

Introduced: 2/27/63  
Referred: Labor and  
Management

1 IN THE HOUSE

BY THE LABOR AND MANAGEMENT  
COMMITTEE BY REQUEST

2 HOUSE BILL NO. 118

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRD LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act licensing construction contractors;  
7 and providing for an effective date."

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

9 \* Section 1. AS 08 is amended by adding a new chapter to read:

10 CHAPTER 26. CONSTRUCTION CONTRACTORS.

11 ARTICLE 1. CONSTRUCTION CONTRACTORS STATE

12 LICENSING BOARD

13 Sec. 08.26.010. CREATION AND APPOINTMENT OF BOARD.

14 There is created in the Department of Commerce a Construction  
15 Contractors State Licensing Board. It consists of seven mem-  
16 bers, appointed by the governor.

17 Sec. 08.26.020. TERMS OF OFFICE. Board members are  
18 appointed for staggered terms of three years. The first  
19 appointments are on a staggered basis as to the length of  
20 each term of office. The terms of not more than three board  
21 members will be completed in any one year and, except in the  
22 case of vacancies, all appointments after initial appointments  
23 will be made on the basis of a three-year term of office.  
24 When the governor appoints a replacement for a member, the  
25 replacement must be engaged in the same type of work the mem-  
26 ber he replaces was engaged in. This will give to the board  
27 the advantage of having experienced members qualified in all  
28 branches of the construction industry.

29 Sec. 08.26.030. QUALIFICATIONS FOR BOARD MEMBERS. (a)

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1 The governor shall appoint to the board

2 (1) a general building contractor;

3 (2) a general contractor specializing in highway  
4 and heavy engineering construction;

5 (3) a residential builder who specializes in home  
6 construction;

7 (4) a plumbing and heating contractor, specializ-  
8 ing in plumbing and piping installations and in installing  
9 related fixtures and appliances;

10 (5) a specialty subcontractor selected from any  
11 of the several groupings in the industry with the exception  
12 of the electrical and plumbing branches;

13 (6) a person engaged in any part of the construc-  
14 tion industry or in a service and supply branch which is  
15 closely allied with the construction industry;

16 (7) a person who has no direct financial interest  
17 in construction contracting.

18 (b) A person who replaces a member must be engaged in  
19 the same type of work in which the person he replaced was  
20 engaged.

21 (c) To be qualified for appointment

22 (1) a person must be a resident of Alaska;

23 (2) a construction member must

24 (A) have been in the construction contracting  
25 business for at least three years immediately preceding  
26 his appointment,

27 (B) continue to engage in the type of work  
28 that qualified him for appointment under (a) of this  
29 section,

- 1 (C) be licensed under this chapter,  
2 (D) have a reputation for integrity and fair  
3 dealing in the construction industry,  
4 (E) not have been adjudged bankrupt within  
5 the three-year period immediately preceding his appoint-  
6 ment.

7 Sec. 08.26.040. ORGANIZATION AND MEETINGS. The board  
8 shall annually elect a chairman and a secretary-treasurer  
9 from among its members. A majority of the board constitutes  
10 a quorum for transacting business. The board shall meet no  
11 more than six times a year to dispose of business submitted  
12 to it for consideration and action.

13 Sec. 08.26.050. POWERS OF THE BOARD. The board may  
14 make or cause to be made a special investigation or in-  
15 spection of the work performed by a licensee, when required  
16 in the normal functions of the board. It may issue subpoenas,  
17 subpoenas duces tecum, and process compelling the attendance  
18 of a person and the production of records, papers, and books  
19 during an inspection or investigation. It may administer  
20 oaths when required. It may petition a court of this state  
21 to enforce the power given it in this section.

22 Sec. 08.26.060. DUTIES OF BOARD. (a) The board shall  
23 adopt regulations and develop standards necessary to effect  
24 the licensing and classification of construction contractors.  
25 In adopting regulations and standards to effectuate the  
26 purposes of this chapter, the board shall be guided by the  
27 established practices of the industry and the recognized  
28 ethical procedures which are required for the protection of  
29 the public, the state and its political subdivisions, and all

1 other persons and agencies affected by contracting procedures  
2 in the State of Alaska.

3 (b) The board shall

4 (1) keep a record of its proceedings;

5 (2) annually report its activities to the governor

6 Sec. 08.26.070. EXECUTIVE DIRECTOR. The governor shall  
7 appoint an executive director for the board. The executive  
8 director shall carry out regulations adopted by the board.  
9 He shall issue licenses, when directed to do so by the board,  
10 under the provisions of this chapter.

