

Alaska State Legislature

House of Representatives

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Representative Harry Crawford
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SPONSOR STATEMENT: HOUSE BILL HB 22

HB 22 is a bill that would rectify long standing problems revolving around the question of whether a worker is an employee or a subcontractor regarding workers' compensation coverage. This bill would remove the doubt in workers' compensation law by requiring coverage of a construction subcontractor.

The conflict as to whether a worker is a subcontractor or an employee has led to a number of problems. Problems with the calculation of insurance premium, contract bidding, coverage of injured workers and potential unfair competition have all been issues that have resulted because of this uncertainty.

This bill would help eliminate the practice of some unscrupulous contractors requiring their employees to purchase contractor licenses just so the contractor can avoid workers' compensation cost.

HB 22 takes the uncertainty out of the law. It requires subcontractors to cover themselves for payment under workers compensation law and removes the doubt of liability and coverage.

HB 22 has the support of a number of organization homebuilder, general contractors, labor unions and other groups. It will help contractors perform more accurate bidding, creates an even playing field for the competitive bidding process, provides certainty of costs, protects injured workers and may help reduce workers' compensation premium rates.