
Building Contractor Registration

Reason for the BCR

- Began with Commerce being a member of the Department of Workforce Development Worker Misclassification Team
- DWD Team reviewed problems associated with WC and UI worker coverage and high payments generated from those who do not carry the insurance as well as income tax non-payments by those misclassified.
- Trades people and agencies from other states were interviewed.

Reason for the BCR

- Worker safety was a big issue raised - cheap untrained subcontractors hired to do dangerous work for cash
- S & B public sector safety staff do worker's comp investigations on some of those reported. Other injuries go unreported and the worker and their family suffer without the proper workers comp insurance backing or they report it and draw from the funds that legitimate contractors pay.

Reason for the BCR

- Danger to the public from fly by night contractors due to non-code complying faulty or partially done workmanship-then disappear
- Florida's experience with the hurricane and flooding attracting a lot of fly by night contractors was pretty convincing that health, safety and welfare of those defrauded was a very legitimate concern. Also WC for roofers rose to \$59/\$100 of wages paid.

Reason for the BCR

- Hopefully one of the by products is actually less enforcement action locally and fewer complaints from defrauded owners who paid for the non-complying work and now have to pay to correct it.
- Unemployment Insurance coverage for workers
- Of course the registration by itself does not prevent any of the above from happening but hopefully reduces the number of non-legitimate contractors who do not play by any rules

Reason for the BCR

- Contractor registration enables consumers to check an on-line registry when they consider hiring a contractor.
- It also enhances the department's ability to identify, communicate with and educate contractors and subcontractors of consumer protection issues, best practices, and changes in codes and regulations

Emergency Rule

- On March 2, 2009 an emergency rule went into effect requiring all businesses engaged in building construction regulated by Safety & Buildings to be registered by July 1, 2009.
- BCR is a business credential required for construction businesses including sole proprietors.

Regulated Building Construction

- Any business performing construction that is regulated by a S&B code in the following will need to be registered:
 - Public Buildings
 - Places of employment
 - One and two family dwellings built since 12/01/78
 - Public swimming pools
 - Water attractions

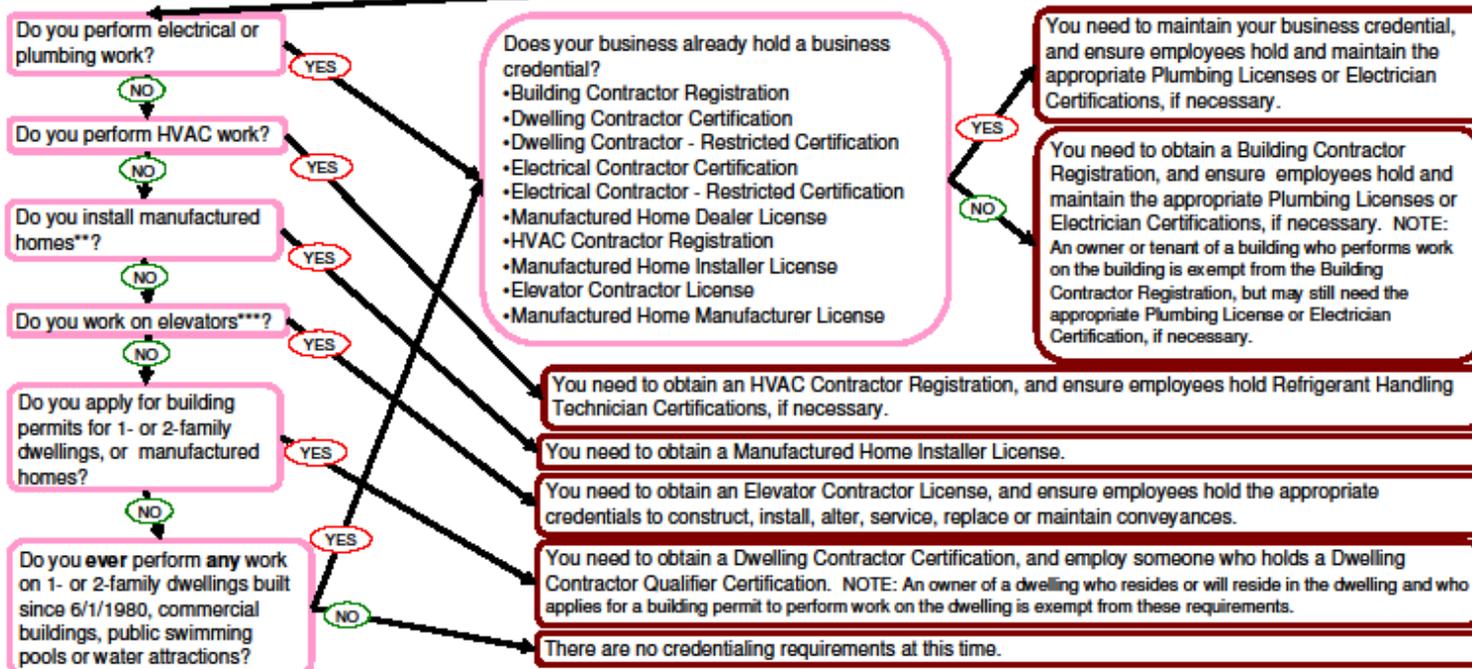
Building Contractor Registration Credential

- \$100 credential fee if application completed online.
- \$115 credential fee if application is mailed.
- Approved for 4 years from the date issued
- Must sign a statement that they have the appropriate WC and UI.
- No continuing education or other requirements to obtain the registration.
- ***This registration does not allow you to pull Dwelling permits that requires the DC, DCQ , and Master Plumber credentials.***

Exempted Businesses

- **If they hold one of these business credentials, they do not need the Building Contractor Registration.**
 - Dwelling Contractor Certification
 - Dwelling Contractor- Restricted Certification
 - Manufactured Home Dealer License
 - Manufactured Home Installer License
 - Manufactured Home Manufacturer License
 - Electrical Contractor Certification
 - Electrical Contractor – Restricted Certification
 - HVAC Contractor Registration
 - Elevator Contractor License

I own a construction business* that performs residential or commercial work in Wisconsin. Which contractor credential do I need?



