



TO: Dustin Anderson, Town Manager

FROM: Chuck Collins, Building Commissioner/Chief Building Inspector
Tom Vander Woude, Planning Director

DATE: November 15, 2022

RE: Contractor Registration Ordinance revisions

BACKGROUND

Staff is proposing amendments to Chapter 10, Article IV, Divisions 1 and 2 of the Municipal Code of Ordinances, *BUILDING CONTRACTORS AND SUBCONTRACTORS*, adopted by Town Council in 1985 and last revised in 2010.

In addition to a general reorganization of the section for clarity and accuracy in terminology, the following significant revisions are proposed:

1. Subcontractors are reclassified as “specialty contractors”.

This revision more accurately reflects the fact that contractors in specific trades are not always working as subcontractors under a general contractor.

2. Background checks are eliminated for renewals of contractor registrations.

The Town’s current ordinance requires that prior to the annual issuance or renewal of a contractor registration, the Town shall conduct a limited criminal background check on (1) The business entity conducting or operating the business; (2) The president, owner or chief executive officer of the business; or (3) The treasurer or chief financial officer of the business. If the background check finds that the applicant has been convicted of a crime involving fraud, misrepresentation or deceit, as a sexual predator, or of any felony, within the past 10 years, the applicant is not able to be registered.

This provision, which is unique to Munster, was enacted in 2011 after the Town observed that fraudulent contractors had preyed on residents whose homes were damaged in the 2008 flood. The intention was to ensure contractors were legitimate businesses and not con artists. The intention was not to prevent convicted criminals from working on a job site in Munster.

Each year, the Town conducts over a thousand background checks, many of them on contractors that have been registered and working in the Town for years. The cost to the

contractor is \$25.00 and the cost to the Town is \$15.00 in direct costs plus administrative costs. Staff estimates that the time spent on background checks is approximately 275 hours a year.

Staff is recommending that contractors who are renewing their registration not be subject to the background check. This revision will save both contractors and the Town staff time and money.

3. Eliminate proficiency testing for electrical contractors.

For many years, the Town of Munster has required that electrical contractors pass an open-book proficiency test as a precondition of registering with the Town. The practice was required by the municipal code beginning in 2010. Similar to the limited background checks, the benefit of this requirement is minor compared to the cost, primarily because it is administered only to a single individual in a company and does not guarantee the proficiency of the individual performing the work.

RECOMMENDATION

Hear Ordinance #_____ on first reading and schedule second reading for the next regularly scheduled Town Council meeting.