11 Sec. 08.26.080. DEPOSIT OF FUNDS. All money collected  
12 under this chapter shall be paid into the general fund.

13 Sec. 08.26.090. APPLICABILITY OF THE ADMINISTRATIVE  
14 PROCEDURE ACT. All proceedings under this chapter, except  
15 investigations and inspections under sec. 50 of this chapter,  
16 are subject to the Administrative Procedure Act (AS 44.62).

17 Sec. 08.26.100. COMPENSATION. (a) Each board member  
18 is entitled to per diem allowances and transportation  
19 expenses allowed by law and paid to members of other occupa-  
20 tional and professional boards.

21 (b) The executive director is entitled to a salary  
22 equal to salaries established for similar offices as  
23 established by the Administrative Act. He is entitled to the  
24 same per diem allowances and transportation expenses a member  
25 of the board is entitled to.

26 ARTICLE 2. LICENSING.

27 Sec. 08.26.120. LICENSE REQUIRED. (a) It is unlawful  
28 for an individual, person, firm, partnership, corporation, or  
29 a combination of any of these, to engage in the construction

1 contracting business, to act or offer to act in the capacity  
2 of a construction contractor, or to purport to have the  
3 capacity to act as a construction contractor, without first  
4 having obtained a license prior to the bidding period on any  
5 project on which he plans to submit a bid proposal.

6 (b) Evidence of applying for or securing a permit for  
7 construction, alteration, addition, repair, or demolition  
8 from a political subdivision of this state, or the employment  
9 of a person on a construction project shall be accepted by a  
10 court of this state as prima facie evidence of existence of a  
11 contract, subject only to specific ownership exemptions set  
12 forth in sec. 300 of this chapter.

13 Sec. 08.26.130. LICENSE CLASSIFICATION. (a) No con-  
14 struction contractor's license may be issued under this  
15 chapter except by official act of the board. The board shall  
16 qualify applicants for contractor's licenses by written or  
17 oral examination or both, in accordance with its authority  
18 under sec. 60 of this chapter.

19 (b) A separate examination shall be required for each  
20 classification of contracting established by the board. An  
21 applicant or licensee may apply for additional license classi-  
22 fications and is required to qualify by oral or written  
23 examination in each classification in the same manner as when  
24 applying for an original license. Separate applications shall  
25 be required and separate fees shall be charged for the  
26 qualifying examination in each classification.

27 (c) A license when issued is valid for performance of  
28 work only for the classifications of work shown on the  
29 license.

1 (d) This chapter does not prohibit a construction con-  
2 tractor from performing work of an intrinsic or minor nature  
3 on a project which he has under contract, when the intrinsic  
4 or minor work is not covered by the classification under  
5 which the contractor is licensed, but the work so permitted  
6 must be incidental to and necessary to the prompt completion  
7 of the contractor's project.

8 Sec. 08.26.140. REQUIREMENTS FOR LICENSE. (a) To  
9 obtain a license, an applicant must

10 (1) submit, on forms adopted, prescribed, and  
11 furnished by the board in accordance with its regulations, a  
12 verified application, including a complete statement of the  
13 general nature of his contracting business, and, (A) if the  
14 applicant is an individual, his name and address; (B) if  
15 he is a partnership, the names and addresses of all general  
16 and limited partners; (C) if he is a corporation, the  
17 names of the president, vice president, secretary, and chief  
18 construction managing officer or officers;

19 (2) show, by written or oral examination

20 (A) experience in the kind of work in which  
21 he proposes to conduct his contracting business;

22 (B) his general knowledge of the uniform  
23 building code and of safety, health, and lien laws of  
24 the state applicable to the license classification for  
25 which he is applying;

26 (C) his general knowledge of rudimentary  
27 administrative principals of the contracting business;  
28 and

29 (D) his general knowledge of the regulations

1 promulgated by the board under this chapter;

2 (3) have a good reputation;

3 (4) never have been refused a license, and never  
4 have had a license revoked for reasons that would preclude  
5 granting a license;

6 (5) not have engaged in the contracting business  
7 in this state within one year immediately preceding the  
8 filing of an application for license, unless the work was  
9 covered by a license required by this chapter;

10 (6) not have been adjudicated bankrupt within three  
11 years immediately preceding the filing of an application for  
12 licensure;

13 (7) pay the fee required for the classification for  
14 which he is applying.

