

GOVERNMENT OF THE DISTRICT OF COLUMBIA

DEPARTMENT OF BUILDINGS



Protecting Adjacent and Adjoining Property Owners from Construction Damage Amendment
Act of 2024 and General Contractor Licensing Amendment Act of 2024

Testimony of
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Before the Committee of the Whole
Council of the District of Columbia
The Honorable Phil Mendelson, Chairman

John A. Wilson Building
1350 Pennsylvania Avenue, NW
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10:00 a.m.

Good morning, Chairman Mendelson, fellow Councilmembers, and staff. I am Brian Hanlon, Director of the Department of Buildings (DOB). I am pleased to appear before you today to discuss two proposed bills that DOB supports: the Protecting Adjacent and Adjoining Property Owners from Construction Damage Amendment Act of 2024 and the General Contractor Licensing Amendment Act of 2024.

DOB's mission is to protect the safety of residents, businesses, and visitors, and to advance the development of the built environment in the District through permitting, inspections, and code enforcement. We strive to be a national model of customer service and value creation; we are a catalyst for responsible economic development, social diversity, and environmental sustainability, and are essential to a thriving and resilient city.

I am confident that through our continued collaboration with the Council, the District will pass legislation that helps us to accomplish these goals and move the city forward. I would like to discuss both bills briefly, starting with the Protecting Adjacent and Adjoining Property Owners From Construction Damage Amendment Act of 2024.

Protecting Adjacent and Adjoining Property Owners From Construction Damage Amendment Act of 2024

The goal of this legislation is to ensure financial protection for adjacent and adjoining property owners from damage to their property resulting from construction occurring on a neighboring property. The law requires property owners, contractors, or persons applying for specific types of permits issued by DOB to obtain liability insurance that covers loss or damage to adjacent and adjoining property owners prior to permit issuance.

In the leadup to the formulation of this legislation, DOB formed a working group with residents and will continue to work with them to protect people, adjacent and adjoining

properties, and the built environment. Stemming from this and DOB's internal conversations, we have provided recommendations in the permanent bill before you today to strengthen the legislation that is currently in place. Specifically, we seek to expand the requirements of the Act to encompass the full range of permit types to cover the ones most likely to involve construction activity that could cause damage to adjacent and adjoining properties. These include alteration and repair permits that comprise underpinning, construction at the party walls, foundation permits, and new building permits. Additionally, DOB issues these permit types quite frequently, making these proposed changes vital to protecting the residents adjacent to or adjoining these permitted projects. These additions would bring the total number of covered permit types to eight (8), an increase of four (4) from the original bill.

There are also proposed adjustments to the Act's language regarding the definition of "adjacent property," and removing the requirement to publish insurance quote requirements from six (6) companies in a rulemaking implementing the Act. These recommendations were raised to clarify the breadth of the legislation and to ensure clarity for homeowners and industry professionals.

DOB remains committed to working with the insurance industry, builders, residents, and the Council to deliver a bill that promotes a safe built environment that protects adjacent and adjoining properties. Ultimately, getting this bill over the finish line will show that the District is serious about ensuring the nation's capital is a safe place to live, work, and play.

With this in mind, we urge the Council to pass this Act as a permanent bill so DOB may initiate a final rulemaking process that incorporates this valuable stakeholder input. DOB is eager to fully implement this important legislation in a manner that best serves the District and its residents.

General Contractor Licensing Amendment Act of 2024

The General Contractor Licensing Amendment Act of 2024 fills a gap that exists regarding standards for residential and commercial contractors operating in the District. While Maryland and Virginia possess robust requirements for contractor licensure, the District's requirements are lacking. This proposed legislation would create a *Board of Residential and Commercial Contractors* and establish clear eligibility criteria for the licensure of residential and commercial contractors. The Board would issue licenses to qualified residential and commercial contractor applicants to operate in the District, with administrative work handled by the Board and the Department of Licensing and Consumer Protection (DLCP).

Our agency will work closely with DLCP's leadership to establish stronger standards for the general contractors who operate in the District. This collaboration will be crucial as we work to craft legislation that ensures District residents can receive high levels of consistency and quality that come with robust licensure requirements.

Requiring clear and suitable licensure standards for contractors to operate in the District enhances the industry's legitimacy and helps protect homeowners and business owners from substandard work. This aligns naturally with DOB's goals to maintain a safe built environment in the District. We are in strong support of this legislation and urge the Council pass it.

Conclusion

To conclude, I would like to thank Chairman Mendelson and the other members of the Council for the opportunity to testify today. I look forward to continuing to collaborate with your offices on these matters. These bills address deeply important matters, and I trust that when fully

enacted, they will serve the District's residents, businesses, and visitors well. Once again, thank you, and I look forward to answering any questions you may have.