

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-style name.

Aaron Welterlen, President
Alaska State Home Building Association

SB 45-Support Letter- BEMA Construction Company

BEMA Construction Company

*3900 Steven Drive,
Wasilla, Alaska 99654
907-373-1123*

March 30, 2016

Letter in support of HB 81 and SB 161.

Having testified at the last hearing I want to put into writing two examples of consumers getting harmed by unlicensed contractors.

The first example was a home that had many structural issues that caused the home to be unlivable. The exterior walls were built on a cantilevered engineered floor truss system that was far out of code. Imagine a 500 pound weight sitting on the end edge of a diving board. The exterior walls were actually deflecting downward and allowing water to enter the home both through the roof and wall systems. Our company was contracted to repair the errors and were able to leave the home owner satisfied that her home was structurally sound and water tight. The cost was quite expensive. Had she employed a licensed contractor in the first place 111 would have been avoided.

The second example was a home that was relatively new. The home owner bought the house and thought all was well. It was then that a major sewer back-up revealed a major problem with the main sewage line to the septic. The line was not placed properly and was actually sheared off by the ground movement during house and ground settling. The crawl space was inundated with sewage and a major clean-up was needed.

Sincerely,

Richard Carr
President- BEMA Construction Company
Wasilla, Alaska