15 (b) The board may, after investigation, permit an  
16 applicant who files an application for a license in the name  
17 of an individual, partnership, company, or corporation, but  
18 who is not the individual, nor a partner, nor an officer in  
19 the company or corporation, to take the examination. The  
20 board, under such circumstances, may exercise its authority  
21 and issue the requested license contingent upon the appli-  
22 cant's continuing in a responsible supervisory capacity on  
23 Alaska work with the licensee. If at any time the responsible  
24 supervisor severs his connection with the licensee, the  
25 license will be immediately suspended, and will not be rein-  
26 stated until the board is satisfactorily assured by examina-  
27 tion or other proof that the replacement supervisor is fully  
28 qualified to proceed with the work under license and in  
29 accordance with the requirements of this chapter.

1           Sec. 08.26.150. OUT-OF-STATE CONTRACTORS. The board  
2 may not issue a license to a foreign or out-of-state con-  
3 struction contractor who has failed or refused to comply with  
4 the laws of this state concerning the qualifications neces-  
5 sary to do business in this state.

6           Sec. 08.26.160. EXEMPTION FROM EXAMINATION. The board  
7 may license an applicant who has been engaged in the con-  
8 struction contracting business in Alaska for one year or more  
9 immediately preceding the effective date of this chapter,  
10 without written or oral examination, if the applicant makes  
11 a showing of qualification satisfactory to the board.

12           Sec. 08.26.170. LICENSE ISSUANCE. Upon receipt of the  
13 fee required by this chapter and a completed application  
14 furnishing the information required by the board, and con-  
15 tingent upon an applicant's passing the written or oral  
16 examination required by sec. 140(a)(2) of this chapter, the  
17 board shall notify the applicant of the action taken on his  
18 application. If the board determines that the applicant is  
19 qualified for a license in accordance with the provisions of  
20 this chapter, it shall issue a license to the applicant per-  
21 mitting him to engage in business as a construction con-  
22 tractor under the terms of this chapter until January 31  
23 following the issuance of the license.

24           Sec. 08.26.180. FORFEITURE OF FEE. If the board, for  
25 any reason provided for in this chapter, denies an applica-  
26 tion, 50 per cent of the application fee is forfeited. The  
27 board shall return the other 50 per cent to the applicant.

28           Sec. 08.26.190. FAILURE TO APPEAR AT EXAMINATION. If  
29 an applicant, after having been notified to do so, fails to

1 appear for examination within six months from the date of  
2 filing his application, his application fee is forfeited and  
3 the board shall void his application.

4 Sec. 08.26.200. REAPPLICATION. A person who reapplies  
5 for a license shall pay the application fee each time he  
6 applies.

7 Sec. 08.26.210. LICENSE RENEWAL. (a) A license issued  
8 under this chapter expires on January 31 of each year. An  
9 application for the renewal of a current license for any  
10 branch of any division of a branch, accompanied by the re-  
11 quired fee, and received by the board before February 1,  
12 authorizes a licensee to operate as a construction contractor  
13 until the actual issuance of a renewal for the ensuing year.

14 (b) The license of a licensee who fails to file an  
15 application for renewal and pay the fee before February 1 is  
16 suspended. It may be renewed only by paying a fee of one and  
17 one-half times the amount of the fee provided in this chapter  
18 for renewal of a license. Unless renewed, a license remains  
19 suspended for the remainder of the year. When a license has  
20 been suspended for nonpayment of the renewal fee for one year,  
21 an application for an original license shall be made as pro-  
22 vided in this chapter.

23 Sec. 08.26.220. CONTENT AND DISPLAY OF LICENSE. A  
24 license issued under this chapter, and each annual renewal of  
25 a license, shall be signed by the board or its designated  
26 representative, and by the licensee. A license is nontrans-  
27 ferrable. Satisfactory evidence of the possession of a  
28 license shall be exhibited by the licensee upon demand. The  
29 name, classification, and license number of a licensee shall

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be posted in a conspicuous place upon the premises where any work is being done by a licensee. The name and license number shall be included in all written bids submitted by a licensee.

