

**AN ORDINANCE TO AMEND CERTAIN PROVISIONS
REGARDING CONTRACTOR LICENSES BY AMENDING
SECTION 15.04.140 OF THE RAPID CITY MUNICIPAL CODE**

WHEREAS, the City of Rapid City has adopted regulations concerning buildings and construction in Title 15 of the Rapid City Municipal Code; and

WHEREAS, Rapid City has adopted provisions concerning contractor licenses in R.C.M.C. 15.04.140; and

WHEREAS, the City wishes to eliminate duplicative plumbing licenses in favor of licensing plumbing contractors; and

WHEREAS, the City wishes to eliminate duplicative electrician licenses in favor of licensing electrical contractors; and

WHEREAS, the City wishes to add a siding contractor's license for those who install siding that requires a permit but do not wish to obtain a commercial contractor's license; and

WHEREAS, the City issues three year City licenses to electrical contractors and Class B electricians; and

WHEREAS, the term for a South Dakota license for electrical contractors and Class B electricians is two years; and

WHEREAS, the difference in terms means that an electrical contractor or Class B electrician may be licensed by the City but not by the State; and

WHEREAS, accordingly, the City wishes to amend the three-year license term for electrical contractors and Class B electricians to two years to reflect the state license scheme and ensure that all City-licensed electricians also have current state licenses; and

WHEREAS, 15.04.140.F provides that licensees must pass an examination as to his or her qualifications; and

WHEREAS, under the current ordinance, once a licensee permits the license to lapse, the licensee must retake the examination; and

WHEREAS, the City wishes to institute a grace period so that if the licensee renews his or her license within one year of the date the license lapsed, then the licensee does not need to retake the examination; and

WHEREAS, the Common Council believes it to be in the best interests of the health, safety, and general welfare of its citizens to amend R.C.M.C. 15.04.140 to eliminate unnecessary

licenses, to add a siding license, to amend the term for electrical licenses, and to permit a grace period for reexamination for renewal licenses.

NOW THEREFORE, BE IT ORDAINED by the City of Rapid City that Section 15.04.140 of the Rapid City Municipal Code is hereby amended to read in its entirety as follows:

15.04.140 Contractor licenses.

A. It shall be unlawful for any person to engage in any of the trades, business or occupations enumerated below in the city, or in any construction work pursuant to such trades, businesses or occupations in the city, without having first obtained a license from the city for the work authorized by such license.

B. General building contractor licenses are available for the following classes:

1. Class A, for construction of any and all types of structures;
2. Class B, for construction of detached single-family houses, attached single-family houses, and 2-family dwellings, as defined by the U.S. Census Bureau; or
3. Class C, as follows.

C. Class C trade licenses are available for the following classes:

1. Class PC - Plumbing contractor as provided in Chapter 15.24;
- ~~2. Class P - Plumber as provided in Chapter 15.24;~~
- ~~3. Class PA - Plumber's apprentice as provided in Chapter 15.24;~~
- ~~4. Class PW - Water softening contractor as provided in Chapter 15.24;~~
- ~~52.~~ 53. Class MC - Mechanical contractor as provided in Chapter 15.26;
- ~~63.~~ 64. Class MI - Mechanical installer as provided in Chapter 15.26;
- ~~74.~~ 75. Class MA - Mechanical apprentice as provided in Chapter 15.26;
- ~~85.~~ 86. Class MAS - Appliance specialist as provided in Chapter 15.26;
- ~~96.~~ 97. Class EC - Electrical contractor as provided in Chapter 15.16;
- ~~10. Class EM - Master electrician as provided in Chapter 15.16;~~
- ~~11. Class EJ - Journeyman electrician as provided in Chapter 15.16;~~

~~142~~7. Class EB – Class B electrician as provided in Chapter 15.16;

