

HOUSE BILL NO. 150

IN THE LEGISLATURE OF THE STATE OF ALASKA
THIRTY-THIRD LEGISLATURE - SECOND SESSION

BY REPRESENTATIVES SUMNER, Wright

Introduced: 3/31/23

Referred: Labor and Commerce

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to residential building codes; relating to construction contractors and**
2 **residential contractor endorsements; and providing for an effective date."**

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

4 *** Section 1.** AS 08.18.025 is amended to read:

5 **Sec. 08.18.025. Residential contractors.** (a) A general contractor may not
6 undertake the construction or alteration, or submit a bid to undertake the construction
7 or alteration of a [PRIVATELY-OWNED] residential **dwelling that is covered by the**
8 **state residential building code** [STRUCTURE OF ONE TO FOUR UNITS] or
9 advertise or publicly represent that the general contractor may undertake work of this
10 type in the state without a residential contractor endorsement issued under this section.
11 In this subsection, "alteration" means changes that have a value greater than 25
12 percent of the value of the structure being altered.

13 (b) The department shall issue a residential contractor endorsement to a person
14 who

- 1 (1) has a certificate of registration as a general contractor;
- 2 (2) passes a residential contractor examination, which shall be offered
3 by the department at least once each year in each judicial district; the examination,
4 which may be written or practical, **must test the person's knowledge of the state**
5 **residential building code and** may test competence in relation to arctic structural and
6 thermal construction techniques and other matters as determined by the department in
7 consultation with representatives of the construction industry;
- 8 (3) applies for an endorsement within 12 months after passing the
9 examination required under (2) of this subsection;
- 10 (4) within the two years preceding the date of application for the
11 endorsement, has satisfactorily completed either the Alaska craftsman home program
12 sponsored by the department, or its equivalent, or a postsecondary course in arctic
13 engineering, or its equivalent;
- 14 (5) within the seven years preceding the date of application, has not
15 been under a sentence for an offense related to forgery, theft in the first or second
16 degree, extortion, or conspiracy to defraud creditors or for a felony involving
17 dishonesty; and
- 18 (6) pays the appropriate fees.

19 (c) The department may not renew an endorsement issued under this section
20 unless the applicant submits proof of continued competency relating to residential
21 contracting **and the state residential building code** that satisfies the department. A
22 lapsed endorsement may be reinstated, within two years after the lapse, upon proof of
23 continued competency **relating to residential contracting and the state residential**
24 **building code**, payment of a renewal fee for the intervening time period, and payment
25 of any penalty fee established under AS 08.01.100(b). If the endorsement has been
26 lapsed for more than two years, the department may not reinstate it until the person
27 also passes the residential contractor examination described in (b) of this section.

28 * **Sec. 2.** AS 08.18.025 is amended by adding a new subsection to read:

29 (d) To maintain a residential contractor endorsement under this section, a
30 residential contractor shall comply with the state residential building code when
31 providing residential contractor services to residential buildings covered by the code,

1 except when the residential contractor is providing residential contractor services to a
2 building under a later version of the state residential building code or another
3 nationally recognized residential building code adopted under AS 18.60.860(c) by a
4 municipality or the Alaska Housing Finance Corporation.

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

6 (16) "residential contractor" means a general contractor whose
7 business and operation involve undertaking the construction or alteration of a
8 [PRIVATELY-OWNED] residential structure, **including a dwelling covered by the**
9 **state residential building code**, [OF ONE TO FOUR UNITS THAT IS USED OR]
10 intended to be used as a **habitable** [HUMAN] dwelling;

11 * **Sec. 4.** AS 08.18.171 is amended by adding a new paragraph to read:

12 (20) "state residential building code" means the state residential
13 building code adopted under AS 18.60.860(a).

14 * **Sec. 5.** AS 18.56.300(a) is amended to read:

15 (a) The corporation may not make or purchase a housing loan for residential
16 housing the construction of which begins after June 30, 1992, unless the seller of the
17 mortgage loan complies with the provisions of this section and unless

18 (1) the unit is in compliance with the construction codes of the
19 municipality, if the unit is located within a municipality that has adopted and enforces
20 construction codes and each of those codes meets or exceeds the comparable standards
21 for similar housing established by the state **residential building codes** [CODE]; or

22 (2) the unit is in compliance with the comparable standards for similar
23 housing established by the state **residential building codes** [CODE]

24 (A) if the unit is located

25 (i) within a municipality whose construction codes do
26 not meet the standards for similar housing established by the state
27 **residential building codes** [CODE];

28 (ii) within a municipality that does not enforce
29 construction codes; or

30 (iii) outside a municipality; or

31 (B) as to each specific code within the construction codes of

1 the municipality that has adopted and enforces construction codes if the
 2 specific code does not meet or exceed the comparable standard for similar
 3 housing established by the state **residential** building **codes** [CODE].

