fee shall be Fifty Dollars
59 (\$50.00). The license fee may thereafter be increased or
60 decreased by the board and cannot exceed One Hundred Dollars
61 (\$100.00); however, the receipts from fees collected by the board

62 shall be no greater than the amount required to pay all costs and
63 expenses incurred by the board in enforcing the provisions of this
64 chapter. Twenty-five Dollars (\$25.00) of the fee required by this
65 section which is assessed to residential builders licensed under
66 the provisions of Section 73-59-1 et seq. shall be deposited to
67 the Construction Education Fund created pursuant to Section
68 31-3-14 and shall be distributed to the Mississippi Housing
69 Institute. The remaining fees collected under this chapter shall
70 be deposited into the special fund in the State Treasury known as
71 the "State Board of Contractor's Fund" created pursuant to Section
72 31-3-17 and shall be used for the administration and enforcement
73 of this chapter and as provided in Section 31-3-14. Amounts in
74 such fund shall not lapse into the State General Fund at the end
75 of a fiscal year. Interest accrued to such fund shall remain in
76 the fund. All expenditures from the special fund shall be by
77 requisition to the Department of Finance and Administration,
78 signed by the executive secretary of the board and countersigned
79 by the chairman or vice chairman of the board.

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

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

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