~~13. Class EA – Apprentice electrician as provided in Chapter 15.16;~~

148. Class GC – Gas fitting contractor as provided in Chapter 15.20;

~~149~~. Class GF – Gas fitter as provided in Chapter 15.20;

~~146~~10. Class GA – Gas fitting apprentice as provided in Chapter 15.20;

~~147~~11. Class R - Roofing contractor;

~~148~~12. Class SD – Siding contractor, defined as a proprietorship, partnership, firm or corporation who, for compensation, undertakes or offers to undertake the installation, alteration, repair, improvement, conversion or new construction for exterior wall coverings when a building permit is required either materials or assembly of materials applied on the exterior side of exterior walls for the purpose of providing a weather-resistive barrier, insulation, or for aesthetics , including but not limited to veneers, siding and exterior insulation and finish systems as defined, architectural trim and embellishments such as cornices, soffits and fascias; and

13. Class S - Sign contractor, defined as a proprietorship, partnership, firm or corporation who, for compensation, undertakes or offers to undertake the enlargement, alteration, repair, improvement, conversion or new construction of a sign for which a sign permit required.

D. Each applicant for every license and registration required by this title shall provide to the Community Planning and Development Services office the following information:

1. A completed application for the particular license desired available at the Community Planning and Development Services office;

2. A copy of the applicant's South Dakota excise tax license, as applicable;

3. The applicant's address and phone number;

4. If available, the name, address, phone number, and email of an agent residing in South Dakota;

5. For firms required to file organizing or incorporating documents with the Secretary of State, proof that it is a validly existing legal entity authorized to transact business in South Dakota;

6. Payment of the application fee as set by resolution of the Common Council; and

7. If applicable, a copy of any equivalent state license.

E. Each applicant for a general building contractor license, that is a firm and not a natural person, shall designate on the application at least 1 license holder who shall sit for the required examination, if applicable.

1. If the applicant is a firm, it may designate an officer or employee of the firm as license holder. A FIRM under this section is defined as a partnership, limited partnership, limited liability partnership, limited liability limited partnership, limited liability company, corporation or other legal entity.

2. An applicant may designate multiple license holders, all of whom, upon successful completion of the examination, shall be listed on the license issued to the contractor.

F. The Building Official shall have the right to require of an applicant proof of ability to perform satisfactorily in the business, trade or occupation for which the license or registration is applied for. Such proof of ability may be required to be evidenced in a fair and impartial manner by approved tests or by certification. ~~Grandfathering of existing commercial contractors shall end 90 days from the effective date of this chapter. Any commercial contractors having obtained three commercial building permits in the past 36 months may be automatically licensed without the need for testing or certification. In some instances the Building Official, at his or her discretion, may waive the requirement for 3 building permits in 36 months.~~

1. Before a general building contractor license may be issued, at least 1 designated license holder shall be required to pass an examination as to his or her qualifications to perform building contracting. Applicants shall pay the examination fee for each exam.

2. Before a trade license may be issued to a firm, at least 1 designated license holder shall be required to pass an examination as to his or her qualifications to supervise the particular trade. The examination shall be given under the direction of the Building Official.

3. In lieu of the examination, the Building Official may accept proof that the applicant possesses a valid current license in the relevant Class A and Class B license issued by any other governmental agency giving an examination, the scope and character of which, in the discretion of the Building Official, is at least equal to those tests given by the city.

G. Every applicant for every license shall present to the Building Official for review a valid certificate of insurance at the time of application. It shall be the duty of every licensee to continually maintain valid liability insurance. The minimum required general aggregate liability shall be \$1,000,000 with \$300,000 fire damage and \$1,000,000 each occurrence.

H. The following exceptions do not require a license:

1. Employees of a general building contractor license if they are under the supervision of a license holder.

2. A landlord personally performing work on residential property the landlord owns or manages when the landlord is acting as his or her own contractor, except work which would

require a license under Chapters 15.16, 15.20, 15.24, and 15.26. A landlord may not build more than 1 single-family dwelling in a 3-year period without obtaining a contractor's license.