4 * **Sec. 6.** AS 18.56.300(b) is amended to read:

5 (b) As a condition of a commitment to purchase or approve a loan under this
 6 section for residential housing the construction of which begins after June 30, 1992,
 7 the corporation shall require inspection of the unit of residential housing that is the
 8 subject of the loan. The inspection must be performed by a municipal building
 9 inspector, by an individual who is registered under AS 08.18 to perform home
 10 inspections for new construction, by an architect registered under AS 08.48, by an
 11 engineer registered under AS 08.48, or by another person approved by the corporation.
 12 When the unit of residential housing is located in a rural area, the person who makes
 13 the inspection may use methods other than a personal physical inspection to make the
 14 inspection if the method is approved by the corporation, and variations from the
 15 applicable code may be accepted at the corporation's discretion, if the person
 16 authorized to inspect the unit under this subsection satisfies the corporation that the
 17 variation does not adversely affect the structural integrity of the unit or the health and
 18 safety of the **occupants** [RESIDENTS]. The person who makes the inspection shall
 19 determine whether the construction conforms to relevant provisions of the
 20 construction codes of the municipality or of the state **residential** building **codes**
 21 [CODE], as applicable, at each of the following stages of construction:

- 22 (1) plan approval;
- 23 (2) completion of footings and foundations;
- 24 (3) completion of electrical installation, plumbing, and framing;
- 25 (4) completion of installation of insulation;
- 26 (5) final approval.

27 * **Sec. 7.** AS 18.56.300(e)(3) is amended to read:

28 (3) "state **residential** building **codes** [CODE]" means

29 (A) for building standards, the standards set out in the **state**
 30 **residential building code** [VERSION OF THE UNIFORM BUILDING
 31 CODE] adopted by the Department of **Commerce, Community, and**

1 **Economic Development** [PUBLIC SAFETY] under **AS 18.60.860(a) or**
 2 **another nationally recognized residential building code adopted by the**
 3 **corporation under AS 18.56.088 or AS 18.60.860(c)** [AS 18.70.080,
 4 INCLUDING THE PROVISIONS OF THAT CODE APPLICABLE TO
 5 BUILDINGS USED FOR RESIDENTIAL PURPOSES CONTAINING
 6 FEWER THAN FOUR DWELLING UNITS, NOTWITHSTANDING THE
 7 EXCLUSION OF THOSE BUILDINGS FROM THE DEPARTMENT OF
 8 PUBLIC SAFETY'S JURISDICTION MADE BY AS 18.70.080(a)(2)];

9 (B) for mechanical standards, the standards set out in the
 10 version of the Uniform Mechanical Code adopted by the Department of Public
 11 Safety under AS 18.70.080, including the provisions of that code applicable to
 12 buildings used for residential purposes containing fewer than four dwelling
 13 units, notwithstanding the exclusion of those buildings from the Department of
 14 Public Safety's jurisdiction made by AS 18.70.080(a)(2);

15 (C) for plumbing standards, the minimum plumbing code
 16 adopted for the state under AS 18.60.705; and

17 (D) for electrical standards, the minimum electrical standards
 18 prescribed by AS 18.60.580.

19 * **Sec. 8.** AS 18.60 is amended by adding a new section to read:

20 **Article 12B. State Residential Building Code.**

21 **Sec. 18.60.860. State residential building code.** (a) Except as provided in (b)
 22 and (c) of this section, the Department of Commerce, Community, and Economic
 23 Development shall adopt by regulation a nationally recognized residential building
 24 code as the state residential building code. The department may modify the nationally
 25 recognized residential building code as necessary. The state residential building code
 26 adopted under this subsection will serve as the minimum standard for residential
 27 construction in the state for residential dwellings covered by the code. The department
 28 shall administer the state residential building code.

29 (b) A municipality may adopt a nationally recognized residential building
 30 code to use in place of the state residential building code adopted under (a) of this
 31 section if the municipality determines that adoption is necessary to promote the best

1 interests of the municipality. The municipality may modify the nationally recognized
2 residential building code as necessary. A code adopted by a municipality under this
3 subsection will serve as the minimum residential building code for that municipality.

4 (c) The Alaska Housing Finance Corporation may adopt a nationally
5 recognized residential building code to use in place of the state residential building
6 code adopted under (a) of this section if the corporation determines that adoption is
7 necessary to carry out the duties of the corporation and is in the best interest of the
8 state. The corporation may modify the nationally recognized residential building code
9 as necessary. A code adopted by the Alaska Housing Finance Corporation under this
10 subsection will serve as the minimum residential building code for purposes of the
11 corporation's activities.

12 (d) If another statute conflicts with this section by requiring the application of
13 a code other than the state residential building code adopted under this section, that
14 statute governs to the extent of the conflict.

15 * **Sec. 9.** The uncodified law of the State of Alaska is amended by adding a new section to
16 read:

17 **APPLICABILITY.** (a) AS 08.18.025, as amended by sec. 1 of this Act, and
18 AS 08.18.025(d), added by sec. 2 of this Act, apply to a residential contractor that is issued a
19 residential contractor endorsement under AS 08.18.025(a), as amended by sec. 1 of this Act,
20 on or after the effective date of this Act. In this subsection, "residential contractor" has the
21 meaning given in AS 08.18.171, as amended by sec. 3 of this Act.

22 (b) AS 18.60.860, added by sec. 8 of this Act, applies to new buildings that are built
23 on or after the effective date of this Act.

24 * **Sec. 10.** This Act takes effect January 1, 2024.