

SB 21

STATE OF ALASKA  
1988 LEGISLATIVE SESSION

*Rec'd 1/20/88 H (Fed) 2/6 Forwarded*

BILL VERSION: HCSCSSB 21 (L&C)  
PUBLISH DATE: \_\_\_\_\_

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: "An act relating to construction contractors"  
Sponsor: Coghill  
Requestor: House Judiciary

Agency Affected: Labor  
BRU: Labor Standards and Safety  
Components: Wage & Hour Administration  
Mechanical Inspection

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

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\_\_\_\_\_

Prepared by: Tom Stuart, Director Phone: 465-4870  
Division: Labor Standards and Safety Date: 1/11/88

Approved by Commissioner: Jim Sampson Date: 1/11/88  
Agency: Labor

- Distribution (by preparer):  
Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

SENATE COMMITTEE REPORT

FURTHER:

DATE TURNED INTO OFFICE 2/24/87

Mr. President:

FINANCE Committee considered SB 21

Relating to construction contractors.

and recommended:

replace with FIN CS FOR SB 21 )  same title  
 or adopt \_\_\_\_\_ CS FOR \_\_\_\_\_ )  new title

attached amendment(s) and

do pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

letter of intent adopted \_\_\_\_\_

Committee  attached or  adopted fiscal note(s)  
 new  updated or  previous 2 added 1/21/87  
 zero  fiscal impact LAUREN 1/21/87

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

[Signature]  
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[Signature] DO PASS  
Chairman signature and recommendation

Committee Backup Attached

STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE

SENATE  
BILL VERSION: SB 21  
PUBLISH DATE: 2/2/87

REQUEST: \_\_\_\_\_

Revision Date: \_\_\_\_\_  
Title: "An Act relating to construction  
contractors."

Agency Affected: Labor  
BRU: Labor Standards and Safety

Sponsor: Coghill  
Requestor: Senate Labor and Commerce

Components: Wage & Hour Administration  
Mechanical Inspection

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: AS Tom Stuart, Director  
Division: Labor Standards and Safety

Phone: 465-4870  
Date: 1/27/87

Approved by Commissioner: AS Jim Sampson  
Agency: Labor

Date: 1/27/87

- Distribution (by preparer):
- Legislative Finance
  - Legislative Sponsor
  - Requestor
  - Office of Management and Budget
  - Impacted Agency(ies)
  - Senate Secretary

STATE OF ALASKA 1987 LEGISLATIVE SESSION,

FISCAL NOTE SENATE

BILL VERSION: SB 21

PUBLISH DATE: 2/2/87

REQUEST: \_\_\_\_\_

Revision Date: \_\_\_\_\_

Title: An Act relating to construction contractors.

Sponsor: Senator Coghill

Requestor: \_\_\_\_\_

Agency Affected: Commerce & Economic Dev.

BRU: Occupational Licensing

Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS : (Attach a separate page if necessary)

The bill makes various amendments to strengthen and clarify the construction contractor statutes, AS 08.18, however new funding is not required to implement the bill.

Prepared by: Jennifer Strickler, Management Analyst  
 Division: Occupational Licensing

Phone: 465-2144

Date: 1-22-87

Approved by Commissioner: J. Anthony Smith  
 Agency: Commerce and Economic Development

Date: 1/27/87

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

Original sponsor: Coghill

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 21 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to construction contractors."

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

8 \* Section 1. AS 08.18.011(b) is amended to read:

9 (b) A [GENERAL] contractor may not allow a person required to be  
10 registered under this chapter to work for the [GENERAL] contractor as  
11 a [SPECIALTY] contractor unless the person is registered under this  
12 chapter.

13 \* Sec. 2. AS 08.18.011 is amended by adding new subsections to read:

14 (c) A specialty contractor may not submit a bid or work as a  
15 contractor in an area of contracting specialty unless the specialty is  
16 listed on the contractor's certificate of registration.

17 (d) A person may not advertise as a contractor in the state  
18 without being registered under this section.

19 \* Sec. 3. AS 08.18.031 is amended by adding a new subsection to read:

20 (c) The commissioner shall list on the certificate of registra-  
21 tion issued to a specialty contractor each area of contracting spe-  
22 cialty that is covered by the certificate.

23 \* Sec. 4. AS 08.18.051(b) is amended to read:

24 (b) All advertising, contracts, correspondence, cards, signs,  
25 posters, papers and documents prepared by a contractor for the con-  
26 tracting business shall show the contractor's name, business mailing  
27 address or [, AND] address of the contractor's principal place of  
28 business in Alaska, and [. ADVERTISING AND CONTRACTS SHALL ALSO  
29 INCLUDE THE CONTRACTOR'S] registration number.

