

SB 45- Support Letter- Alaska State Home Building Association (ASHBA)

February 6, 2017

Senator Mia Costello, Chair
Senate Labor & Commerce Committee
Alaska State Senate
State Capital Building
Juneau, Alaska

Subject: SB45, relating to exemption from regulation of construction contractors

Dear Senator Costello:

As the President of the Alaska State Home Building Association (ASHBA), this letter is to express support to the Senate Labor & Commerce Committee for sponsoring SB45, an Act relating to an exemption from the regulation of construction contractors.

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 advocate for public policies that achieve these same goals.

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. For residential construction, a contractor must also obtain an endorsement after taking multiple education and training classes and an examination on home building in northern climates.

Alaska law, under AS 08.18.161, provides thirteen exemptions from contractor requirements for various circumstances. These include constructing or repairing personal property, any person building their own home, owners of commercial property using their own employees, and construction work incidental to agriculture, mining, logging, fishing, or work in rural districts for fire prevention or access roads.

Senate Bill 45 provides a reasonable protection for consumers and the public by requiring a disclosure when a new home is sold without a contractor’s license. The disclosure is only required when newly constructed homes are sold within two years of completion.

All too often, our builder members see situations where new homes are purchased without the buyer knowing whether the construction company had a contractor

registration, insurance, and bonding. We see examples of home-owners forced to pay out their pocket for poor construction. This is bad for the home-owner, and it is bad for Alaska's overall housing market.

Our members supported this same bill language during the Alaska State 29th Legislature, and we appreciate an opportunity to support its passage this session.

Sincerely,

A handwritten signature in blue ink, consisting of several fluid, overlapping strokes that form a cursive name.

Aaron Welterlen, President
Alaska State Home Building Association