



February 11, 2015

The Honorable Cathy Tilton
Alaska House of Representatives
State Capital Building
Juneau, Alaska

RE: Support for HB81, exemptions from construction contract

Dear Representative Tilton:

This letter is to express support for House Bill 81, an Act relating to an exemption from the regulation of construction contractors, on behalf of the Alaska State Home Building Association (ASHBA).

ASHBA is a statewide trade association dedicated to maintaining high standards in the building industry. We are member-driven organization that encourages good building practices that are sound and ethical, and we promote public policy and legislation that helps to achieve this same criteria.

Under current state law (AS08.18.025), a contractor may not construct or renovate a home without a "residential contractor endorsement". The law requires the contractor obtain a certificate of registration, pass an examination, pay the fees, and acquire the necessary bonding and insurance. This is certificate is commonly called a contractor's license.

Alaska law also provides many exemptions from the requirements of AS08.18.025. One of these licensing exemptions is for individuals who want to act as their own general contractor for building their own home.

ASHBA wholeheartedly supports the ability of Alaskans to be able to act as their own contractor. But more and more we see situations where the exemption is used to operate significant construction companies. Under the guise of building homes for themselves and each of individual family members, there are numerous cases of multiple homes being built and sold every year by the same contractor without any of the requirements of AS18.18.025.

P.O. Box 91444 • Anchorage, Alaska 99509
Phone (907) 644-4190 • FAX (888) 732-1401
Website: www.buildersofalaska.com
E-mail: alaskastatehomebuildingassoc@gmail.com

HB81 is a reasonable amendment that says homes built without a license are prohibited from being advertised for sale for up to 2 years. If an individual who builds a home under this exemption needs to sell the home for any reason, there is a broad allowance to sell if they simply notify the state.

Thank you for your sponsorship of this legislation. ASHBA supports HB81, and we believe it will provide a reasonable safeguard for consumers while maintaining opportunities for people to build their own home.

Sincerely,

A handwritten signature in cursive script that reads "Chuck Homan". The signature is written in black ink and is positioned above a horizontal line that spans the width of the page.

Chuck Homan, President
Alaska State Home Building Association