3. A homeowner who builds, constructs, alters, adds to or demolishes any building or structure or any portion thereof that constitutes the owner's residence or a building or structure accessory thereto that is intended for the owner's personal use. An owner may not build more than 1 single-family dwelling in a 3-year period without obtaining a contractor's license, provided he or she occupies the dwelling a minimum of 1 year after the final inspection is approved.

I. In accordance with South Dakota state law, proof of worker's compensation insurance shall be verified prior to the issuance of a license.

J. No licensee or landlord shall allow his or her name to be used by any other person directly or indirectly, either to obtain a building permit or to perform work under this code outside his or her supervision.

K. It shall be the duty of each general building contractor or trade license that is a firm to immediately notify the Building Official in writing upon the designation of a license holder or the termination or separation of a license holder listed on the contractor's license.

1. Upon the termination or separation of a designated license holder, the general building contractor license shall expire 10 business days following such separation or termination unless:

- a. There is another license holder listed on its license;
- b. The contractor immediately designates another license holder who has passed the examination; or
- c. The license is extended as provided herein.

2. The contractor may, within 10 business days of any such termination or separation, request in writing from the Building Official an extension of its general building contractor license, and the Building Official shall grant an extension for a period not to exceed 30 days from the date of termination or separation.

3. No contractor may be issued a new permit during the period where no license holder is listed on its general contractors license.

L. Except as provided below, all Class A, Class B and Class C licenses issued under the provisions of this chapter are valid for 3 years except where state law defines time frame.

1. Licensees failing to renew their applications prior to expiration have a 30-day grace period during which to renew before the license lapses. Licensees who fail to renew their license by the date of expiration or within the 30-day grace period shall be required to reapply for a new license, meeting all requirements of this code ~~including passing an examination and paying all~~

required fees. If the license has lapsed for more than one year after expiration, then the licensee must pass any examination required pursuant to this Section; however, if an applicant who was previously licensed by the City obtains a license within a year of expiration of the previous license, then no re-examination is required. No renewal license may be issued until the licensee has completed the requirements for continuing education.

2. No partial payment shall be received by the Finance Office for any license or registration fee, and the Finance Office is hereby prohibited from receiving any sum less than the amount required by the terms of the provisions pertaining to the particular contractor license applied for. The amount of the license fee will be determined by resolution of the Common Council.

~~M. All plumbing contractor licenses, plumber licenses, plumber's apprentice licenses, and water softening contractor licenses are valid for 1 year. Renewal applications may be filed 60 days prior to expiration of the license. Licensees failing to renew their applications prior to expiration have a 60-day grace period during which to renew before the license lapses. Licensees who fail to renew their license by the date of expiration or within the 60-day grace period shall be required to reapply for a new license, meeting all requirements of this code including passing an examination and paying all required fees. No renewal license may be issued until the licensee has completed the requirements for continuing education. No partial payment shall be received by the Finance Office for any license or registration fee, and the Finance Office is hereby prohibited from receiving any sum less than the amount required by the terms of the provisions pertaining to the particular contractor license applied for. The amount of the license fee will be determined by resolution of the Common Council.~~

N. All electrical contractor licenses and Class B electrician licenses are valid for 2 years. Licenses will expire on December 31 of even years. Renewal applications may be filed 60 days prior to expiration of the license. Licensees failing to renew their applications prior to expiration have a 60-day grace period during which to renew before the license lapses. Licensees who fail to renew their license by the date of expiration or within the 60-day grace period shall be required to reapply for a new license, meeting all requirements of this code and paying all required fees. No renewal license may be issued until the licensee has completed the requirements for continuing education. If the license has lapsed for more than one year after expiration, then the licensee must pass any examination required pursuant to this Section; however, if an applicant who was previously licensed by the City obtains a license within a year of expiration of the previous license, then no re-examination is required. No partial payment shall be received by the Finance Office for any license or registration fee, and the Finance Office is hereby prohibited from receiving any sum less than the amount required by the terms of the provisions pertaining to the particular contractor license applied for. The amount of the license fee will be determined by resolution of the Common Council.

