

WEST VIRGINIA LEGISLATURE

2025 REGULAR SESSION

Committee Substitute

for

Senate Bill 569

By Senator Rucker

[Reported March 21, 2025, from the Committee on
Government Organization]

1 A BILL to amend and reenact §30-42-15 of the Code of West Virginia, 1931, as amended; and to
2 amend the code by adding a new article, designated §21-11B-1, §21-11B-2, and §21-11B-
3 3, relating to establishing certain rights for purchasers of residential improvements; stating
4 legislative purpose; defining terms; mandating contracts for residential improvements
5 contain warranty; stating required minimum provisions of warranty; setting length of
6 warranty; establishing that warranty is cumulative of other warranties; prohibiting exclusion
7 or limitation of express or implied warranties; prohibiting limitation of remedies; mandating
8 that arbitration proceedings be held within certain distance from location of improvements;
9 requiring alternative dispute resolution provisions of contract be prominently displayed;
10 and establishing grounds for disciplinary action by Contractor Licensing Board.

Be it enacted by the Legislature of West Virginia:

CHAPTER 21. LABOR.

ARTICLE 11B. RIGHTS OF RESIDENTIAL HOMEOWNERS.

§21-11B-1. Purpose.

1 This article is intended to establish certain rights for homeowners, including subsequent
2 purchasers, who purchase single-family residential improvements or who purchase a new single-
3 family residential dwelling.

§21-11B-2. Definitions.

1 The words and terms used in this article have the same meanings as those set forth in §21-
2 11A-4 of this code, unless a different meaning clearly appears from the context.

§21-11B-3. Required terms of contracts for single-family residential improvements.

1 (a) A contract for single-family residential improvements shall include an express warranty
2 by the contractor providing, at a minimum, that:

3 (1) The work has been performed in accordance with commonly accepted industry
4 standards;

5 (2) The work meets all applicable building codes and all other applicable codes;

6 (3) The work complies with all applicable zoning ordinances and health department
7 regulations;

8 (4) All required inspections by authorities having jurisdiction have been performed to
9 ensure code compliance;

10 (5) All materials provided by the contractor are without defect;

11 (6) Should any construction defect develop during the warranty period, the contractor shall
12 repair, replace, or take other appropriate action to correct the defect and any displaced adjacent
13 work at no expense to the owner;

14 (7) The warranty shall extend for a period of one year from the date of substantial
15 completion for all work performed pursuant to the contract for the single-family residential
16 improvements and, to the extent included in the work performed pursuant to the contract, shall
17 expressly include, but is not limited to:

18 (A) Foundation;

19 (B) Septic system;

20 (C) Roof;

21 (D) Plumbing system;

22 (E) Electrical system;

23 (F) Windows and window systems;

24 (G) Doors, including hardware; and

25 (H) Plumbing fixtures.

26 (b) The warranty does not cover:

27 (1) Defects or damage caused by the owner or a third-party other than the contractor or
28 subcontractors or agents of the contractor;

29 (2) Damage caused by acts of God;

30 (3) Damage caused by normal and expected wear and tear;

31 (4) Damage resulting directly from appliances not installed by the contractor or the
32 contractor's subcontractors or agents; or

33 (5) Defects in, or damages caused by, appliances or equipment purchased directly by the
34 owner.

35 (c) It is not necessary to the creation of the warranty that the contractor use formal words,
36 such as "warrant" or "guarantee".

37 (d) The warranty required by this article is cumulative and not exclusive, and the owner
38 shall have the benefit of any and all warranties, express and implied, that otherwise inure to the
39 benefit of the owner.

40 (e) Notwithstanding any other provision of law to the contrary, a contract for single-family
41 residential improvements may not exclude, modify, or attempt to limit any warranties, express or
42 implied, and any attempted exclusion, modification, or limitation shall be void.

43 (f) Notwithstanding any other provision of law to the contrary, a contract for single-family
44 residential improvements may not exclude, modify, or attempt to limit any remedy provided by law,
45 including the measure of damages available, for breach of warranty, express or implied.

46 (g) If a contract for single-family residential improvements contains a clause mandating
47 arbitration or other alternative dispute resolution processes, that clause shall designate all
48 proceedings to be held within 50 miles of the single-family dwelling or residence that is the subject
49 of the dispute.

50 (h) Any arbitration or alternative dispute resolution provisions in a contract for single-family
51 residential improvements shall be conspicuously located in the contract document, the print
52 entirely capitalized and in bold, and located so as to be distinctive from the remainder of the
53 provisions of the contract.

CHAPTER 30. PROFESSIONS AND OCCUPATIONS.

ARTICLE 42. WEST VIRGINIA CONTRACTOR LICENSING ACT.

§30-42-15. Disciplinary powers of the board.

