# Wisconsin Legislative Council ACT MEMO



Prepared by: Ethan Lauer, Senior Staff Attorney

**2021 Wisconsin Act 23**7 [2021 Assembly Bill 994]

#### Contractor Education Requirements

## BACKGROUND

With certain exceptions, a person may not begin construction on a building that is subject to the oneand two-family dwelling code unless the person obtains a building permit. A person may not obtain a building permit unless the person: (1) obtains annually a certificate of financial responsibility from the Department of Safety and Professional Services (DSPS)<sup>1</sup>; and (2) completes every two years at least 12 hours of DSPS-approved continuing education relevant to the professional area of expertise of the person seeking the permit.<sup>2</sup>

## 2021 WISCONSIN ACT 237

2021 Wisconsin Act 237: (1) creates a new education requirement that a person must complete in order to obtain the annual certificate of financial responsibility; and (2) modifies the existing continuing education requirements that a person must complete every two years.

### **Creation of New Education Requirement**

The act requires that an applicant for a certificate of financial responsibility submit to DSPS proof of completing at least 12 hours in an educational course approved by DSPS that satisfies all of the following:

- The course consists of in-person instruction or online instruction.
- The course provider requires that the applicant show photo identification to register attendance for the course.
- The course includes instruction on accounting, lien law, ethics, and best business practices.

## **Modification of Existing Continuing Education Requirements**

The act requires that at least four of the 12 hours of continuing education required by current law must include instruction on construction laws and codes and contracts, liability, and risk management.<sup>3</sup>

<sup>&</sup>lt;sup>1</sup> An applicant for a certificate of financial responsibility must be bonded or have general liability insurance, have in force a worker's compensation policy, if appropriate, make unemployment insurance contributions, if appropriate, and pay a fee.

 $<sup>^2</sup>$  Under DSPS administrative rules, the content of the continuing education must be a mix of 15 specified topics or any other subject matter approved by DSPS.

<sup>&</sup>lt;sup>3</sup> Each of those topics is listed among the 15 specified topics in DSPS administrative rules.

The act also requires that a continuing education course provider must submit test questions related to the course to DSPS. If a course is completed over the internet, the course provider must submit to DSPS verification that the person completed the course and any test related to the course.

**Effective date:** November 1, 2022. The new education requirement for obtaining a certificate of financial responsibility first applies to an application received by DSPS on the effective date.

EL:ksm