

CS FOR HOUSE BILL NO. 81(L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-NINTH LEGISLATURE - SECOND SESSION

BY THE HOUSE LABOR AND COMMERCE COMMITTEE

Offered: 2/23/15

Referred: Finance

Sponsor(s): REPRESENTATIVES TILTON, Hughes, Gattis, Millett, Kito, LeDoux, Saddler, Drummond, Tuck, Olson

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to an exemption from the regulation of construction contractors."**

2 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

3 * **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
4 to read:

5 LEGISLATIVE INTENT. It is the intent of the legislature that the exemptions listed
6 in AS 08.18.161, as amended by sec. 2 of this Act, be construed broadly in order to allow
7 individuals the freedom and ability to construct and sell their own homes based on their own
8 discretion.

9 * **Sec. 2.** AS 08.18.161 is amended to read:

10 **Sec. 08.18.161. Exemptions.** To the extent that this chapter governs
11 contractors, this chapter does not apply to

12 (1) an authorized representative of the United States government, the
13 State of Alaska, or a political subdivision or agency of the state;

14 (2) an officer of a court when acting within the scope of office;

15 (3) a public utility operating under the regulations of the Regulatory

1 Commission of Alaska in construction, maintenance, or development work incidental
2 to its own business;

3 (4) a construction, repair, or operation incidental to the discovering or
4 producing of petroleum or gas, or the drilling, testing, abandoning, or other operation
5 of a petroleum or gas well or a surface or underground mine or mineral deposit when
6 performed by an owner or lessee;

7 (5) the sale or installation of finished products, materials, or articles of
8 merchandise that are not actually fabricated into and do not become a permanent,
9 fixed part of a structure;

10 (6) construction, alteration, or repair of personal property;

11 (7) a person who only furnished materials, supplies, or equipment
12 without fabricating them into, or consuming them in the performance of, the work of
13 the contractor;

14 (8) [REPEALED

15 (9)] an owner who contracts for a project with a registered contractor;

16 **(9) [(10)] a person working on an existing structure on** that person's
17 own property, whether occupied by the person or not, and a person working on that
18 person's own **existing** residence, whether owned by the person or not;

19 **(10) [(11)] an owner or tenant of commercial property who uses the**
20 owner's or tenant's own employees to do maintenance, repair, and alteration work **on**
21 **[UPON]** that property;

22 **(11) [(12)] an owner who acts as the owner's own contractor and in**
23 doing so **performs the work independently or** hires workers **or** [ON AN HOURLY
24 BASIS, HIRES] subcontractors, purchases materials, and, as such, sees to the paying
25 for all labor, subcontractors, and materials; in this case, the owner shall be limited to
26 construction of one home, duplex, triplex, four-plex, or commercial building every
27 two years; **the exemption in this paragraph does not apply if the structure under**
28 **construction is advertised for sale or sold during the period of construction or for**
29 **two years after the period of construction ends, unless the owner can**
30 **demonstrate to the department's satisfaction that the sale would not result in**
31 **circumvention of the requirements under this chapter;**

1 (12) [(13)] a person performing construction work incidental to
2 farming, dairying, agriculture, horticulture, stock or poultry raising, mining, logging,
3 fishing, clearing, or other work upon the land in rural districts for fire prevention
4 purposes, or access road building, unless the person is a licensee.

5 * **Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to
6 read:

7 **APPLICABILITY.** This Act applies to construction begun under AS 08.18.161(11), as
8 amended by sec. 2 of this Act, on or after the effective date of this Act. For the purposes of
9 this section, construction begins on the date that is the earlier of when the owner

10 (1) begins the actual construction work; or

11 (2) enters into an agreement with another person for the other person to
12 provide labor, to act as a subcontractor, or to provide materials for the construction.