



128 State Street, Montpelier, VT 05633
802-828-2363 | sos.vermont.gov

State of Vermont
Office of the Secretary of State
Office of Professional Regulation
89 Main Street, 3rd Floor
Montpelier, VT 05633-3402

Sarah Copeland Hanzas, Secretary of State
S. Lauren Hibbert, Deputy Secretary

Jennifer B. Colin, Director

February 5, 2026

To: Hon. Kathleen James, Chair
House Committee on Energy and Digital Infrastructure

From: S. Lauren Hibbert, Deputy Secretary of State
Jennifer Colin, Director, Vermont Office of Professional Regulation

Re: H.718, An act relating to building energy efficiency

Thank you for inviting us to testify on H.718. We appreciate having the opportunity to review the parts of the bill with you that relate to the Office of Professional Regulation and identify provisions we support, as well as concerns we have about this bill.

Overview of the Office of Professional Regulation

The Office of Professional Regulation (OPR) is an umbrella agency that regulates occupations in Vermont. The agency is staffed by 40 people and organized under the Secretary of State. OPR oversees about 84,000 licensees in 53 diverse and wide-ranging professions and occupations, from health care professions like nursing, osteopaths, dentists, pharmacists and mental health professions, to accountants, architects, appraisers, real estate brokers, tattooists, barbers, cosmetologists, and others. OPR is a public protection agency that establishes minimum licensure qualifications and enforces professional conduct standards through its complaint and disciplinary processes. OPR operates at the forefront of the everchanging regulatory landscape, such as responding to emergency health initiatives during Covid, working to remove licensure barriers for military families and internationally trained professionals, and seeking to increase much-needed workforce through progressive policies like compacts and telehealth.

OPR is a special fund agency. Our operations are funded almost entirely by licensing fees. OPR does not receive general fund appropriations except for one-time appropriations for the occasional special project or legislative report. OPR is currently running at a deficit of approximately \$1.5m.

Regulation of Residential Contractors

In 2022, Act 182 created a regulatory program for residential contractors at OPR for the purpose of protecting the public from contractor fraud. This program requires residential contractors who directly contract with homeowners for more than \$10,000 of construction labor and materials to register with OPR. In addition to the \$10,000 requirement, other regulatory thresholds include:

- Definition of “residential” – consists of four or fewer residential dwelling units;
- Definition of “construction” – includes interior and exterior construction, weatherization, renovation, repair, roofing, solar, heating, and other activities;
- Contract directly with the homeowner, meaning developers who build and then sell, as well as subcontractors, are not required to register.

Because “registration” is the form of regulation, there are no qualifications required for a residential contractor. When a residential contractor applies for a registration with OPR, they must:

- Apply for an individual registration if self-employed or for a business registration if they have employees;
- Pay a registration fee (\$100 for individual; \$250 for business);
- Provide documentation of a name/entity registered with the Business Services Division of the Secretary of State;
- Disclose criminal convictions, pending criminal charges, and any discipline against a professional credential in any jurisdiction;
- Provide proof of general liability insurance coverage of \$1,000,000 per occurrence and \$2,000,000 aggregate;
- Identify if they are licensed in another jurisdiction;
- Acknowledge that they are required to comply with Residential Building Energy Standards (RBES); and
- Affirm that they must execute a written contract before receiving a deposit or commencing with the construction.

The most unique features of the residential contractor regulatory program are: (1) OPR does not have jurisdiction over the quality of work performed by registrants or their failure to practice competently; and (2) individuals who engage in unauthorized practice (i.e. practicing residential construction without registering) may not be charged criminally, as in other professions.

Act 182 also required OPR to create specialty certifications which are available to registered contractors to signify special training and expertise in a particular subfield of residential construction. Specialty certifications are voluntary. Act 182 required OPR to offer specialty certifications in OSHA standards and energy efficient building methods.

Current Data/Information

Currently, after the first renewal cycle for residential contractors, registration numbers are:

Individual: 565
Business: 835
Total: 1400 (decrease of apprx. 275 registrants from previous cycle).

Since 2022, OPR has received approximately 130 complaints regarding construction projects. Enforcement outcomes have been as follows (in approximate numbers):

- 30 Cases - Pending Investigation/Review
- 12 Cases – Public Disciplinary Charges filed (7 are pending; 4 concluded with discipline; 1 case dismissed)
- 40 Cases – Investigated and Closed – allegations of fraud unsubstantiated, quality of work claims, unauthorized practice that dated prior to enforcement authority
- 50 Cases – Screened Out (not investigated) for lack of jurisdiction over quality of work or lack of meeting threshold requirements

Specialty certifications have not yet been implemented. Given low registration numbers (i.e. low income from the program), and the high enforcement numbers (i.e. high cost), we estimate that this program is running at a deficit. Also, the number of registrants who also want to obtain a specialty from OPR will be a fraction of the total number of registrants. The cost and resources required to go through the administrative rulemaking process and to implement the specialties will increase the financial deficit of the program. The primary challenge with implementing the energy efficiency specialty certification is the need for an examination. We have been working on a solution to this challenge.

