

C-37 Statutes & Rules Exam (SRE) Practice (Sample)

Study Guide



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Questions

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- 1. A licensee who fails to follow a written directive from AZ ROC may face a civil penalty of up to what amount?**
 - A. 500**
 - B. 1,000**
 - C. 750**
 - D. 250**
- 2. What is the monthly interest rate for late payments to subcontractors and material suppliers according to the Prompt Pay Act?**
 - A. 1.5%**
 - B. 10%**
 - C. 15%**
 - D. 1%**
- 3. What is the function of a neutral wire in an electrical circuit?**
 - A. To supply additional voltage**
 - B. To complete the circuit by providing a return path for current**
 - C. To ground the electrical system**
 - D. To control the flow of electricity**
- 4. If a contractor holds a B - General license, which of the following tasks must be subcontracted?**
 - A. Electrical wiring in a home**
 - B. HVAC repairs in a duplex**
 - C. Pool installation**
 - D. All of the above**
- 5. How many days does a licensee have to contest a claim to be paid from the Residential Contractors' Recovery Fund?**
 - A. 15 days**
 - B. 30 days**
 - C. 7 days**
 - D. 21 days**

- 6. What is the penalty for failing to release a lien after payment?**
- A. No penalty is applied**
 - B. Automatic contract termination**
 - C. Legal fees for the owner**
 - D. Possible fines**
- 7. What does NEC Article 310 detail?**
- A. Grounding and bonding requirements**
 - B. Conductors for general wiring**
 - C. Safe distances for installation of electrical equipment**
 - D. Load calculations for electrical systems**
- 8. When is a contractor's license necessary in Arizona?**
- A. For projects exceeding \$1,000**
 - B. For any project requiring a permit**
 - C. For personal handyman jobs**
 - D. Both A and B**
- 9. Which document is crucial for electricians to reference for compliance?**
- A. The local construction permits**
 - B. The project hiring contract**
 - C. The National Electrical Code**
 - D. The employer's manual**
- 10. What happens to a responsible contractor's license when a claim is paid from the Residential Contractor's Recovery Fund?**
- A. Suspended**
 - B. Revoked**
 - C. Withdrawn**
 - D. Cancelled**

Answers

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1. A
2. A
3. B
4. D
5. A
6. D
7. B
8. D
9. C
10. A

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Explanations

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1. A licensee who fails to follow a written directive from AZ ROC may face a civil penalty of up to what amount?

A. 500

B. 1,000

C. 750

D. 250

The civil penalty for a licensee who fails to follow a written directive from the Arizona Registrar of Contractors (AZ ROC) can indeed be up to \$500. This reflects the seriousness with which the AZ ROC addresses non-compliance and aims to ensure that all licensed contractors adhere to established regulations and directives. When a licensee is issued a written directive, it is important for them to take it seriously and act in accordance with it. Failing to comply can lead to sanctions, which is intended to uphold standards within the contracting profession and protect the public from potential harm due to non-compliant practices. The amounts provided in the other options do not represent the actual maximum civil penalty as outlined by the AZ ROC rules. Therefore, understanding the correct civil penalty amount helps reinforce compliance and knowledge of regulatory standards among licensed contractors.

2. What is the monthly interest rate for late payments to subcontractors and material suppliers according to the Prompt Pay Act?

A. 1.5%

B. 10%

C. 15%

D. 1%

The Prompt Pay Act specifies that the monthly interest rate for late payments to subcontractors and material suppliers is established at 1.5%. This rate is significant because it serves as an incentive for timely payments within the construction industry, ensuring that subcontractors and suppliers are not unduly delayed in receiving their payments for work completed or materials supplied. The 1.5% monthly interest can accumulate over time, making it an important factor for contractors to consider in their financial management and payment practices. Understanding that this specific percentage is set to facilitate cash flow in construction projects helps to promote a healthier financial environment and maintains good relationships between contractors and their subcontractors or suppliers.