~~NO. Upon adoption of this chapter, the Building Official will honor existing licenses until they expire, at which time the licensee must comply with all requirements of this chapter prior to obtaining a license. If, when this chapter is adopted, an individual is performing work which did not require a license prior to adoption, but for which this chapter now requires a license, any such individual has 120 days in which to obtain a license before the Building Official will consider that individual to be operating without a license in violation of this chapter.~~

~~OP.~~ Upon receipt of a license approved by the Building Official, the Finance Officer shall issue a license to the applicant.

~~PQ.~~ Proof of continuing education hours must be submitted by the applicant at the time of any license renewal application under this ~~e~~Chapter. The continuing education requirement for license renewal of general building contractor licenses and trade licenses is as follows:

1. Six hours per license period for general building contractor licenses, sign contractors, roofing contractors, siding contractors, and licenses issued under the Mechanical Code found in Chapter 15.26.

2. For licenses pursuant to the electrical code and the plumbing code, per the requirements of the State of South Dakota.

~~QR.~~ The class topics for continuing education shall include, but are not limited to:

1. Requirements of the building codes;
2. Local amendments to the Rapid City Code;
3. State of South Dakota amendments; or
4. Requirements for codes for any of the trades such as electrical, plumbing, mechanical, fire alarm, fire sprinkler, fencing, concrete, signs, lawn sprinkler, right-of-way, asbestos, drywall, roofing, siding and excavation.

~~RS.~~ It shall be the duty of every person receiving a license or registration pursuant to this ~~article~~Chapter to exhibit any such license or registration upon request of a law enforcement officer or a duly appointed representative of the ~~e~~City.

~~ST.~~ All trades listed in § 15.04.140.C must be licensed under this ~~s~~Section, unless an exception applies. If a subcontractor is not licensed in violation of this ~~s~~Section, the subcontractor and any general contractor are subject to sanctions as provided in this ~~e~~Code.

~~TU.~~ It shall be within the discretion of the Building Official to suspend, revoke or refuse to issue or renew the license of any person who has been doing work without a permit as required by § 15.04.150.

~~UV.~~ It shall be within the discretion of the Building Official to suspend, revoke, or refuse to issue or approve any general building contractor or trade license if the Building Official finds the following:

1. Suspension, revocation or refusal to renew is in the public interest; and
2. Based upon evidence presented, the applicant or licensee:

- a. Has filed an application for a license which is incomplete in any material respect or contains one or more statements which are false or misleading;
- b. Has engaged in any fraudulent, deceptive, or dishonest act or practice in the performance of building contracting and/or the trade;
- c. Has violated any applicable provision of this section, the Adopted Construction Codes, Rapid City Municipal Code, or state regulation or law;
- d. Fails to maintain the requirements of licensure, including insurance, excise tax license or current phone and address as required by this chapter;
- e. Fails to provide copies of records in his or her possession related to a matter under review;
- f. Fails to pay fees in a timely manner;
- g. Fails to respond to a lawful order or directive of the Building Official or the Building Board of Appeals; or
- h. Fails to possess a valid state license for the particular trade, if such a license is required by state law.

WW. A licensee who is the subject of a review by the Building Official shall cooperate fully with the Building Official. Cooperation includes, but is not limited to:

- 1. Responding fully and promptly to questions raised by the Building Official;
- 2. Providing copies of records in the person's possession relative to the matter under review, as requested by the Building Official; and
- 3. Appearing at conferences or hearings scheduled by the Building Official.

CITY OF RAPID CITY

Mayor

ATTEST

Finance Officer

(seal)

First Reading:
Second Reading:
Published:
Effective: