

CS FOR HOUSE BILL NO. 542(RLS)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - SECOND SESSION

BY THE HOUSE RULES COMMITTEE

Offered: 4/30/04

Referred: Today's Calendar

Sponsor(s): HOUSE LABOR AND COMMERCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 **"An Act reducing to \$5,000 the ceiling for a contract price allowed under one**
2 **construction contractor exemption and expanding the work that a specialty contractor**
3 **may perform to include, in addition to work requiring not more than three trades, work**
4 **under that construction contractor exemption; and changing the definition of specialty**
5 **contractor to refer to the work that a specialty contractor may perform."**

6 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

7 *** Section 1.** AS 08.18.024 is amended by adding a new subsection to read:

8 (b) Notwithstanding (a) of this section, a specialty contractor may perform
9 work that

10 (1) requires the use of not more than three trades; or

11 (2) is exempt under AS 08.18.161(8).

12 *** Sec. 2.** AS 08.18.161(8) is amended to read:

13 (8) work on one project under one or more contracts, the aggregate

1 contract price of which for labor and materials and all other items is less than **\$5,000**
 2 [\$10,000]; this exemption does not apply when the work is only a part of a larger or
 3 major operation, whether undertaken by the same or a different contractor, or when the
 4 work is divided into contracts of amounts less than **\$5,000** [\$10,000] for the purpose
 5 of evasion of this chapter or otherwise; this exemption does not apply to a person who
 6 advertises or puts out a sign or card or other device that might indicate to the public
 7 that the person is a contractor, or that the person is qualified to engage in the
 8 contracting business; a contractor who performs work priced at \$2,500 or more, under
 9 this exemption, shall nevertheless keep in force public liability and property damage
 10 insurance with coverage in at least the amounts set out in AS 08.18.101;

11 * **Sec. 3.** AS 08.18.171(16) is amended to read:

12 (16) "specialty contractor" means a contractor, other than a mechanical
 13 contractor, whose business operations **are described in AS 08.18.024(b)** [REQUIRE
 14 THE USE OF NOT MORE THAN THREE TRADES];

15 * **Sec. 4.** The uncodified law of the State of Alaska is amended by adding a new section to
 16 read:

17 TRANSITION PROVISIONS. (a) AS 08.18.161(8), as amended by sec. 2 of this
 18 Act, does not apply to a person who has a business license under AS 43.70.020 to perform
 19 work under AS 08.18.161(8) until the later of

20 (1) the end of the term for which the business license is issued before the
 21 person is required to renew the license; or

22 (2) the completion of construction begun by the person under AS 08.18.161(8)
 23 before the effective date of this Act.

24 (b) Notwithstanding (a) of this section, AS 08.18.161(8), as amended by sec. 2 of this
 25 Act, applies to all persons on and after a date that is one and one-half years after the effective
 26 date of this Act.