1 (a) The board may impose the following disciplinary actions:

2 (1) Permanently revoke a license;

3 (2) Suspend a license for a specified period;

4 (3) Censure or reprimand a licensee;

5 (4) Impose limitations or conditions on the professional practice of a licensee;

6 (5) Impose requirements for remedial professional education to correct deficiencies in the
7 education, training, and skill of a licensee;

8 (6) Impose a probationary period requiring a licensee to report regularly to the board on
9 matters related to the grounds for probation; the board may withdraw probationary status if the
10 deficiencies that require the sanction are remedied;

11 (7) Order a contractor who has been found, after hearing, to have violated any provision of
12 this article or the rules of the board to provide, as a condition of licensure, assurance of financial
13 responsibility. The form of financial assurance may include, but is not limited to, a surety bond, a
14 cash bond, a certificate of deposit, an irrevocable letter of credit, or performance insurance:
15 *Provided*, That the amount of financial assurance required under this subdivision may not exceed
16 the total of the aggregate amount of the judgments or liens levied against the contractor or the
17 aggregate value of any corrective work ordered by the board or both: *Provided, however*, That the
18 board may remove this requirement for licensees against whom no complaints have been filed for
19 a period of five continuous years; and

20 (8) A fine not to exceed \$1,000.

21 (b) No license issued under the provisions of this article may be suspended or revoked
22 without a prior hearing before the board: *Provided*, That the board may summarily suspend a
23 licensee pending a hearing or pending an appeal after hearing upon a determination that the
24 licensee poses a clear, significant, and immediate danger to the public health and safety.

25 (c) The board may reinstate the suspended or revoked license of a person if, upon a

26 hearing, the board finds and determines that the person is able to practice with skill and safety.

27 (d) The board may accept the voluntary surrender of a license: *Provided*, That the license
28 may not be reissued unless the board determines that the licensee is competent to resume
29 practice and the licensee pays the appropriate renewal fee.

30 (e) A person or contractor adversely affected by disciplinary action may appeal to the
31 board within 60 days of the date the disciplinary action is taken. The board shall hear the appeal
32 within 30 days from receipt of notice of appeal in accordance with the provisions of Chapter 29A of
33 this code. Hearings shall be held in Charleston. The board may retain a hearing examiner to
34 conduct the hearings and present proposed findings of fact and conclusions of law to the board for
35 its action.

36 (f) Any party adversely affected by any action of the board may appeal that action in either
37 the circuit court of Kanawha County, West Virginia, or in the circuit court of the county in which the
38 petitioner resides or does business, within 30 days after the date upon which the petitioner
39 received notice of the final order or decision of the board.

40 (g) The following are causes for disciplinary action:

41 (1) Abandonment, without legal excuse, of any construction project or operation engaged
42 in or undertaken by the licensee;

43 (2) Willful failure or refusal to complete a construction project or operation with reasonable
44 diligence, thereby causing material injury to another;

45 (3) Willful departure from or disregard of plans or specifications in any material respect
46 without the consent of the parties to the contract;

47 (4) Willful or deliberate violation of the building laws or regulations of the state or of any
48 political subdivision thereof;

49 (5) Willful or deliberate failure to pay any moneys when due for any materials free from
50 defect, or services rendered in connection with the person's operations as a contractor when the
51 person has the capacity to pay or when the person has received sufficient funds under the contract

52 as payment for the particular construction work for which the services or materials were rendered
53 or purchased, or the fraudulent denial of any amount with intent to injure, delay, or defraud the
54 person to whom the debt is owed;

55 (6) Willful or deliberate misrepresentation of a material fact by an applicant or licensee in
56 obtaining a license or in connection with official licensing matters;

57 (7) Willful or deliberate failure to comply in any material respect with the provisions of this
58 article or the rules of the board;

59 (8) Willfully or deliberately acting in the capacity of a contractor when not licensed or as a
60 contractor by a person other than the person to whom the license is issued except as an employee
61 of the licensee;

62 (9) Willfully or deliberately acting with the intent to evade the provisions of this article by: (i)
63 Aiding or abetting an unlicensed person to evade the provisions of this article; (ii) combining or
64 conspiring with an unlicensed person to perform an unauthorized act; (iii) allowing a license to be
65 used by an unlicensed person; or (iv) attempting to assign, transfer, or otherwise dispose of a
66 license or permitting the unauthorized use thereof;

67 (10) Engaging in any willful, fraudulent, or deceitful act in the capacity as a contractor
68 whereby substantial injury is sustained by another;

69 (11) Performing work which is not commensurate with a general standard of the specific
70 classification of contractor, or which is below a building or construction code adopted by the
71 municipality or county in which the work is performed;

72 (12) Knowingly employing a person or persons who do not have the legal right to be
73 employed in the United States;

74 (13) Failing to execute written contracts prior to performing contracting work in accordance
75 with §30-42-10 of this code;

76 (14) Failing to abide by an order of the board; or

77 (15) Failing to satisfy a judgment or execution ordered by a magistrate court, circuit court,

78 or arbitration board;

79 (16) Failing to offer a contract that complies with the provisions of §21-11B-1 et seq. of this
80 code;

81 (17) Failing to remedy a construction defect or reach a mutually agreeable settlement and
82 compromise of a construction defect claim in accordance with the provisions of §21-11B-1 et seq.
83 of this code; or

84 (18) When applicable, failing to comply with the provisions of §21-11A-1 et seq. of this
85 code.

86 (h) In all disciplinary hearings the board has the burden of proof as to all matters in
87 contention. No disciplinary action may be taken by the board except on the affirmative vote of at
88 least six members thereof. Other than as specifically set out herein, the board has no power or
89 authority to impose or assess damages.