Sec. C8.26.230. LICENSE FEES. (a) The fees prescribed by this chapter are

	APPLICATION FEE	ANNUAL RENEWAL FEE
(1) building contractor . . .	\$200	\$150
(2) highway and heavy contractor . . . . .	200	150
(3) residential or home builder . . . . .	150	100
(4) plumbing and heating and specialty subcontractors . . . . .	125	75

(b) A construction contractor licensee may hold more than one license classification. Applicants for additional classifications shall make application accompanied by the applicable application fee. Contingent on passing the written or oral examination, the board will issue the additional license classifications.

(c) Building contractors and highway and heavy contractors holding licenses in both classifications shall pay the required annual renewal fee in their original classification and a \$50 renewal fee for the additional classification.

(d) A licensed building contractor need not carry an additional license to perform work in the residential and home builder classification.

1 (e) A licensed residential and home builder and a  
2 licensed plumbing and heating and specialty subcontractor who  
3 applies for and obtains a building contractor or highway and  
4 heavy contractor classification shall pay the annual renewal  
5 fee of \$150 for the additional classification.

6 (f) A licensed plumbing and heating and specialty  
7 subcontractor who applies for and obtains a license on another  
8 specialty subcontracting classification shall pay the required  
9 annual renewal fee in his original classification and a \$50  
10 renewal fee for each additional subcontractor classification.

11 Sec. 08.26.240. LICENSE SUSPENSION AND REVOCATION. The  
12 board shall make every effort to verify all complaints sub-  
13 mitted in writing by individuals, companies, corporations, or  
14 public officials, and, upon its own motion, investigate the  
15 acts of any contractor in this state, and may temporarily  
16 suspend or permanently revoke a license which has been issued  
17 under this chapter if the licensee has

18 (1) abandoned, without good cause, a contract or  
19 construction project which has been awarded to him;

20 (2) diverted funds or property received for prose-  
21 cution or completion of a contract, or applied them or used  
22 them for any other contract, obligation, or purpose where the  
23 contractor does not have immediately available other funds or  
24 facilities to complete the original contract;

25 (3) fraudulently, deliberately, grossly, or negli-  
26 gently departed from or disregarded plans or specifications  
27 in any material respect without the consent of the owner or  
28 his duly authorized representative;

29 (4) been careless or negligent in providing minimum

1 safety measures, as required by state law, including  
2 appliances and equipment, to protect workmen and the public;  
3 or failed to observe any applicable municipal ordinance pre-  
4 scribing measures for the safety of workmen and the public;

5 (5) failed to make unemployment and social  
6 security payments or failed to provide workmen's compensa-  
7 tion insurance;

8 (6) failed to comply with all applicable state laws  
9 pertaining to employing laborers, mechanics and other employ-  
10 ees, failed to pay wages and other benefits when due for  
11 services rendered by employees, failed to furnish or provide  
12 transportation required by state law;

13 (7) misrepresented any material fact in obtaining  
14 a license;

15 (8) committed a wilful or fraudulent act, as a  
16 contractor, builder, or subcontractor, resulting in sub-  
17 stantial injury to another person;

18 (9) filed a voluntary or involuntary petition in  
19 bankruptcy;

20 (10) failed in any material respect to complete a  
21 construction project or operation for the price stated in the  
22 contract, or in any modification of the contract which is  
23 subsequently agreed upon;

24 (11) aided and abetted an unlicensed person,  
25 company, or corporation to evade the provisions of this  
26 chapter, or knowingly combined or conspired with an unli-  
27 censed person, firm, or corporation, or knowingly allowed his  
28 license to be used by an unlicensed person, firm, or corpora-  
29 tion, or acted as agent, partner, associate, or otherwise, of

1 an unlicensed person, firm, or corporation, with intent to  
2 evade the provisions of this chapter;

3 (12) himself, or through an agent or official,  
4 wilfully or deliberately failed to pay money when due for  
5 material or services rendered in connection with his opera-  
6 tions as a contractor, builder or subcontractor, when he has  
7 the capacity to pay or when he has received sufficient funds  
8 to pay as payment for the particular construction work, pro-  
9 ject, or operation for which the services or materials were  
10 rendered or purchased;

11 (13) failed to comply with the applicable building  
12 code requirements of the community where work is being per-  
13 formed.

14 Sec. 08.26.250. REINSTATEMENT OF SUSPENDED LICENSE. The  
15 board may, on its own motion, renew a license suspended under  
16 sec. 240 of this chapter, after the licensee proves compliance  
17 with provisions of the decision relating to renewal of a  
18 license, or in the absence of a decision or provisions in a  
19 decision as to renewal, upon proper showing that all loss  
20 caused by the act or omission for which the license was  
21 suspended has been fully satisfied.