3. What is the function of a neutral wire in an electrical circuit?

- A. To supply additional voltage**
- B. To complete the circuit by providing a return path for current**
- C. To ground the electrical system**
- D. To control the flow of electricity**

The function of a neutral wire in an electrical circuit is to complete the circuit by providing a return path for current. In an electrical system, current flows from the power source through the hot wire (which carries the current to the load) and returns through the neutral wire, thereby closing the circuit. This return pathway is essential for the circuit to function correctly and safely, as it allows for the continuation of electrical flow after it has passed through the devices or appliances being powered. The neutral wire serves as a reference point for voltage levels and is typically grounded at the main electrical panel to ensure safety and stability in the system. Its role in completing the circuit is crucial for ensuring that electrical devices operate correctly and efficiently. In contrast, options referring to supplying additional voltage, grounding the system, or controlling the flow of electricity do not accurately describe the primary role of a neutral wire. The functionality of the neutral wire is distinctly centered on providing a safe and effective return path for current, ensuring that electrical systems work as intended.

4. If a contractor holds a B - General license, which of the following tasks must be subcontracted?

- A. Electrical wiring in a home**
- B. HVAC repairs in a duplex**
- C. Pool installation**
- D. All of the above**

A contractor with a B - General license is allowed to perform a broad range of construction activities, but there are specific tasks that require specialized licenses due to the nature of the work involved. These activities include electrical wiring, HVAC repairs, and pool installation. Electrical wiring in a home typically requires a licensed electrician due to the technical expertise and safety regulations involved. Similarly, HVAC repairs involve complex systems that also require a licensed HVAC contractor to ensure the work is performed correctly and safely. Pool installation often requires specialized knowledge and adherence to specific regulations, which usually necessitates a contractor with a pool installation license. Since all of these tasks—including electrical work, HVAC repair, and pool installation—are subject to licensing requirements that go beyond the scope of a B - General license, they must be subcontracted to licensed professionals in those respective fields. This ensures that the work is completed by individuals who meet the necessary qualifications and adhere to safety and regulatory standards. Thus, subcontracting these tasks is essential for compliance and to maintain quality in construction practices.

5. How many days does a licensee have to contest a claim to be paid from the Residential Contractors' Recovery Fund?

A. 15 days

B. 30 days

C. 7 days

D. 21 days

A licensee who wishes to contest a claim to be paid from the Residential Contractors' Recovery Fund has a specific timeframe in which to act. The correct answer is that the licensee has 15 days to contest the claim. This period is essential for ensuring that disputes regarding claims are managed promptly and that all parties involved have a clear understanding of the timeline for contesting claims. Understanding this timeframe is crucial for licensees, as failing to respond or contest a claim within the designated period may result in the automatic approval of the claim, potentially leading to financial consequences for the licensee. The adherence to this 15-day requirement illustrates regulatory efforts to balance the interests of consumers seeking recovery with the rights of contractors who may contest the validity of claims made against them.

6. What is the penalty for failing to release a lien after payment?

A. No penalty is applied

B. Automatic contract termination

C. Legal fees for the owner

D. Possible fines

The correct answer regarding the penalty for failing to release a lien after payment is possible fines. When a lien is not released after the debt has been satisfied, it can create complications for the property owner, who may have to take additional legal actions to clear the title. This oversight by the lienholder could lead to potential fines imposed by regulatory authorities, as it is considered a failure to fulfill the legal obligations associated with the lien. In most jurisdictions, there are statutes that mandate the timely release of liens once payment has been made. Failure to comply with these statutes may result in monetary penalties meant to encourage compliance and protect property owners from undue burden. Understanding this aspect underscores the importance of adhering to lien release laws to avoid financial repercussions. Other options such as having no penalty, automatic contract termination, or incurring legal fees for the owner do not accurately reflect the consequences of failing to properly release a lien. While these scenarios may involve complications for the lienholder or the property owner, they do not align with the established penalties typically enforced in these situations.

