

THE UDC CONTRACTORS  
FINANCIAL RESPONSIBILITY CERTIFICATION PROGRAM

# ATTENTION WISCONSIN RESIDENTIAL CONTRACTORS

Starting April 1 1995, you may need to be state-certified in order to take out certain municipal residential building permits. State certification is based on compliance with unemployment compensation and worker's compensation requirements and possession of either \$250,000 general liability insurance or a \$25,000 surety bond. There is no competency testing.

**SPECIAL NOTE:** In order to allow for the orderly implementation of this new program, a temporary method of self-certification will be acceptable for the period of April 1 to May 31, 1995. During this period, a contractor may take out permits if the contractor complies with the unemployment compensation and worker's compensation requirements and possesses either the required liability insurance or bond. By signing the building permit application, the contractor is self-certifying this compliance. Municipalities will issue the permit if all other items are acceptable.

#### **What is the purpose of this program?**

This certification program helps to level the playing field between responsible contractors that properly cover their employees and customers, from less responsible contractors that may otherwise financially hurt their employees or customers.

#### **Who is covered?**

Contractors that take out Uniform Dwelling Code (UDC) construction or erosion control permits.

#### **Who is not covered?**

Owners of existing dwellings and owners that intend to occupy a new dwelling. Employees of exempt owners are also exempt. Owners that take out their own permits will be informed of their potential legal liability by municipal building inspection departments.

#### **What buildings are covered?**

One and two family dwellings built since June 1, 1980, which are covered by the UDC. Many municipalities also adopt the UDC for older dwellings, so those dwellings would also be covered by these contractor certification requirements.

#### **What kind of buildings are not covered?**

Commercial buildings, multi-family residences, detached garages, agricultural buildings and dwellings built before June 1, 1980, unless covered by local ordinance.

#### **What kind of work is covered?**

Construction and erosion control work under Chapters ILHR 21 or 22 that requires a municipal permit. Municipal permit requirements vary but, typically include framing, masonry, roofing, siding, window replacements and insulation work.

**What kind of work is not covered?**

Electrical, plumbing, and heating work, and work that does not require a municipal building permit. Note that municipal ordinances vary as to what type and dollar value of work requires a building permit. Municipalities of less than 2500 population that do not enforce the UDC, and therefore do not issue building permits, will not be enforcing this program either.

**What about existing municipal licensing requirements?**

By state statute, municipalities may have additional contractor licensing requirements for UDC contractors as well as for other contractors, except plumbers and HVAC contractors.

**What are the certification requirements?**

- Compliance with applicable unemployment compensation laws
- Compliance with applicable worker's compensation laws
- Possession of either \$250,000 general liability insurance or a \$25,000 surety bond

Note that this does **not** require previously exempt employers, due to minimal payroll, to obtain unemployment or worker's compensation coverage. Some bonding or surety companies will not offer a bond unless you also having general liability insurance. If you have questions regarding your workers compensation responsibilities, contact the state Worker's Compensation program at (608)266-1340. If you have questions regarding your unemployment responsibilities, contact the state Unemployment Compensation program at (608)266-3114.

**How do I apply?**

Complete the enclosed application, attach the indicated proof of coverage of worker's compensation and general liability insurance or a bond, enclose \$40 and mail to the address indicated.

**Then what?**

If everything is OK, you will be sent a certificate card that you will present to municipal building permit issuers. You will be sent an annual renewal notice, so please inform us of address changes.

**What about other Wisconsin building-related credentialling programs?**

Briefly, mandatory credentialling is required for plumbers, fire sprinkler installers, soil testers for septic systems, structural welders, refrigeration technicians, underground and flammable liquid storage tank contractors, and HVAC contractors (new program). Voluntary credentialling is available for electrical contractors and HVAC contractors. For these programs, contact the Wisconsin Division of Safety & Buildings at (608)266-3151.

Other state agencies have licensing programs for trades allied with construction. The Division of Health (608-266-9382) certifies roofing and siding contractors working with asbestos containing materials, as well as for other asbestos related activities. They also certify contractors dealing with lead-based paint removal. The Department of Natural Resources (608-266-0162) licenses well drillers and pump installers. The Department of Regulation and Licensing (608-266-1397) registers designers of commercial buildings of over 50,000 cubic feet and land surveyors.