1 \* Sec. 5. This Act does not apply to contracts that are entered into  
2 before the effective date of this Act.  
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From The  
**SENATE**  
**FINANCE COMMITTEE**

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DATE: February 24, 1987

TO: Lynn

FROM: Vicki (4935)  
Cap Bldg, Rm 413

RE: SB 21

Please have a Finance Committee Substitute for SB 21 prepared incorporating the amendments as noted on the copy of the bill attached.

CS SB 21 (Fin) was reported out of SFC this morning and read across the floor at 11 am.

Please deliver CS SB 21 (Fin) to me asap.

THANX!

DATE: February 24, 1987

TO: Co-chairman Binkley  
Co-chairman Bennett  
Senate Finance Committee

Senator Coghill

FROM: Vicki, Secretary  
Senate Finance Committee

RE: CS for SB 21 (Finance)  
New Subsection C

I received a phone call from Terry Bannister, Legal Services, regarding the drafting of the Finance CS for SB 21.

She explained AS 08.18.051 relates to IDENTIFICATION, and there is already a subsection (c).

She feels the new subsection (c) should be (d) and placed after Section 2 of the bill under AS 08.18.011, which relates to REGISTRATION REQUIRED, and read as follows:

"(d) A person may not advertise in the state without being registered under this section."

The sections would be renumbered accordingly.

THE FINANCE COMMITTEE  
BY COGHILL

1 IN THE SENATE

2

CS FOR SENATE BILL NO. 21 (FINANCE)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to construction contractors."

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

8 \* Section 1. AS 08.18.011(b) is amended to read:

9 (b) A [GENERAL] contractor may not allow a person required to be  
10 registered under this chapter to work for the [GENERAL] contractor as  
11 a [SPECIALTY] contractor unless the person is registered under this  
12 chapter.

13 \* Sec. 2. AS 08.18.011 is amended by adding a new subsection to read:

14 (c) A specialty contractor may not submit a bid or work as a  
15 contractor in an area of contracting specialty unless the specialty is  
16 listed on the contractor's certificate of registration.

17 \* Sec. 3. AS 08.18.031 is amended by adding a new subsection to read:

18 (c) The commissioner shall list on the certificate of registra-  
19 tion issued to a specialty contractor each area of contracting  
20 specialty that is covered by the certificate.

21 \* Sec. 4. AS 08.18.051(b) is amended to read:

22 (b) All advertising, contracts, correspondence, cards, signs,  
23 posters, papers and documents prepared by a contractor for the con-  
24 tracting business shall show the contractor's name, business mailing  
25 address, <sup>OR</sup> [AND] address of the contractor's principal place of  
26 business, <sup>IN ALASKA</sup> and [ . ADVERTISING AND CONTRACTS SHALL ALSO INCLUDE THE  
27 CONTRACTOR'S] registration number.

28 \* Sec. 5. <sup>(c)</sup> This Act does not apply to contracts that are entered into  
29 before the effective date of this Act.

Add New  
SUBSECTION (c)

SB0021A

(c) It is unlawful to advertise as a contractor in Alaska without a contractor's license, as per this chapter.

SB 21: An Act relating to construction contractors.

SB 21, An Act relating to construction contractors proposes to amend AS 08.18, the construction contractor registration act by making prohibitions within the statutes apply to all construction contractors regardless of type. The bill clarifies the limits placed on the conditions under which a specialty contractor may bid or work.


The current statute prohibits a general contractor from contracting with a specialty contractor if the specialty contractor is unlicensed. However, the statutes do not address requirements for a specialty contractor who contracts with a general contractor or with another specialty contractor. This bill will amend the statute so that all contractors are treated fairly. Revision of the requirements under which a specialty contractor may bid or work will discourage use of the specialty license to avoid compliance with general contractor licensing requirements.

The bill also requires contractors to show a business mailing address on all advertising, contracts, correspondence, cards, signs, posters, papers and documents prepared for the contracting business.

The bill will affect approximately 8,000 currently registered construction contractors. Ch 83, SLA 1985 requires contractors to indicate their contractor's name, mailing address, principal place of business and registration number on all business documents. The department would like to see the wording changed on page 1, lines 24 - 26 to "business mailing address or address of the contractor's principal place of business in Alaska, . . . ."

The Department of Commerce and Economic Development, Division of Occupational Licensing, supports this legislation because it clarifies the contractor statutes and strengthens provisions concerning specialty contractors.

*Bennett moved  
Boydella recommended  
No CD  
ADOPTED  
2/24/87*

  
J. Anthony Smith, Commissioner  
Department of Commerce and Economic  
Development

Date: 1/30/87

Bill No. Senate Bill 21  
Title "An Act relating to construction  
contractors."

Date January 29, 1987  
Contact: Eileen Plate  
465-2700  
Tom Stuart, Jr.  
465-4870

Senate Bill 21 seeks to strengthen and clarify the contractor licensing law which is enforced by the Department of Labor and the Department of Commerce.


