



WISCONSIN LEGISLATURE

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Testimony on Senate Bill 458

Thank you Chairman LeMahieu and members of the Senate Committee on Elections and Local Government for holding a hearing and allowing us to testify in support of Senate Bill 458.

Under current law, municipalities that are issuing a building permit are required to determine the applicant is compliant with requirements spelled out in statute 101.654 (titled Contractor certification; education). The requirements of this statute were put in place to give persons hiring contractors to work on their homes assurance that the person they hired has the knowledge and abilities to do a job compliant with current building code standards.

Contractors applying for a permit must show they have a Certificate of Financial Responsibility from the Department of Safety and Professional Services (DSPS). To obtain this certificate, they must meet the following criteria:

- Meets continuing education requirements (12 hours in a 2 year span)
- They are bonded for at least \$5,000
- Carry liability insurance of no less than \$250,000
- Have workers comp. insurance
- They are up to date on their unemployment insurance contributions

Currently, building permit forms do not ask for proof that a Certificate of Financial Responsibility has been issued. Because of this, there is no way to know if a town or city issuing a permit is actually making sure applicants are meeting the necessary DSPS standards.

This bill calls for the DSPS to update its building permit form to include a space where the name of the applicant, and the number and expiration date of their Certificate of Financial Responsibility can be placed. Doing so will provide proof that permits are only being issued to qualified contractors.

We have introduced a substitute amendment that requires the DSPS to create a way in which these applications are filled out online, rather than by paper. They will be required to create this online system by January of 2017. By going online, the costs to comply with this bill will be significantly reduced.

Due to the changes the substitute amendment makes, there will be no annual report required. Instead, permit issuers will have until the 15th of the month after a permit is issued to send an electronic copy to the DSPS. A right to cure provision has also been added to help municipalities deal with unforeseen circumstances that may prevent them from meeting the deadline. If they fail to transmit the permit copy, the governing body will be required to refund permitting fees to each permit applicant.

The changes called for by this legislation will ensure that the permitting process is being followed correctly, as well as give homeowners assurance that the contractor they hire is legally able to do the job. Again, thank you for having a hearing on SB 458. We are happy to answer any questions you may have.