22 Sec. 08.26.260. REINSTATEMENT OF REVOKED LICENSE. The  
23 board may not reinstate a revoked license for one year after  
24 final determination of revocation. After one year, the board  
25 may reinstate a revoked license on proper showing that all  
26 loss caused by the act or omission for which the license was  
27 revoked has been fully satisfied.

28 Sec. 08.26.270. BOND. The board, as a condition  
29 precedent to reinstating a revoked or suspended license, may

1 require the applicant for reinstatement to file or have on  
2 file with the board a cash deposit or a bond issued by a  
3 surety company in a sum to be fixed by the board based upon  
4 the magnitude of the operations of the applicant, and running  
5 to the state, conditioned upon the applicant's compliance  
6 with all the provisions of this chapter. When the cash de-  
7 posit or bond is required, every person injured by an unlaw-  
8 ful act or omission of the contractor may bring an action in  
9 a proper court on the bond or a claim against the cash de-  
10 posit for the amount of the damage suffered as a result of  
11 the injury, to the extent covered by the bond or the cash  
12 deposit. No retroactive claim will be recognized by the board  
13 for any prior damage against the new bond or cash deposit.

14 Sec. 08.26.280. PROHIBITION AGAINST RECOVERY OF MONEY  
15 DUE AN UNLICENSED CONTRACTOR. No contractor may act as agent  
16 or commence or maintain an action in any court of this state  
17 to collect compensation for performing an act for which a  
18 license is required by this chapter, without alleging and  
19 proving that he was at all times a duly licensed contractor  
20 during the performance of any act or contract.

21 ARTICLE 3. GENERAL PROVISIONS.

22 Sec. 08.26.300. EXEMPTIONS. This chapter does not  
23 apply to

24 (1) employees of the federal government, the state,  
25 an incorporated borough, or an incorporated city or other  
26 municipal or political subdivision of the state, when  
27 employees are performing work on the direct payrolls of any  
28 of the agencies;

29 (2) construction when performed by an owner or

1 lessee for the repair or operation which is incidental to  
2 the discovery or production of petroleum or gas well;

3 (3) normal maintenance work which is incidental  
4 to the operation of a public utility when the work is per-  
5 formed by employees on the direct payroll of a public  
6 utility;

7 (4) owners of property who build structures on  
8 their property, not intended for sale when the work is per-  
9 formed by the owner or his employees;

10 (5) the sale or installation of finished products,  
11 materials, or articles of merchandise which are not actually  
12 fabricated into and do not become a fixed part of the  
13 structure;

14 (6) construction, alteration, improvement, or  
15 repair carried on within the limits and boundaries of a  
16 federal site or reservation, when it is performed by employ-  
17 ees of the federal government;

18 (7) work or operation on one undertaking or pro-  
19 ject by one or more contracts, the aggregate contract price  
20 for which labor, materials, and all other items, is less than  
21 \$100, if the work or operation is of a casual, minor, or  
22 inconsequential nature; but this exemption does not apply to  
23 work or construction that is only a part of a larger or major  
24 operation, whether undertaken by the same or a different con-  
25 tractor, or in which a division of the operation is made in  
26 contracts of amounts less than \$100 for the purpose of evad-  
27 ing this chapter, or otherwise; nor does this exemption apply  
28 to a person who advertises or puts out a sign or card or  
29 other device which might indicate to the public that he is a

1 contractor or that he is qualified to engage in the business  
2 of contracting;

3 (8) farming, dairying, agriculture, horticulture,  
4 or stock or poultry raising, or the clearing or other work  
5 upon the land in a rural district for fire prevention pur-  
6 poses; except when performed by a licensee under this chapter;

7 (9) a licensed architect or a registered civil or  
8 professional engineer acting solely in his professional  
9 capacity;

10 (10) a person who only furnishes materials or  
11 supplies without fabricating them into, or consuming them in  
12 the performance of the work of the contractor;

13 (11) a person who engages in the activities regu-  
14 lated in this chapter as an employee with wages as his sole  
15 compensation;

16 (12) logging or mining operations or any work  
17 related to or done in connection with logging or mining.

18 Sec. 08.26.310. PRESUMPTION THAT OWNER INTENDED TO SELL.  
19 For the purpose of the exemption in sec. 300(4) of this  
20 chapter, an owner who sells or offers for sale a structure  
21 which he or his employees built, within one year after he  
22 completed the structure, is presumed to have built the  
23 structure for the purposes of sale.

