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IN THE HOUSE

BY MR. KERTTULA

HOUSE BILL NO. 149

IN THE LEGISLATURE OF THE STATE OF ALASKA

SECOND LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act providing for the registration of
contractors and prescribing penalties."

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

Section 1. A "contractor" as used in this act is any person,
firm or corporation, who or which, in the pursuit of an independent
business undertakes to, or offers to undertake, or submits
a bid to construct, alter, repair, add to, subtract from,
improve, move, wreck or demolish for another building, highway,
road, railroad, excavation or other structure, project, develop-
ment or improvement or to do any part thereof including the
erection of scaffolding or other structures or works in
connection therewith; or, who, to do similar work upon his own
property, employs members of more than one trade upon a single
job or project or under a single building permit except as
otherwise herein provided.

Sec. 2. It shall be unlawful for any contractor to submit
any bid or do any work as a contractor until such contractor
shall have been issued a certificate of registration by the
State Department of Commerce. A partnership or joint venture shall
be deemed registered if any one of the general partners or venturers
whose name appears in the name under which the partnership or
venture does business shall be registered.

Sec. 3. An applicant for registration as a contractor shall
submit an application upon a form to be prescribed by the

HB #149

1 Commissioner of Commerce and which shall include the following
2 information pertaining to the applicant:

3 (1) Employer social security number.

4 (2) Workmen's Compensation insurance number.

5 (3) Employment security department number.

6 (4) State Business license number.

7 (5) Whether the applicant intends to operate as a general or
8 as a specialty contractor and if the latter, the type of specialty.

9 (6) The name and address of each partner if the applicant
10 be a firm or partnership, or the name and address of the owner if
11 the applicant be an individual proprietorship, or the name and
12 address of the corporate officers and statutory agent, if any, if
13 the applicant be a corporation. The information contained in
14 such application shall be a matter of public record and open to
15 public inspection.

16 Sec. 4. Each applicant shall, at the time of applying for
17 a certificate of registration, file with the Commissioner of
18 Commerce a surety bond running to the state of Alaska if a
19 general contractor, in the sum of five thousand dollars; if a
20 specialty contractor, in the sum of two thousand five hundred
21 dollars, conditioned that the applicant will pay all taxes and
22 contributions due to the state of Alaska, and will pay all
23 persons furnishing labor or material or renting or supplying
24 equipment to the contractor and will pay all amounts that may be
25 adjudged against the contractor by reason of negligent or im-
26 proper work or breach of contract in the conduct of the contract-
27 ing business. Any person having a claim against the contractor
28 for any of the items referred to in this section may bring suit
29 upon such bond in the superior court of the Judicial district in

1 which the work is done of any judicial district in which
2 jurisdiction of the contractor may be had. A copy of the com-
3 plaint shall be served by registered or certified mail upon the
4 Commissioner of Commerce at the time suit is started and the
5 Commissioner shall maintain a record, available for public
6 inspection, of all suits so commenced. The surety upon the bond
7 shall not be liable in an aggregate amount in excess of the amount
8 named in the bond, but in case claims pending at any one time
9 exceed the amount of the bond, claims shall be satisfied from the
10 bond in the following order:

11 (1) Labor; (2) Taxes and contributions due the state of
12 Alaska; (3) Material and equipment; (4) Claims for tort and
13 breach of contract.

14 Sec. 5. At the time of registration the applicant shall
15 also furnish to the Commissioner of Commerce satisfactory evi-
16 dence that the applicant has procured public liability and
17 property damage insurance covering the applicant's contracting
18 operation in the sum of not less than twenty thousand dollars
19 for injury to property, fifty thousand dollars for injury or
20 damage to any one person, and one hundred thousand dollars for
21 injury or damage to more than one person.

22 Sec. 6. A certificate or registration shall be valid for
23 one year and may be renewed by the same procedure as for an
24 original registration. The Commissioner shall issue to the
25 applicant a certificate of registration upon compliance with the
26 registration requirements of this Act.

