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3 SENATE FR&ED COMMITTEE SUBSTITUTE FOR SB242
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8 SYNOPSIS: This bill would create the Alabama
9 Construction Trade Academy Fund in the State
10 Treasury. The fund would be comprised of federal,
11 state, and private funds through direct budgetary
12 funding and grants, and would be used for the
13 expansion of construction trade education.

14 This bill would require the Home Builders
15 Licensure Board to develop a statewide program to
16 increase the availability of construction trade
17 education by providing educational grants for
18 public and private construction trade schools.

19 This bill would require the board to
20 administer the program, adopt guidelines for the
21 program, and establish an application process for
22 the review of applications for grants and the
23 distribution of monies in the Alabama Construction
24 Trade Academy Fund.
25

26 A BILL
27 TO BE ENTITLED

1 AN ACT

2
3 Relating to the Home Builders Licensure Board; to
4 amend Sections 34-14A-1, 34-14A-2, 34-14A-3, and 34-14A-12,
5 Code of Alabama 1975, and to add Section 34-14A-20 to the Code
6 of Alabama 1975, to develop a statewide program to increase
7 the availability of construction trade education; to create
8 the Alabama Construction Trade Advisory Council; to develop a
9 statewide program to provide for the availability of
10 construction trade educational grants; to provide for the
11 administration of the program; to require the board to adopt
12 guidelines for the program; and to require the board to
13 establish an application process for the review of
14 applications for grants and the distribution of monies through
15 the program.

16 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

17 Section 1. Sections 34-14A-1, 34-14A-2, 34-14A-3,
18 and 34-14A-12, Code of Alabama 1975, are amended to read as
19 follows:

20 "§34-14A-1.

21 "In the interest of the public health, safety,
22 welfare, and consumer protection and to regulate the home
23 building and private residence construction industry, the
24 purpose of this chapter, and the intent of the Legislature in
25 passing it, is to provide for the licensure of those persons
26 who engage in home building, private residence construction,
27 and home improvement industries, including remodeling, and to

1 provide home building standards and to support education
2 within the construction trades in the State of Alabama. The
3 Legislature recognizes that the home building and home
4 improvement construction industries are significant
5 industries. Home builders may pose significant harm to the
6 public when unqualified, incompetent, or dishonest home
7 builders and remodelers provide inadequate, unsafe, or
8 inferior building services. The Legislature finds it necessary
9 to regulate the residential home building and home improvement
10 industries.

11 "§34-14A-2.

12 "As used in this chapter, the following terms shall
13 have the following meanings, respectively, unless the context
14 clearly indicates otherwise:

15 "(1) ADVISORY COUNCIL. The Alabama Construction
16 Trade Advisory Council.

17 "~~(1)~~ (2) BOARD. The Home Builders Licensure Board.

18 "~~(2)~~ (3) COST OF THE UNDERTAKING. The total cost of
19 the materials, labor, supervision, overhead, and profit.

20 "~~(3)~~ (4) HOMEOWNER. A person who owns and resides in
21 or intends to reside in a structure constructed or remodeled
22 by a licensee of the board, or who contracts with a licensee
23 for the purchase, construction, repair, improvement, or
24 reimprovement of a structure to be used as a residence.

25 "~~(4)~~ (5) IMPROVEMENT. Any site-built addition or
26 enhancement attached to or detached from a residence or
27 structure for use and enjoyment by the homeowner.

1 "~~(5)~~ (6) INACTIVE LICENSE. A license issued at the
2 request of a licensee, or a building official or a building
3 inspector, that is renewable, but that is not currently valid.

4 "~~(6)~~ (7) LICENSE. Any license issued by the board
5 pursuant to this chapter.

6 "~~(7)~~ (8) LICENSEE. A holder of any license issued
7 pursuant to this chapter.

8 "~~(8)~~ (9) PERSON. Any natural person, limited or
9 general partnership, corporation, association, limited
10 liability company, or other legal entity, or any combination
11 thereof.

12 "~~(9)~~ (10) QUALIFYING REPRESENTATIVE. The individual
13 designated by a general partnership, limited partnership,
14 corporation, limited liability company, or not-for-profit
15 organization applying for a license who either holds a license
16 individually or meets the experience and ability requirements
17 for licensure, and who is one of the following:

18 "a. A general partner in the case of any
19 partnership.

20 "b. An officer in the case of a corporation.

21 "c. A member in the case of a member-managed limited
22 liability company.

23 "d. A manager in the case of a manager-managed
24 limited liability company.

25 "~~(10)~~ (11) RESIDENCE. A single unit providing
26 complete independent residential living facilities for one or

1 more persons, including permanent provisions for living,
2 sleeping, eating, cooking, and sanitation.

