

Fiscal Note

State of Alaska
2016 Legislative Session

Bill Version:	CSHB 81(FIN)
Fiscal Note Number:	3
(H) Publish Date:	4/14/2016

Identifier: HB081-HFIN-DCCED-CBPL-4-11-16
 Title: EXEMPTION: LICENSING OF CONTRACTORS
 Sponsor: TILTON
 Requester: House Finance

Department: Department of Commerce, Community and
 Economic Development
 Appropriation: Corporations, Business and Professional
 Licensing
 Allocation: Corporations, Business and Professional
 Licensing
 OMB Component Number: 2360

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2017 Appropriation Requested	Included in Governor's FY2017 Request	Out-Year Cost Estimates					
			FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None								
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues								
---------------------------	--	--	--	--	--	--	--	--

Estimated SUPPLEMENTAL (FY2016) cost: 0.0 (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2017) cost: 0.0 (separate capital appropriation required)
 (discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
 If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/16

Why this fiscal note differs from previous version:

This fiscal note was zeroed out in House Finance with the intention that the Department absorb the anticipated \$2.5 in additional legal costs.

Prepared By: Representative Neuman Phone: (907)465-2679
 House Finance Committee Date: 04/11/2016
 Representative Thompson
 House Finance Committee

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

Analysis

HB 81 proposes to close a loophole in construction contractor licensing exemptions that allows those owning property, residences, or commercial buildings to act as their own contractor without meeting licensure standards. A property owner who acts as their own contractor may build or remodel without obtaining a contractor license if the structure is not advertised for sale or sold within two years after the construction period had ended.

The bill places the burden on the owner-contractor to prove to the Department of Commerce, Community and Economic Development that their work under this exemption was not an attempt to circumvent the requirements of AS 08.18.

If the bill passes the following expenses will be incurred:

Services: \$2.5 (legal services and postage to amend regulations)

Professional licensing programs within the Division of Corporations, Business and Professional Licensing are funded by Receipt Supported Services, fund source 1156 Rcpt Svcs (DFG). Licensing fees for each occupation are set per AS 08.01.065 so the total amount of revenue collected approximately equals the occupation's actual regulatory costs