

Plumbing and Mechanical Systems Board
Chapter 29 Notes
Thursday, July 10, 2010 at 9:00 a.m.

Committee Members Present: Thomas Day, Ron Masters Mick Gage & Chuck Thomas

Staff Attending: Cindy Houlson, Susan Van Horn, Matt Oetker

Guests Attending: James Holter, Merchants Bonding Company
Anne Crowner, Holmes Murphy

1. Jim Holter and Anne Crowner participated in a discussion focused on the definition of surety bond as it appears in 641-Chapter 29.1. Discussion began with clarifying if the bond was actually intended to be based on performance or perhaps based on compliance.

Both types of bonds offer protection to the customer. Performance bonds would require the surety bonding company to determine if the contract had been breached. Compliance bonds would require the board to determine if an action was deemed non-compliant. This type of bond would mirror the actions that the disciplinary rules already identify.

Additional discussion focused on the set amount of the bond and alternative suggestions. Amounts ranged from the existing \$5,000 to \$25,000 - \$50,000. Concerns with the higher amounts were the costs and what was required for credit screening. There also was discussion on the notification time frame of 15 days verses 30/60 day notice.

After discussion it was determined that the contractor license would go forward with the current definition and wording found in the chapter. The committee will continue to explore opportunities to add more detail in the rule to help provide more guidance to the bonding and insurance industry.

Jim offered to send samples of bonding certificates to use as a template for establishing a certificate that could be on the web site. Anne offered to have their insurance representatives review the language in the rule and will provide feedback to the committee.

2. Following the informative discussion the committee spent time providing answers to the lingering questions that needed answering for the contractor license to go forward.

Next Meeting: TBD

Adjournment