3 ~~"(11)~~ (12) RESIDENTIAL HOME BUILDER. A person who
4 constructs a residence or structure for sale or who, for a
5 fixed price, commission, fee, or wage, undertakes or offers to
6 undertake the construction or superintending of the
7 construction, or who manages, supervises, assists, or provides
8 consultation to a homeowner regarding the construction or
9 superintending of the construction, of any residence or
10 structure that is not over three floors in height and that
11 does not have more than four residential units, or the repair,
12 improvement, or reimprovement thereof, to be used by another
13 as a residence when the cost of the undertaking exceeds ten
14 thousand dollars (\$10,000). Notwithstanding the foregoing, the
15 term includes a residential roofer when the cost of the
16 undertaking exceeds two thousand five hundred dollars
17 (\$2,500). Nothing herein shall prevent any person from
18 performing these acts on his or her own residence or on his or
19 her other real estate holdings. Anyone who engages or offers
20 to engage in any acts described in this subdivision, through
21 advertising or otherwise, shall be deemed to have engaged in
22 the business of residential home building.

23 ~~"(12)~~ (13) RESIDENTIAL ROOFER. A person who installs
24 products or repairs surfaces on the external upper covering of
25 a residence or structure that seals, waterproofs, or
26 weatherproofs the residence or structure.

1 "~~(13)~~ (14) STRUCTURE. A residence on a single lot,
2 including a site-built home, a condominium, a duplex or
3 multi-unit residential building consisting of not more than
4 four residential units, or any improvement thereto.

5 "~~(14)~~ (15) TRANSACTION. The act of entering into a
6 contract with a licensee to engage in the business of
7 residential home building.

8 "§34-14A-3.

9 "There is established the Home Builders Licensure
10 Board to regulate the residential home building and
11 residential construction industry and to promote and expend
12 funds for the education and support of associated construction
13 trades. The board shall have nine members who shall be
14 appointed as follows: Three by the Governor, three by the
15 Lieutenant Governor, and three by the Speaker of the House of
16 Representatives, from a list of three qualified individuals
17 for each position, provided by the governing body of the Home
18 Builders Association of Alabama. Seven of the members shall be
19 residential home builders, as defined in this chapter, with at
20 least five years' experience as a residential home builder,
21 and each shall be a bona fide resident of the State of
22 Alabama. One member shall be a building official or inspector
23 currently employed by a city, county, or state governmental
24 entity and actively engaged in inspecting or regulating
25 residential construction in this state. One shall be a
26 consumer member of the general public not employed by or
27 affiliated with a licensee hereunder, and who has no spouse or

1 immediate family member employed by or affiliated with a
2 licensee hereunder. Each member of the board shall be a
3 citizen of this state, and the membership of the board shall
4 be inclusive and reflect the racial, gender, geographic,
5 urban/rural, and economic diversity of the state. Of the
6 initial members of this board, the appointing authorities
7 shall designate that each appointee shall serve for an initial
8 term of one, two, or three years, their terms of office
9 expiring on December 31, of the years. Subsequent terms shall
10 be for a period of three years. This appointing authority
11 shall make an appointment to fill a vacancy for the remainder
12 of any unexpired term from a list of three qualified persons
13 supplied by the governing body of the Home Builders
14 Association of Alabama. Each board member shall hold over
15 after the expiration of his or her term until his or her
16 successor shall be duly appointed and qualified.

17 "§34-14A-12.

18 "(a) The board is authorized to establish or adopt
19 ~~or both,~~ residential building codes and standards of practice
20 for residential home builders within the state.

21 "(b) The county commissions of the several counties
22 are authorized and empowered to adopt building laws and codes
23 by ordinance which shall apply in the unincorporated areas of
24 the county. The building laws and codes of the county
25 commission shall not apply within any municipal police
26 jurisdiction, in which that municipality is exercising its
27 building laws or codes, without the express consent of the

1 governing body of that municipality. The building laws and
2 codes of the county commission may apply within the corporate
3 limits of any municipality with the express consent of the
4 governing body of the municipality. The county commission may
5 employ building inspectors to see that its laws or codes are
6 not violated and that the plans and specifications for
7 buildings are not in conflict with the ordinances of the
8 county and may exact fees to be paid by the owners of the
9 property inspected.

10 "(c) Utilizing the same authority and procedures as
11 municipalities pursuant to Sections 11-53A-20 to 11-53A-26,
12 inclusive, the county commission may condemn buildings, parts
13 of buildings, or structures dangerous to the public and
14 prohibit the use thereof and abate the same as a nuisance.

15 "(d) The county commissions, municipalities, and
16 other public entities ~~are hereby authorized to~~ may enter into
17 mutual agreements, compacts, and contracts for the
18 administration and enforcement of their respective building
19 laws and codes."

20 Section 2. Section 34-14A-20 is added to Chapter 14A
21 of Title 34, Code of Alabama 1975, to read as follows:

22 §34-14A-20.

23 (a) The Alabama Construction Trade Academy Fund is
24 established in the State Treasury. The fund shall be comprised
25 of federal, state, and private funding through direct
26 budgetary funding and grants for the expansion of construction
27 trade education. To the extent practicable, monies in the fund

1 shall be used to leverage other forms of funding from private
2 sources. A percentage of matching funds, as established by the
3 advisory council, must come from private, non-governmental
4 sources. The board may not use more than 15 percent of the
5 monies in the fund for administrative and operational costs
6 incurred in the implementation and administration of this
7 section.