Review of H.718

Sec. 1 Findings

(4) We agree that the Building Energy Code Working Group recommended that OPR's regulatory program for residential contractors could be used to provide market incentives to register. However, other than providing professional credentials to those who apply and meet the requirements, OPR's regulatory programs are not intended or designed to provide market incentives. We have 53 professions to regulate, and we do not incentivize people to follow the law. This mandatory program requires all residential contractors who meet the threshold requirements to register. If the law does not incentivize compliance, OPR's enforcement authority is the tool we have to achieve compliance.

We also agree that homeowners would benefit from additional protections beyond the current regulations.

(5) We agree that this regulatory program has not produced sufficient revenue to adequately resource the substantial stakeholder engagement, outreach to the profession, policy work, and rulemaking that would be necessary to significantly improve upon the current regulatory framework.

Sec. 4. Residential Contractor Regulation Task Force; Reports

(a) We agree that a task force could help OPR improve the existing regulatory program and expedite the creation of voluntary specialty certifications. We have appreciated Representative Campbell's support of OPR in this work.

(b) The task force membership should include one member appointed by the Attorney General's Office, as well as a member appointed by the Vermont Department of State's Attorneys and Sheriffs. We also would like to see two registered residential contractors, two homeowners, and one public member.

(c) Should be revised to clarify the task force's scope of authority is to advise. The task force does not have independent authority to take any action with respect to OPR's website or operations.

(1) (A) Because OPR is an umbrella agency regulating over 50 professions, we cannot and should not offer special marketing or website features to serve this profession. Operating a marketing program would be outside of our mandate. We would be happy to share data with a consumer-focused entity or organization. This should be revised to reflect that the task force can identify a consumer-focused entity or organization that OPR could provide data to.

(B) OPR agrees that finding and implementing cost effective ways to let residential contractors and the public know about the mandatory registration legal requirements is important. We recommend rephrasing this provision to remove the word "marketing."

(i) Given the three-year duration of the task force, we would request that language be added to this provision expressing the intention for the appropriation to be made yearly. Furthermore, in light of OPR's deficit and the substantial resources that will be required to run the task force, do the report writing, and implement additional supports, we would ask the Committee to also consider a general fund allocation to OPR for this work.

Sec.5. Requirements of Registrants

As part of the application process, OPR requires applicants to disclose all criminal convictions and disciplinary actions in Vermont or any other jurisdiction or territory. OPR also requires disclosure of outstanding civil judgments that have not been satisfied. OPR may deny a credential if an applicant has a recent felony conviction, any conviction related to the practice of the profession, such as fraud, or an unsatisfied civil judgment.

OPR also posts on its website all disciplinary action taken against a residential contractor's registration. Members of the public can do a Conduct Decision Search on OPR's website.

OPR is concerned that this disclosure would cause undue prejudice and burden on residential contractors. OPR has worked to remove barriers for individuals who have previous criminal records so they can have opportunities to pursue professional growth and development.

OPR suggests limiting the disclosure requirement to unsatisfied civil judgments.

Sec.6. 3 V.S.A. § 138. Required Education for Specified Licensees; State Energy Goals

Eight OPR professions are required to complete education regarding the state's energy goals for initial licensure, as well as for renewal every two years. Residential Contractors are not among the professions required to complete this course because the credential is a registration, which requires no education for the credential or continuing education for renewal. The added language in (1) is very profession specific and would be inapplicable to most, if not all, of the professions required to take the module.

Also, OPR does not design or create training programs for professionals. The module the agency was required under this section to create has not been updated or modified since implemented. OPR does not have expertise in the State's energy goals, utility incentives, or how those goals specifically intersect with the eight professions identified in the statute.

OPR suggests a revision that would require another state entity, in collaboration with OPR, to design this module.

Sec. 11. Energy Professionals Regulation Report

We recommend revising the language in this section, as the reporting requirements are for two separate and distinct purposes.

First, for the sunrise assessment pursuant to 26 V.S.A. Ch. 57 for Home Energy Rating Systems Raters (HERS Raters) and Energy Professionals, OPR requests to have until November 1, 2028 to complete the assessment. Sunrise assessments require substantial work, including research of the subject matter, studying whether/how other states regulate the profession, significant stakeholder outreach, public meetings, and report writing. With other projects OPR will be moving forward next legislative session, we will not have capacity to complete the sunrise assessment any sooner than November 1, 2028. Also on page 13, line 12, we request to remove “by the Office” to leave open consideration of whether a sister agency could be a better fit for regulatory programs in these fields.

Second, the requirement for the Office to “assess whether the regulation of residential building contractors should be transferred from registration to certification or licensure” should be moved to Sec. 4 (c) as part of the work of the task force studies and advises OPR on, which must be completed by June 30, 2029.

Sec. 14. Appropriations

(b) Again, OPR is not the appropriate entity to host a consumer-oriented website for the contractor registry. OPR is willing to collaborate with a professional organization or other entity where this type of consumer tool would be better suited. If this requirement is passed, we also have no basis for understanding whether \$200,000 is the correct appropriation for the work required.