7. What does NEC Article 310 detail?

- A. Grounding and bonding requirements
- B. Conductors for general wiring**
- C. Safe distances for installation of electrical equipment
- D. Load calculations for electrical systems

NEC Article 310 is primarily focused on the requirements for conductors utilized in general wiring, specifically detailing the proper selection and installation practices for conductors based on their ampacity, insulation type, and environmental considerations. This article addresses various factors that must be taken into account when choosing conductors, such as temperature ratings, conduit fill, and the impact of deployment location on the conductors' performance. Understanding the specifications in Article 310 is crucial for ensuring that electrical installations are safe, efficient, and in compliance with the National Electrical Code. The correct choice reflects the essence of what this article regulates, providing foundational knowledge for anyone involved in electrical installation and maintenance. This is vital for both compliance and safety in electrical work, ultimately ensuring that installations can handle the current loads while minimizing risks of overheating or failure.

8. When is a contractor's license necessary in Arizona?

- A. For projects exceeding \$1,000
- B. For any project requiring a permit
- C. For personal handyman jobs
- D. Both A and B**

A contractor's license is necessary in Arizona primarily for two situations: when projects exceed a value of \$1,000 and when a project requires a permit. This requirement is in place to ensure that contractors have met the necessary qualifications and adhere to local building codes and safety standards. When the value of a project exceeds \$1,000, it indicates a level of complexity and investment that necessitates regulations, such as ensuring that the work is conducted safely and competently. Additionally, projects that require permits typically involve significant structural work or changes that could affect the integrity of a building or the surrounding area, thus requiring oversight from licensed professionals. Handyman jobs are often smaller, minor repairs that may not need a contractor's license, and may not always require permits. However, if such tasks exceed local thresholds or the complexity rises, a license might be needed as well. Thus, acknowledging both the threshold value for projects and the requirement for permits encapsulates the essential legal standards governing contractor licensing in Arizona. This makes the combined answer of projects exceeding \$1,000 and any project requiring a permit the correct response.

9. Which document is crucial for electricians to reference for compliance?

- A. The local construction permits**
- B. The project hiring contract**
- C. The National Electrical Code**
- D. The employer's manual**

The National Electrical Code (NEC) is a vital document for electricians because it establishes the minimum standards for safe electrical installation and maintenance across the United States. Compliance with the NEC ensures that electrical work is performed safely and efficiently, reducing the risk of electrical hazards such as fires, electrocution, and equipment damage. Electricians rely on the NEC to guide them in the proper design, installation, and inspection of electrical systems. This code is updated periodically to reflect technological advancements and changes in safety practices, making it essential for electricians to be knowledgeable about the most current version. By adhering to the NEC, electricians not only meet legal requirements but also uphold industry standards for safety and reliability in their work. While construction permits, project contracts, and employer manuals may provide specific information relevant to individual jobs or workplace policies, the NEC serves as the foundational code that governs electrical safety and compliance nationwide. Therefore, referencing the National Electrical Code is crucial for ensuring that all electrical installations are compliant and secure.

10. What happens to a responsible contractor's license when a claim is paid from the Residential Contractor's Recovery Fund?

- A. Suspended**
- B. Revoked**
- C. Withdrawn**
- D. Cancelled**

When a claim is paid from the Residential Contractor's Recovery Fund, the responsible contractor's license is suspended. This suspension serves as a regulatory measure to protect consumers and ensure that contractors address the reasons for the claim being filed against them. The contractor must typically fulfill certain obligations or conditions to restore their license, such as repaying the amount paid out from the fund or resolving any outstanding issues related to the claim. This process is important to maintain accountability within the contracting industry and reinforces the standards that contractors are expected to uphold. The other options do not adequately reflect the typical consequence for a contractor's license in this situation, as suspension allows for the potential for reinstatement once the necessary criteria are met.