27 Sec. 7. The applicant shall pay to the Commissioner of
28 Commerce a registration fee of; if a general contractor, twenty
dollars; if a specialty contractor, ten dollars.

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Sec. 8. As a condition precedent to recovery in any action for an amount due any contractor for any contract work within the purview of this Act the contractor shall allege and prove registration as prescribed in this Act.

Sec. 9. This Act shall not apply to an authorized representative of the United States government, the state of Alaska, or any incorporated city, town or borough, irrigation district, or other municipal or political subdivision of the state, officers of the court when they are acting within the scope of their office; public utilities operating under the regulations of the public service commission in construction, maintenance or development work incidental to their own business, nor to any construction, repair or operation incidental to the discovering or producing of petroleum or gas, or the drilling, testing, abandoning or other operation of any petroleum or gas well when performed by an owner or lessee.

Sec. 10. This Act shall not apply to the sale or installation of any finished products, materials or articles of merchandise which are not actually fabricated into and do not become a permanent fixed part of a structure, nor does the Act apply to any construction, alteration, improvement or repair of personal property, and the Act shall have no application to any construction, alteration, improvement or repair carried on within the limits and boundaries of any site or reservation the title to which rests in the federal government.

Sec. 11. This Act shall not apply to any work or operation on one undertaking or project by one or more contracts, the aggregate contract price of which for labor and materials and all other items is less than one hundred dollars, such work or

1 operations being considered as of casual, minor, or inconsequential
2 nature. The exemption prescribed in this section does not apply in
3 any instance wherein the work of construction is only a part of a
4 larger or major operation, whether undertaken by the same or a
5 different contractor, or in which a division of the operation is
6 made into contracts of amounts less than one hundred dollars for
7 the purpose of evasion of this chapter or otherwise. The exemptions
8 prescribed by in this section does not apply to a person who
9 advertises or puts out any sign or card or other device which
10 might indicate to the public that he is a contractor, or that he
11 is qualified to engage in the business of contractor.

12 Sec. 12. This Act shall not apply to any construction or
13 operation incidental to the construction and repair of irrigation
14 and drainage ditches of regularly constituted irrigation districts,
15 or reclamation districts, nor to farming, dairying, agriculture,
16 horticulture, or stock or poultry raising, or clearing or to work
17 upon land in rural districts for fire prevention purposes except
18 when performed by a registered contractor.

19 Sec. 13. This Act shall not apply to an owner who contracts
20 for a project with a registered contractor.

21 Sec. 14. This Act shall not apply to work done by an owner
22 of property, building or improving structures thereon for the
23 personal occupancy of such owner or his family if the property is
24 not then intended to be offered for sale within one year of final
25 completion.

26 Sec. 15. This Act shall not apply to any person who engages
27 in the activities herein regulated as an employee of a registered
contractor with wages as his sole compensation.

28 Sec. 16. All advertising for sale, or for identification,

1 of a project constructed by a general contractor, or of services
2 offered by a general contractor or a specialty contractor, shall
3 show the licensee's name as registered and the number of his
4 registration certificate.

5 Sec. 17. Any violation of this Act shall be a misdemeanor.

6 Sec. 18. If any contractor registered under the provisions
7 of this Act is convicted of any fraudulent or criminal act in the
8 conduct of his business as a contractor, the Commissioner of
9 Commerce shall suspend such person's registration as a contractor
10 for a period of two years, but whenever, after such suspension,
11 the Commissioner of Commerce shall be satisfied that such mis-
12 conduct is not likely to recur, the Commissioner of Commerce may
13 terminate such suspension. Every court finding a contractor
14 guilty of such offense shall forward to the Commissioner of
15 Commerce a record of such conviction.

16 Sec. 19. If any portion of this Act shall be held invalid,
17 or if the application of this Act to any individual or class to
18 be held invalid, the remainder of the Act shall remain effective.
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