

CS FOR SENATE BILL NO. 189(L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - SECOND SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Offered: 4/11/14

Referred: Rules

Sponsor(s): SENATE LABOR AND COMMERCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to an exemption from the regulation of construction contractors."**

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

3 *** Section 1.** AS 08.18.161 is amended to read:

4 **Sec. 08.18.161. Exemptions.** To the extent that this chapter governs
5 contractors, this chapter does not apply to

6 (1) an authorized representative of the United States government, the
7 State of Alaska, or a political subdivision or agency of the state;

8 (2) an officer of a court when acting within the scope of office;

9 (3) a public utility operating under the regulations of the Regulatory
10 Commission of Alaska in construction, maintenance, or development work incidental
11 to its own business;

12 (4) a construction, repair, or operation incidental to the discovering or
13 producing of petroleum or gas, or the drilling, testing, abandoning, or other operation
14 of a petroleum or gas well or a surface or underground mine or mineral deposit when
15 performed by an owner or lessee;

(5) the sale or installation of finished products, materials, or articles of merchandise that are not actually fabricated into and do not become a permanent, fixed part of a structure;

(6) construction, alteration, or repair of personal property;

(7) a person who only furnished materials, supplies, or equipment without fabricating them into, or consuming them in the performance of, the work of the contractor;

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

(9) an owner who contracts for a project with a registered contractor;

(10) a person working on that person's own property, whether occupied by the person or not, and a person working on that person's own residence, whether owned by the person or not;

(11) an owner or tenant of commercial property who uses the owner's or tenant's own employees to do maintenance, repair, and alteration work upon that property;

(12) an owner who acts as the owner's own contractor and in doing so **performs the work independently or** hires workers **or** [ON AN HOURLY BASIS, HIRES] subcontractors, purchases materials, and, as such, sees to the paying for all labor, subcontractors, and materials; in this case, the owner shall be limited to construction of one home, duplex, triplex, four-plex, or commercial building every two years; **the exemption in this paragraph does not apply if the structure under**

construction is in a home rule, first class, or second class borough or unified municipality and is advertised for sale or sold during the period of construction or for two years after the structure is completed for its intended purpose, unless the owner can demonstrate to the department's satisfaction that the sale would not result in circumvention of the requirements under this chapter;

(13) a person performing construction work incidental to farming, dairying, agriculture, horticulture, stock or poultry raising, mining, logging, fishing, clearing, or other work upon the land in rural districts for fire prevention purposes, or access road building, unless the person is a licensee.

* **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to read:

APPLICABILITY. This Act applies to construction begun under AS 08.18.161(12), as amended by sec. 1 of this Act, on or after the effective date of this Act. For the purposes of this section, construction begins on the date that is the earlier of when the owner

(1) begins the actual construction work; or

(2) enters into an agreement with another person for the other person to provide labor, to act as a subcontractor, or to provide materials for the construction.