8 (b) The board, in cooperation with public and
9 private sector partners, shall establish a program to provide
10 funding mechanisms for tool grants, program incentives,
11 supplies, mobile facilities, and other programs to support the
12 development and continuation of construction trade education
13 programs in the state.

14 (c) The board shall administer the program and shall
15 apply for funds from federal grant programs and other
16 applicable funding sources authorized by law.

17 (d) (1) The Alabama Construction Trade Advisory
18 Council is established. The advisory council shall consist of
19 the following members:

20 a. One member appointed by and currently serving on
21 the Home Builders Licensure Board.

22 b. One member appointed by and currently serving on
23 the State of Alabama Plumbers and Gas Fitters Examining Board.

24 c. One member appointed by and currently serving on
25 the Licensing Board for General Contractors.

1 d. One member appointed by and currently serving on
2 the State Board of Heating, Air Conditioning, and
3 Refrigeration Contractors.

4 e. One member appointed by and currently serving on
5 the Alabama Board of Electrical Contractors.

6 f. One appointee of the State Department of
7 Education who specializes in technical trade education.

8 g. One appointee of the Alabama Community College
9 System who specializes in technical trade education.

10 (2) Members of the advisory council shall be
11 appointed for a period of one year. Membership on the advisory
12 council shall be without compensation, except for
13 reimbursement of necessary travel expenses as is paid to state
14 employees for attending meetings and other necessary events of
15 the advisory council. Any expenses paid to a member of the
16 advisory council shall be paid by the member's appointing
17 authority.

18 (e) The advisory council shall make recommendations
19 to the board, and the board shall establish program
20 guidelines, promote the program statewide, evaluate
21 applications for funds, distribute funds, and monitor and
22 report the effect of the funding on the availability of
23 construction trade education. The board may adopt rules to
24 implement and administer this act.

25 (f) The advisory council shall recommend and the
26 board shall establish monitoring and accountability mechanisms
27 for projects receiving funding. Not later than the fifth

1 legislative day of each regular legislative session, the board
2 shall file a report to the Legislature on the projects funded,
3 the geographic distribution of projects funded, the private
4 sector participation rates in funded projects, the
5 administrative costs of the program, and the outcomes of the
6 program, including the number of students and adult learners
7 trained by each project funded through the program.

8 (g) The advisory council shall recommend and the
9 board shall create eligibility guidelines and provide project
10 funding through an application process. Projects eligible for
11 funding include the following:

12 (1) Mobile demonstration units that show the various
13 systems of a structure and how they interconnect.

14 (2) Tool and supply grants for public and private
15 educational providers that provide construction trade
16 education.

17 (3) Incentives for newly established construction
18 trade education courses, with priority given to carpentry
19 courses.

20 (4) Adult education initiatives that provide
21 continued learning opportunities through mobile training
22 facilities or distance learning opportunities with priority
23 focus on those serving underserved areas and widely offered
24 trainings.

25 (5) Any other proposal that in the opinion of the
26 board would address the need for construction trade education
27 in the state.

1 (h) An applicant may be a nonprofit organization,
2 not-for-profit entity, public school system, two-year college,
3 university, or other governmental entity. An applicant for
4 funding shall do all of the following:

5 (1) Demonstrate its capacity to successfully
6 implement the proposal.

7 (2) Demonstrate how the proposal shall positively
8 impact construction trade education in the state.

9 (3) Demonstrate private sector support through
10 matching funding.

11 (4) Establish an advisory council consisting of at
12 least three active trade representatives from the construction
13 trade being funded.

14 (5) Agree, for a period of not less than five years,
15 to comply with the following conditions:

16 a. Offer the courses funded through this section for
17 a period of not less than five years.

18 b. Comply with all data collection and reporting
19 requirements established by the board.

20 (i) In determining which qualified projects to fund,
21 the board shall consider all of the following factors:

22 (1) The level of private sector support for the
23 project.

24 (2) The level of need in the area in which the
25 funding is directed.

26 (3) The projected number of students that will be
27 served.

1 (4) The degree to which the project will have a
2 positive impact on the availability of construction trade
3 education in the area to be served.

4 (5) The degree to which the project will leverage
5 public and private sector funds.

6 (j) The board shall establish program guidelines
7 that require matching funds on all funded projects. A minimum
8 of 10 percent of matching funds shall be provided by private,
9 non-governmental sources. Total matching funds required may
10 not be required to exceed 25 percent of awarded state funds,
11 although additional consideration may be provided to projects
12 that exceed this amount.

13 (k) In the event that a recipient of funding
14 provided by this section fails to provide the proposed project
15 in accordance with the guidelines set forth by the board, any
16 equipment, supplies, or materials acquired with the funding
17 shall be transferred to the Alabama Home Builders Foundation
18 for redistribution to public or private programs that provide
19 construction trade education to high school, postsecondary, or
20 adult learners supported by this section.

21 (l) Any and all proceeds from the sale of equipment,
22 supplies, or materials acquired through academy funding shall
23 go into the fund.

24 Section 3. This act shall become effective on the
25 first day of the third month following its passage and
26 approval by the Governor, or its otherwise becoming law.