24 Sec. 08.26.320. LIENS NOT AFFECTED. Nothing in this  
25 chapter affects an applicable lien law.

26 Sec. 08.26.330. FEDERAL LAW NOT AFFECTED. If any pro-  
27 vision or contradiction contained in this chapter conflicts  
28 with a provision of federal law, or a rule or regulation made  
29 under federal law pertaining to federal aid contracts, the

1 provision in conflict with the federal law, rule, or regula-  
2 tion does not apply on federal aid contracts to the extent  
3 the conflict exists, but all provisions of this chapter  
4 with which there is no conflict apply to federal aid con-  
5 tracts.

6 Sec. 08.26.340. PENALTY. A person who wilfully vio-  
7 lates a provision of this chapter, or who wilfully violates  
8 a valid regulation of the board is punishable by a fine of  
9 not more than \$300, or by imprisonment for not more than 60  
10 days, or by both.

11 Sec. 08.26.350. DEFINITIONS. (a) In this chapter

12 (1) "construction contractor"

13 (A) means an individual, a person, a firm, a  
14 partnership, a corporation, or a combination of any of  
15 them, who, for a price, fee, percentage, or other com-  
16 pensation, undertakes or offers to perform, or claims to  
17 have the capacity to undertake or perform, or submits a  
18 bid for, or who performs for others, a construction  
19 project to construct, build, alter, repair, add to, sub-  
20 tract from, improve, move, wreck, or demolish a building,  
21 highway, road, railroad, or any type of fixed structure  
22 including excavation and site development;

23 (B) includes the owner of property or build-  
24 ings held for the purpose of sale or commercial use any-  
25 where in the state;

26 (C) does not include a supplier of materials  
27 or service who is not directly involved in the installa-  
28 tion of the materials or services on a construction pro-  
29 ject;

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(D) does not mean an electrical contractor; but includes all other subcontractors and specialty contractors.

(b) The following general descriptions are to be used in classifying contractors.

(1) A general contractor is one engaged in construction by contract of all types of building structures, including modification, additions, or repairs of structures, designed and intended for commercial, industrial, institutional, private, or residential use for shelter, protection, comfort, or convenience of persons, animals, merchandise, chattels, vehicles, equipment, or other movable property. A general contractor must be familiar with uniform building codes and fully qualified to supervise all phases of his work.

(2) A highway and heavy construction general contractor is one who is engaged in construction by contract of any type of fixed works for public or private agencies, and includes one who does any work related to the construction of streets, roads, highways, bridges, tunnels, airports, runways, irrigation, drainage, flood control, dams, water power, sewerage systems, pipelines, inland waterways, harbors, railroads, and any other similar type of construction whether public works or private developments. He may be a specialist in one or more of these types of work, but should have a general knowledge of the other types.

(3) A residential builder is one whose specialty is construction of residential buildings and homes for occupancy as family dwellings. He may operate on a contract basis, but may also construct homes as a speculative business.

1 He shall be a specialist in this field. He may not, under  
2 this classification, construct or repair residential buildings  
3 of more than four family occupancy.

4 (4) A plumbing and heating contractor is one who  
5 performs work of a specialized nature in the installation,  
6 repair, and maintenance of plumbing, heating, piping, air  
7 conditioning and duct systems of all kinds in and connected  
8 with buildings and structures of all types and outside  
9 pressure piping systems. He must be well versed in the ap-  
10 plicable plumbing, piping, and heating codes.

11 (5) A specialty subcontractor is one who performs  
12 a specific type of work on construction projects and on  
13 renovation and remodeling work for both contractors and  
14 owners. The work he performs requires special skill and in-  
15 volves the employment of specialized craftsmen. Selection  
16 of the appointee for this classification should be made from  
17 any of the various groupings of subcontractors who perform  
18 work in the construction field, except for electrical con-  
19 tractors who are represented for licensing purposes under  
20 AS 08.40, and plumbing and heating contractors who are repre-  
21 sented under (b)(4) of this section.

22 Sec. 08.26.360. SHORT TITLE. This chapter may be cited  
23 as the Construction Contractors State License Act.

24 \* Sec. 2. The governor may appoint unlicensed contractors to  
25 the board until at least seven contractors are licensed.

26 \* Sec. 3. This Act takes effect on the day after its passage  
27 and approval or on the day it becomes law without such approval.  
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