* "Construction business" means a trade that installs, alters or repairs any building element, component, material or device that is regulated under the commercial building code, chs. Comm 60 to 66, the UDC, chs. Comm 20 to 25, the electrical code, ch. Comm 16, the plumbing code, chs. Comm 81 to 87, or the public swimming pools and water attractions code, ch. Comm 90. The term does not include the delivery of building supplies or materials, or the manufacture of a building product not on the building site.

** "Manufactured home" means either a structure that is designed to be used as a dwelling with or without a permanent foundation and that is certified by the federal department of housing and urban development as complying with the standards established under 42 USC 5401 to 5425, or a mobile home, unless a mobile home is specifically excluded under the applicable statute.

*** Any person, entity or business that engages in or offers to engage in the business of constructing, installing, altering, servicing, replacing or maintaining conveyances must obtain an Elevator Contractor License, unless that person, entity or business only services or maintains existing conveyances within facilities or properties owned by the person, entity or business.

**For more information about these state credentials, visit: www.commerce.wi.gov/SB/SB-DivCreds.html
Always remember to check with your municipal building inspector to insure you've met any additional municipal requirements.**

Responsibilities of a Building Contractor

- Include the BCR registration number on all construction bids and contracts.
- Not contract with another person or business unless they hold the appropriate business credential with Safety and Buildings.
- Cannot work on commercial projects where the municipality requires permits until the permit is obtained.
- If plan approval is required, cannot start construction until plan approval has been obtained

Contractor Communication

- Code development participation
- Code change notifications
- Policy or procedure change notifications
- Product recalls – CPSC notifications
- Obligations related to other state agencies
- Information about federal laws and rules

State Agencies (Data Sharing)

- Department of Agriculture, Trade and Consumer Protection
 - Contract Laws
- Department of Revenue
 - Delinquent taxes
- Department of Workforce Development
 - Workers Compensation Insurance
 - Unemployment Insurance

Permanent Rules Main Features

- Permanent rules were adopted on August 3, 2009 and went into **effect October 1, 2009**.
- In addition to the emergency rule criteria:
Extended the responsibility “**may not contract with another person or entity unless that person or entity is properly credentialed with BCR or exempted business credentials**” to Dwelling Contractor, Dwelling Contractor Restricted, Manufactured Home Installer, Electrical Contractor, Electrical Contractor-Restricted, HVAC Contractor, and Elevator Contractor

Law Change

- Act 28, the budget act, effective June 29, 2009
- Section 2155m establishes 101.147 of the statutes titled Contractor Registration
- Treatment Section 9410 of the Act establishes January 1, 2010 as the effective date of section 2155m

Law Change Summary

- Law language broadens the scope---- construction contractor
- Requires the Dept to promulgated rules to administer and enforce
- Gives Forfeiture Authority to the Dept for violation of BCR

Law Change Summary

Exempts

- A person who engages in construction on property owned or leased by that person
- A state agency or local government unit
- A person who engages in construction in the course of his or her employment by a state agency or local governmental unit

Code to Implement the Law

- Prior to this passage there were several related bills submitted to strengthen the BCR or to eliminate the BCR and several amendments made.
- Related part of the law gives DWD authority to fine \$25,000 for willful misclassification.
Coordination
- Other Bills possible—withholding requirement etc

Code to Implement the Law

- As a result it was decided to go through the entire code process to give citizens and legislators input on the rules to be sure they reflect the intent of the law prior to implementation.
- Anticipated to be effective late spring or early summer of 2010

Municipal Inspector Role

- If the contractor does not have a BCR what should the municipal inspector do at the **Permit Counter**?
- In cases where a municipal permit is required for commercial building work, check for the proper credential and don't issue the permit until some proof of compliance is obtained

Municipal Inspector Role

- Thus a sanitary permit for a one or two family dwelling does not require BCR number on permit, but the business does need the BCR to do the work

Municipal Inspector Role

At the Job Site

- Follow municipal rules and enforcement if they do not have the proper permit
- Enforce all municipal credential ordinances. Note that a municipality may adopt Comm 5, unless there are restrictions against it, for enforcement only within that municipality. The state would have to enforce Comm 5 denials, suspension, revocation on the S & B issued credential.

Municipal Inspector Role

At the Job Site

- Handout BCR educational material
- Check S & B website and fill out a complaint form for those repeatedly told who remain unregistered
- Email or call the State Inspector to stop in when they are in the area and visit the site with you

State Inspector

- Will educate first
- Will initiate tracking and cease & Desist letters for repeat offenders
- Will respond to complaints
- Will follow progressive enforcement as the current code allows
- May red tag that part of the work being done by an unlicensed contractor if credential compliance is not achieved

Credential Status

- You can view the credential status of all subcontractors and other contractors on our website.

<http://commerce.wi.gov/SB/SB-CredList.html>

Credentialing Questions

General Credential Questions

Contact the Credentialing Unit at 608-261-8467 or by email at madisoncred@commerce.state.wi.us

Visit our website

<http://commerce.wi.gov/SB/SB-BuildingContractorProgram.html>