



March 10, 2020

The House Labor & Commerce Committee  
Alaska House of Representatives  
State Capital Building  
Juneau, Alaska

Subject: Questions/Concerns on HB301, relating to certificates of fitness

Dear Chair Spohnholz and Committee Members:

The Alaska State Home Building Association appreciates the opportunity to comment on HB301, relating to certificates of fitness for plumbers and electricians, and supports apprenticeships.

We support fewer statutory barriers for training and generating skilled trades in Alaska, and have long supported state funding for programs in workforce development.

HB301 appears to address legislative mistrust of administration regulatory authority by creating barriers to possibilities for training and generating Alaska skilled trades.

Residential construction contractors do not want and do not need to be included in AS 18.62 for certificates of fitness. We are already well covered, and don't wish to be included in legislation that tightens controls on apprenticeships and other possible avenues to skilled trades.

Regulatory costs in Alaska can vary significantly across the state, but they translate into the cost of housing. According to the National Association of Home Builders (NAHB), regulatory costs account for nearly 25% of the price of building a single-family home and more than 30% of the cost of a typical multifamily development. This includes planning & zoning approvals, environmental mitigation, permits, government fees, and regulatory compliance.

These regulatory structures already provide numerous safety standards and enforcement. In addition to certificates of fitness standards, all construction trades are federally and state regulated, through agencies such as OSHA and Labor Safety & Standards. There are also state building codes for plumbing and electrical.

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In addition, residential construction is licensed separately under AS 08.18.025, which includes requirements for state-regulated insurance. There are also local municipal residential building codes, which include inspections. And market forces dictate close attention to mortgage financing requirements, which typically include code compliance and energy efficiency standards.

Conversely, state law excludes certificates of fitness for residential construction performed by owner-builders. This exemption (AS 08.18.161) includes provisions on how owner-builders can list and sell new construction that can include self-installed plumbing and electrical.

There are also examples of modular homes (and other structures) constructed outside Alaska and shipped here. The plumbing and electrical in these units are installed in another state, with little or no assurance whether the work was performed by a licensed plumber or electrician.

ASHBA has long supported a statewide residential building code, and has appreciated the legislature's consideration of HB76, adoption of state residential building code. Consideration of adopting a state residential building code has brought forth conflicts between residential building codes and the corresponding qualifications for certificate of fitness subject to the state's plumbing code (the Uniform Plumbing Code administered by the International Association of Plumbing and Mechanical Officials). This has stymied our goal of raising construction standards for housing through well established and sound building codes.

HB301 strengthens federally registered apprenticeship programs, but it does not help housing.

If enacted, HB301 should remove residential construction from the certificates of fitness for plumbers and electricians.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'V. Banaszak', with a stylized flourish at the end.

Victor Banaszak, President  
Alaska State Home Building Association

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