Specifically, Senate Bill 21:

1. Extends the prohibition against contracting with unlicensed persons to speciality contractors. Under present law, only a general contractor is prohibited from contracting with an unlicensed person.
2. Provides that a specialty contractor may work only in those areas of contracting for which he/she is specifically licensed, as evidenced by the specialities listed on the certificate of registration.
3. Requires that the Department of Commerce list on the certificate of registration issued to a specialty contractor each specialty area of contracting that is covered by the certificate; and
4. Clarifies the information that is required on a contractor's business documents and advertising.

Each of these amendments to the contractor licensing law has merit. However, of particular significance is the amendment to AS 08.18.011(b) which makes it unlawful for all contractors to contract with unlicensed persons. Presently only a general contractor is subject to remedial action for contracting with an unlicensed person. It will therefore preclude the use of the speciality contractor licensing classification as a means of circumventing the law. The amendment will also render the contracting licensing law more equitable, with both general and specialty contractors sharing the responsibility for assuring that the persons who contract with them are properly licensed.

The Department of Labor supports Senate Bill 21. It will not have a fiscal impact on the Department.

APPROVED:

  
for Jim Sampson, Commissioner  
Department of Labor

**POSITION PAPER/Department of Labor**

SB 21

Senator John B. (Jack) Coghill  
Alaska State Legislature



Box V  
Juneau, Alaska 99811  
(907) 465-4797

Box 55028  
North Pole, Alaska 99705  
(907) 488-0862

TO: SENATE FINANCE COMMITTEE  
FROM: SENATOR JACK COGHILL  
DATE: FEBRUARY 24, 1987  
RE: SB 21 "An Act relating to construction contractors"

The crux of this legislation would be the amendment of Section 1(b) of AS 08.18.011. The results would be as follows:

- 1) This law would make specialty and subcontractors work under some of the same rules as general contractors by providing a buffer between general contractors and unscrupulous subcontractors who often further sub-out work to those who are unregistered and/or non-resident illegal subcontractors. As the law now stands, general contractors are liable for the illegal actions of their subcontractors. This change would make the subcontractor liable if he hires unregistered additional subcontractors.
- 2) This change would also benefit legitimate or so-called "righteous" specialty subcontractors by removing unlicensed competitors who are now able to low-ball bids because of reduced overhead.

In general, this bill would enhance the prospects of local hire by strengthening the positions of in-state, legitimate subcontractors.

The additions of Section 2(c) and Section 3(c) would clarify which areas a specialty contractor may bid and work on by removing any vague or ambiguous language. The amendment to Section 4(b) would clear up the perceived ambiguity and consolidate the language of this section.

There is one additional amendment to SB21 we would like to make, which would amend AS 08.18.051 by adding a new subsection to read:

*Amendment  
Adopted  
2/24/87*

(c) It is unlawful to advertise as a contractor in Alaska without a contractor's license, as per this chapter.

Presently it is the practice of unregistered contractors to advertise in the phonebook and other places.

SB 21

Senator John B. (Jack) Coghill  
Alaska State Legislature

Pouch V  
Juneau, Alaska 99811  
(907) 465-4921

Box 55028  
North Pole, Alaska 99705  
(907) 488-0862



TO: SENATOR BINKLEY

FROM: SENATOR COGHILL

DATE: FEBRUARY 17, 1987

RE: SB 21

A handwritten signature in cursive script, likely belonging to Senator John B. Coghill.

I have been contacted by numerous contractors recently concerning SB21. The bill seems to be quite popular with them. There have been some suggestions by a number of the contractors to add the following to the bill:

"It is unlawful to advertise as a contractor in Alaska without a contractor's license, as per this chapter."

I think this is a good idea because it will strengthen the in-state local contractors even more by keeping the cheapo, out of state contractors out of the picture.

Please amend SB 21 to include the above sentence.

AMENDMENT ADOPTED BY SENATE LABOR & COMMERCE COMMITTEE TO SB 21

On page 1, line 25, following "address"; delete "," and add "or".

On page 1, line 26, following "business,"; add "in Alaska".

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 1-22-87 5-DAY NOTICE  
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER: FINANCE

\*\*FISCAL NOTE(S) ATTACHED X \*\*  
IN ACCORDANCE WITH AS 24.08.035  
(see below)

1/19/87

DATE TURNED INTO OFFICE 2-2-87

Mr. President:

LABOR & COMMERCE

Committee considered SB 21

relating to construction contractors.

and recommended:

replace with CS \_\_\_\_\_  same title  
 new title

attached amendment(s) and 4 do pass

do pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

letter of intent adopted and attached

\*\* Committee  attached or  adopted fiscal note(s)  
2  zero FN's ~~with~~ fiscal impact NO

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Duffie Sabrentkamp  
Tim Kelly  
[Signature]  
[Signature]  
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Tim Kelly

Chairman signature and recommendation

Committee Backup Attached